ARC RESOURCES LTD.

Q2

SECOND QUARTER REPORT

For the Three Months Ended June 30, 2026

2026

Proud Producer of Canadian Energy

Q2 2026

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 SECOND QUARTER 2026 RESULTS

NEWS RELEASE

Calgary, July 30, 2026 (ARX - TSX) ARC Resources Ltd. ("ARC" or the "Company") today reported its second quarter 2026 financial and operational results.

HIGHLIGHTS

Shell Acquisition

- On April 27, 2026, ARC announced that it entered into an arrangement agreement with Shell plc (“Shell”) and Shell Canada Limited (“Shell Canada”), a wholly owned subsidiary of Shell, which agreement was subsequently amended pursuant to an amending agreement dated June 6, 2026 (as amended, the "Arrangement Agreement"), whereby Shell agreed to acquire all of the issued and outstanding common shares of ARC ("ARC Shares") by way of a statutory plan of arrangement in a cash and share transaction valued at approximately $22 billion, including assumed net debt (the "Arrangement").

- On July 14, 2026, at ARC's special meeting (the "Meeting") of holders ("ARC Shareholders") of ARC Shares, ARC Shareholders voted overwhelmingly in favour of the Arrangement.

- Approvals continue to progress related to the proposed Arrangement, which is expected to close in the third quarter of 2026. To date, approvals under the *Competition Act*, the *Canada Transportation Act*, and the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* (United States) have been obtained, and the Alberta Securities Commission has also granted exemptive relief to Shell from applicable requirements in connection with Shell’s share buyback programs on the UK and Netherlands markets, each of which approvals and exemptive relief are conditions to the closing of the Arrangement.

- See ARC's press release titled "ARC Resources Announces Agreement to be Acquired by Shell” and the management information circular of ARC dated June 9, 2026 in respect to the Meeting for additional information with respect to the Arrangement.

Second Quarter Results

- ARC delivered second quarter 2026 average production of 390,465 boe(1) per day (61 per cent natural gas and 39 per cent crude oil and liquids(2)). Production increased nine per cent or 13 per cent on a per share(3) basis compared to the second quarter of 2025.

- ARC generated funds from operations of $816 million(4) ($1.44 per share(4)) and cash flow from operating activities of $872 million ($1.54 per share(4)). Free funds flow was $349 million(4) ($0.62 per share(4)), while net income was $353 million, or $0.62 per share.

    - ARC realized an average natural gas price of $2.52 per Mcf(4), which is 67 per cent or $1.01 greater than the average AECO 7A Monthly Index price.

- Capital expenditures totalled $467 million in the second quarter, with development activity focused mainly at Kakwa.

- ARC declared dividends of $119 million ($0.21 per share(4)).

- On June 30, 2026, ARC’s net debt(4) balance was $2.6 billion or 0.8 times funds from operations(4).

- The 2026 capital budget and production guidance remain unchanged. ARC plans to invest between $1.8 billion and $1.9 billion(5), with full-year production expected to average between

405,000 and 420,000 boe per day (61 per cent natural gas and 39 per cent crude oil and liquids).

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 six months ended June 30, 2026, are available on ARC's website at www.arcresources.com and under ARC's SEDAR+ profile at www.sedarplus.ca. The disclosure under the section entitled "Non-GAAP and Other Financial Measures" in ARC's MD&A as at and for the three and six months June 30, 2026 (the "Q2 2026 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 June 30.

(4) This is a specified financial measure. See *"Non-GAAP and Other Financial Measures"* of this news release and in the Q2 2026 MD&A for additional disclosure, which is incorporated by reference.

(5) Refer to the section entitled *"About ARC Resources Ltd."* contained within the Q2 2026 MD&A for historical capital expenditures, which information is incorporated by reference into this news release.

FINANCIAL AND OPERATIONAL RESULTS

(Cdn$ millions, except per share amounts[1], boe amounts, and common shares outstanding)	Three Months Ended			Six Months Ended	
	March 31, 2026	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
FINANCIAL RESULTS					
Net income	584.3	**352.7**	396.1	**937.0**	800.8
Per share	1.03	**0.62**	0.68	**1.65**	1.36
Cash flow from operating activities	1,050.8	**872.0**	699.1	**1,922.8**	1,712.1
Per share	1.85	**1.54**	1.19	**3.39**	2.91
Funds from operations	967.4	**816.3**	682.1	**1,783.7**	1,539.1
Per share	1.70	**1.44**	1.17	**3.14**	2.62
Free funds flow	459.3	**348.9**	185.8	**808.2**	585.7
Per share	0.81	**0.62**	0.32	**1.42**	1.00
Dividends declared	118.9	**119.0**	110.9	**237.9**	222.2
Per share	0.21	**0.21**	0.19	**0.42**	0.38
Cash flow used in investing activities	632.3	**407.1**	471.2	**1,039.4**	900.5
Capital expenditures[2]	508.1	**467.4**	496.3	**975.5**	953.4
Long-term debt	2,744.7	**2,488.2**	1,990.8	**2,488.2**	1,990.8
Net debt	2,863.2	**2,633.8**	1,289.2	**2,633.8**	1,289.2
Common shares outstanding, weighted average diluted (millions)	569.4	**566.4**	585.0	**567.9**	587.4
Common shares outstanding, end of period (millions)	565.5	**565.9**	582.5	**565.9**	582.5
OPERATIONAL RESULTS					
Production					
Crude oil and condensate (bbl/day)	110,954	**108,546**	100,399	**109,743**	97,384
Natural gas (MMcf/day)	1,533	**1,426**	1,307	**1,479**	1,359
NGLs (bbl/day)	52,083	**44,338**	38,999	**48,189**	40,899
Total (boe/day)	418,522	**390,465**	357,228	**404,416**	364,705
Average realized price					
Crude oil ($/bbl)[3]	91.66	**130.03**	82.56	**111.50**	85.00
Condensate ($/bbl)[3]	95.17	**127.56**	85.35	**111.23**	92.09
Natural gas ($/Mcf)[3]	4.51	**2.52**	3.19	**3.55**	3.71
NGLs ($/bbl)[3]	18.96	**25.31**	20.39	**21.90**	26.42
Average realized price ($/boe)[3]	44.05	**47.59**	37.81	**45.77**	41.20
Netback per boe					
Commodity sales from production ($/boe)[3]	44.05	**47.59**	37.81	**45.77**	41.20
Royalties ($/boe)[3]	(4.34)	**(6.68)**	(3.71)	**(5.48)**	(4.29)
Operating expense ($/boe)[3]	(5.57)	**(6.98)**	(5.17)	**(6.25)**	(5.01)
Transportation expense ($/boe)[3]	(5.00)	**(4.97)**	(5.36)	**(4.99)**	(5.46)
Netback per boe ($/boe)[3]	29.14	**28.96**	23.57	**29.05**	26.44
TRADING STATISTICS[4]					
High price	29.84	**32.59**	31.56	**32.59**	31.56
Low price	21.14	**24.37**	22.63	**21.14**	22.63
Close price	28.95	**29.80**	28.71	**29.80**	28.71
Average daily volume (thousands of shares)	8,044	**12,941**	3,559	**10,512**	3,616

(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 Q2 2026 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 Q2 2026 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.

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. ARC's 2026 annual guidance and a review of 2026 year-to-date results are outlined below:

	2026 Guidance	2026 YTD Actual	% Variance from 2026 Guidance
Production			
Crude oil and condensate (bbl/day)	105,000 - 115,000	**109,743**	—
Natural gas (MMcf/day)	1,500 - 1,520	**1,479**	(1)
NGLs (bbl/day)	48,000 - 52,000	**48,189**	—
Total (boe/day)	405,000 - 420,000	**404,416**	—
Expenses ($/boe)(1)			
Operating	5.40 - 5.90	**6.25**	6
Transportation	5.25 - 5.75	**4.99**	(5)
General and administrative ("G&A") expense before share-based compensation expense	1.00 - 1.10	**1.22**	11
G&A - share-based compensation expense	0.25 - 0.35	**1.14**	226
Interest and financing(2)	1.10 - 1.20	**1.14**	—
Current income tax expense as a per cent of funds from operations(1)	5 - 10	**10**	—
Capital expenditures ($ billions)	1.8 - 1.9	**1.0**	n/a

(1) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q2 2026 MD&A for additional disclosure, which information is incorporated by reference.
(2) Excludes accretion expense.

FINANCIAL AND OPERATIONAL RESULTS

Production

- ARC's production averaged 390,465 boe per day during the second quarter of 2026 (61 per cent natural gas and 39 per cent crude oil and liquids), an increase of nine per cent year-over-year, and 13 per cent on a per share basis.
- ARC successfully completed planned turnaround activity across the asset base during the second quarter, on schedule and within budget.

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

- ARC generated $816 million ($1.44 per share) of funds from operations in the second quarter of 2026. This represents an increase of $134 million ($0.27 per share) compared to the same quarter of the prior year. Cash flow from operating activities was $872 million ($1.54 per share).
- ARC generated free funds flow of $349 million ($0.62 per share) during the second quarter of 2026, a 94 per cent increase on a per share basis compared to the second quarter of 2025.

The following table details the change in funds from operations for the second quarter of 2026 relative to the first quarter of 2026.

Funds from Operations Reconciliation	$ millions	$/share[(1)]
Funds from operations for the three months ended March 31, 2026	**967.4**	**1.70**
Production volumes		
Crude oil and liquids	**(22.9)**	**(0.04)**
Natural gas	**(37.2)**	**(0.07)**
Commodity prices		
Crude oil and liquids	**350.1**	**0.62**
Natural gas	**(257.9)**	**(0.45)**
Sales of third-party purchases	**262.9**	**0.46**
Interest and other income	**(0.9)**	**—**
Realized gain on risk management contracts	**(1.6)**	**—**
Royalties	**(74.2)**	**(0.13)**
Expenses		
Operating	**(38.2)**	**(0.07)**
Transportation	**11.7**	**0.02**
Third-party purchases	**(276.2)**	**(0.49)**
G&A	**(69.8)**	**(0.12)**
Interest and financing	**1.2**	**—**
Realized gain on foreign exchange	**5.6**	**0.01**
Current income tax	**(5.0)**	**(0.01)**
Other	**1.3**	**—**
Weighted average shares, diluted	**—**	**0.01**
Funds from operations for the three months ended June 30, 2026	**816.3**	**1.44**

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

The following table details the change in funds from operations for the second quarter of 2026 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	**73.4**	**0.13**
Natural gas	**34.6**	**0.06**
Commodity prices		
Crude oil and liquids	**440.9**	**0.75**
Natural gas	**(86.9)**	**(0.15)**
Sales of third-party purchases	**413.1**	**0.71**
Interest and other income	**(1.2)**	**—**
Realized gain on risk management contracts	**(43.1)**	**(0.07)**
Royalties	**(116.8)**	**(0.20)**
Expenses		
Operating	**(79.9)**	**(0.14)**
Transportation	**(2.5)**	**—**
Third-party purchases	**(392.7)**	**(0.67)**
G&A	**(74.6)**	**(0.13)**
Interest and financing	**(17.0)**	**(0.03)**
Realized gain on foreign exchange	**14.8**	**0.02**
Current income tax	**(30.0)**	**(0.05)**
Other	**2.1**	**—**
Weighted average shares, diluted	**—**	**0.04**
Funds from operations for the three months ended June 30, 2026	**816.3**	**1.44**

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

Operating, Transportation, and General and Administrative Expense

Operating Expense

- ARC's second quarter 2026 operating expense of $6.98 per boe was 25 per cent higher than the first quarter of 2026. The increase on a per boe basis compared to the first quarter was driven by planned turnaround activity across the asset base.

Transportation Expense

- ARC's second quarter 2026 transportation expense per boe of $4.97 decreased by $0.39 per boe compared to the same period in the prior year.

General and Administrative Expense

- ARC's second quarter 2026 general and administrative expense per boe of $3.41 per boe increased by $1.98 per boe year-over-year due to one-time costs related to the Arrangement.

Capital Expenditures and Cash Flow Used in Investing Activities

- Cash flow used in investing activities was $407 million during the second quarter of 2026. ARC invested $467 million into capital expenditures to drill 34 wells and complete 39 wells, primarily at Kakwa and Greater Dawson.
- During the six months ended June 30, 2026, cash flow from investing activities was $1.0 billion and capital expenditures were $976 million.

The following table details ARC's first six months of 2026 drilling and completions activities by area.

	Six months ended June 30, 2026	
Area	**Wells Drilled**	**Wells Completed**
Kakwa	**47**	**51**
Greater Dawson	**7**	**16**
Sunrise	**13**	**5**
Attachie	**3**	**4**
Ante Creek	**—**	**6**
Total	**70**	**82**

Physical Natural Gas Marketing

- ARC's infrastructure ownership and committed takeaway capacity to Eastern Canadian and U.S. markets played a critical role in capturing higher realized natural gas prices relative to local benchmarks.
- In the second quarter, ARC's average realized natural gas price was $2.52 per Mcf, which was $1.01 per Mcf greater than the average AECO 7A Monthly Index price.

Net Debt

- As at June 30, 2026, ARC's long-term debt balance was $2.5 billion, and its net debt balance was $2.6 billion, or 0.8 times funds from operations.
- 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 $353 million ($0.62 per share) during the second quarter of 2026, a nine per cent decrease per share compared to the same quarter in the prior year.

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** March 31, 2026	**June 30, 2026**	June 30, 2025	**Six Months Ended** **June 30, 2026**	June 30, 2025
Cash flow used in investing activities	632.3	**407.1**	471.2	**1,039.4**	900.5
Business combinations[1]	(164.1)	**12.2**	—	**(151.9)**	—
Acquisition of assets	—	**(0.3)**	(0.8)	**(0.3)**	(4.8)
Disposal of assets	—	**—**	4.0	**—**	4.0
Long-term investments	(1.1)	**0.2**	(0.9)	**(0.9)**	(1.2)
Change in non-cash investing working capital	31.3	**38.5**	14.7	**69.8**	38.3
Capitalized right-of-use asset depreciation	9.7	**9.7**	8.1	**19.4**	16.6
Capital expenditures	508.1	**467.4**	496.3	**975.5**	953.4

(1) Refer to Note 5 "Business Combinations" in the financial statements.

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** March 31, 2026	**June 30, 2026**	June 30, 2025	**Six Months Ended** **June 30, 2026**	June 30, 2025
Cash flow from operating activities	1,050.8	**872.0**	699.1	**1,922.8**	1,712.1
Net change in other liabilities	22.1	**1.8**	7.7	**23.9**	55.1
Change in non-cash operating working capital	(105.5)	**(57.5)**	(24.7)	**(163.0)**	(228.1)
Funds from operations	967.4	**816.3**	682.1	**1,783.7**	1,539.1
Capital expenditures	(508.1)	**(467.4)**	(496.3)	**(975.5)**	(953.4)
Free funds flow	459.3	**348.9**	185.8	**808.2**	585.7

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 11 "Capital Management" in the financial statements and "Non-GAAP and Other Financial Measures" in the Q2 2026 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: the anticipated value and closing date of the Arrangement; ARC's 2026 guidance including, among others, planned capital expenditures, anticipated average annual production in 2026 and the components thereof, 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 expense as a per cent of funds from operations; ARC's commitment to maintaining its strong financial position; and other similar statements. Further, statements relating to reserves and resources are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. In addition, forward-looking information may include statements attributable to third-party industry sources. There can be no assurance that the plans, intentions, or expectations upon which these forward-looking statements are based will occur.

Readers are cautioned not to place undue reliance on forward-looking information as ARC's actual results may differ materially from those expressed or implied. ARC undertakes no obligation to update or revise any forward-looking information except as required by law. Developing forward-looking information involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to ARC and others that apply to the industry generally. The material assumptions on which the forward-looking information in this news release are based, and the material risks and uncertainties underlying such forward-looking information, include: the satisfaction of the conditions the Arrangement is subject to; Shell's ability to finance the Arrangement; regulatory and government approvals for the Arrangement; the risk that the Arrangement may be varied, accelerated or terminated in certain circumstances; risks relating to the outcome of the Arrangement; the risk that the conditions to the Arrangement may not be satisfied, or to the extent permitted, waived, including the risk that remaining required regulatory approvals may not be received in a timely manner or at all; the ability to shift capital allocation among ARC's assets; forward pricing assumptions; risks and assumptions related to potential natural gas curtailments due to low natural gas prices; 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 (including risks with respect to water production and disposal); 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; risks related to potential or ongoing litigation; lack of adequate insurance coverage; inaccurate estimation of ARC's reserve volumes; risks related to derivative risk management contracts; 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 close, integrate and realize the anticipated benefits of completed, contemplated, 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; the impacts of the ongoing Middle-East conflicts, Russia-Ukraine war and geopolitical developments in Venezuela (and any associated sanctions) on the global economy and commodity prices; forecast commodity prices and other pricing assumptions with respect to ARC's 2026 capital expenditure budget; that the previously announced LNG agreements will commence on the timelines anticipated and maintain volumes and pricing as expected; 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; 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 of directors (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 the Q2 2026 MD&A.

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 2026 capital budget, which is subject to change in light of ongoing results, prevailing economic conditions, commodity prices, and industry conditions and regulations. The financial outlook and other related forward-looking statements are also subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Any financial outlook and forward-looking information implied by such forward-looking statements are described in the Q2 2026 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 is expressly qualified in their entirety by this cautionary statement. The forward-looking information included in this news release is 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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Toll Free: 1-888-272-4900
ARC Resources Ltd.
Suite 1500, 308 - 4 Avenue SW
Calgary, AB T2P 0H7

Q2 2026

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, significant trends, and external factors that may affect future performance. It is dated July 30, 2026, and should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "financial statements") as at and for the three and six months ended June 30, 2026, and the MD&A and audited consolidated financial statements for the year ended December 31, 2025, as well as ARC's 2025 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.

ARRANGEMENT AGREEMENT

On April 27, 2026, ARC announced that it entered into a definitive arrangement agreement with Shell plc ("Shell") and Shell Canada Limited, a wholly owned subsidiary of Shell, which agreement was subsequently amended pursuant to an amending agreement dated June 6, 2026 (as amended, the "Arrangement Agreement"), whereby Shell agreed to acquire all of the issued and outstanding common shares of ARC by way of a statutory plan of arrangement in a cash and share transaction valued at approximately $22.0 billion, including assumed net debt (the "Arrangement"). Refer to the news release entitled "*ARC Resources Ltd. Announces Agreement To Be Acquired By Shell PLC*" dated April 27, 2026, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

On July 14, 2026, the shareholders of ARC approved the Arrangement and ARC subsequently obtained a final order from the Court of King's Bench of Alberta approving the Arrangement. Closing of the Arrangement remains subject to the receipt of the remaining regulatory approval and other customary closing conditions and is expected to occur in the second half of 2026.

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 years 2022 through 2025 and the six months ended June 30, 2026 are shown in Table 1:

Table 1

($ millions, except per share amounts, or unless otherwise noted)	**2026 YTD**	2025	2024	2023	2022
Production (1)					
Crude oil and condensate (bbl/d)	**109,743**	106,984	87,266	83,880	86,393
Natural gas (MMcf/d)	**1,479**	1,324	1,307	1,322	1,259
NGLs (bbl/d)	**48,189**	46,625	42,787	47,760	49,385
Total production (boe/d)	**404,416**	374,336	347,908	351,954	345,613
Average daily production per thousand shares (2)	**0.71**	0.64	0.58	0.58	0.52
Net income	**937.0**	1,275.1	1,124.1	1,596.5	2,302.3
Net income per share	**1.65**	2.19	1.88	2.61	3.47
Cash flow from operating activities	**1,922.8**	3,093.5	2,348.6	2,394.3	3,833.3
Cash flow from operating activities per share (3)	**3.39**	5.31	3.94	3.92	5.78
Funds from operations (4)	**1,783.7**	3,192.4	2,472.5	2,639.6	3,712.5
Funds from operations per share (3)	**3.14**	5.48	4.15	4.32	5.60
Free funds flow (5)	**808.2**	1,283.7	627.0	789.8	2,270.6
Free funds flow per share (6)	**1.42**	2.20	1.05	1.29	3.42
Cash flow used in investing activities	**1,039.4**	3,536.0	1,906.2	1,690.7	1,413.2
Capital expenditures (7)	**975.5**	1,908.7	1,845.5	1,849.8	1,441.9
Long-term debt (8)	**2,488.2**	2,878.1	1,387.4	1,148.9	990.0
Net debt (4)	**2,633.8**	2,866.1	1,335.6	1,317.1	1,301.5
Net debt to funds from operations (ratio) (4)	**0.8**	0.9	0.5	0.5	0.4
Return on average capital employed ("ROACE") (%) (9)	**18**	16	16	23	35
Proved plus probable reserves (MMboe) (10)(11)	**n/a**	2,277.5	2,098.2	1,994.3	1,828.6
Proved plus probable reserves per share (boe) (10)(11)	**n/a**	3.9	3.5	3.3	2.8

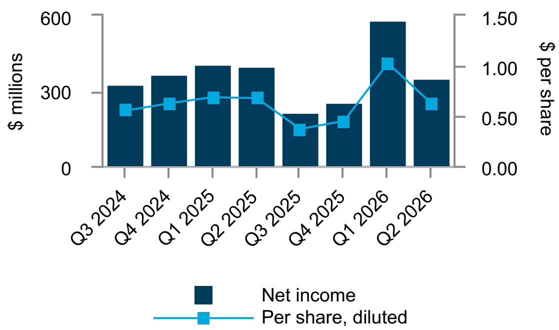
(1) Reported production amount is based on the Company's interest before royalty burdens.
(2) Represents average daily production divided by the diluted weighted average common shares outstanding for the six months ended June 30, 2026, and for the respective years ended December 31, 2025, 2024, 2023, and 2022.
(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 11 "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 9 "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 reserves evaluator with an effective date of December 31 for the years shown in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook.
(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 2025 Results and Reserves*" dated February 5, 2026, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

QUARTERLY RESULTS (1)

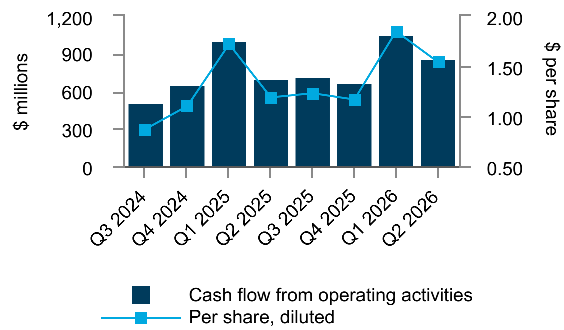
Trends in net income, cash flow from operating activities, and funds from operations are primarily associated with fluctuations in commodity sales from production which reflect changes in production levels and commodity prices. Net income is also impacted by changes in the value of risk management contracts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

Exhibit 1

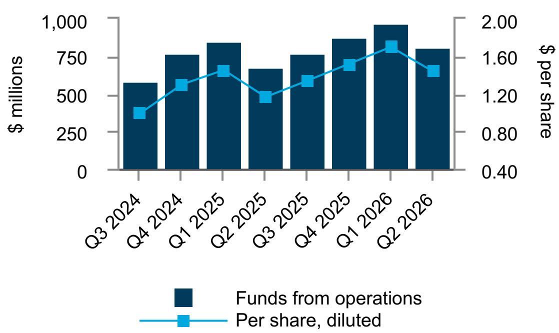
Net Income



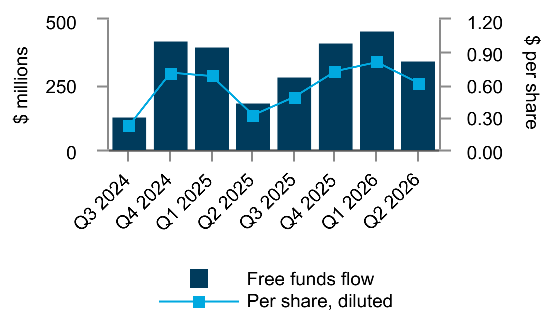
Cash Flow from Operating Activities



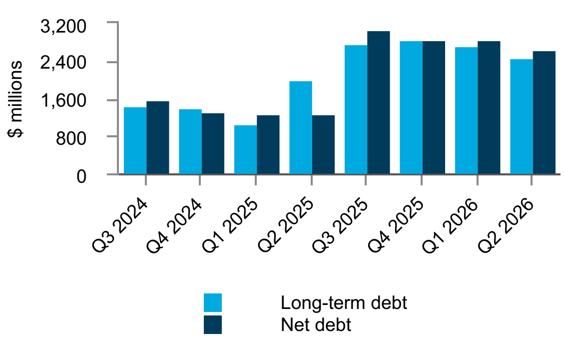
Funds from Operations



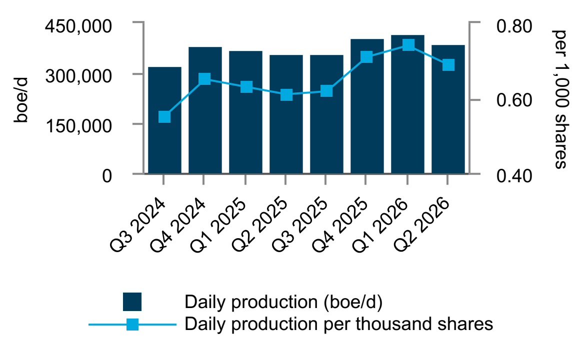
Free Funds Flow



Long-term Debt and Net Debt



Average Daily Production



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

ANNUAL GUIDANCE

ARC's 2026 annual guidance and a review of 2026 year-to-date results are outlined in Table 2:

Table 2

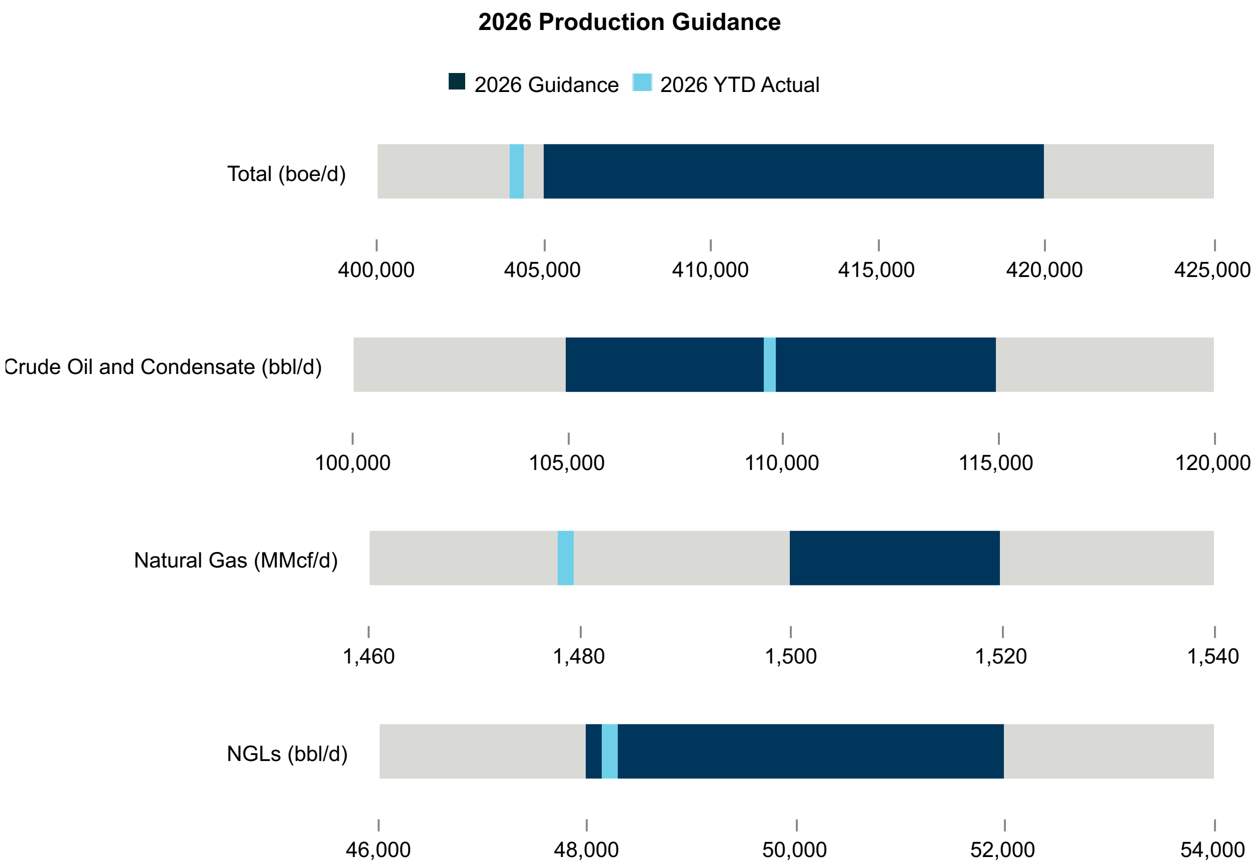
	2026 Guidance	2026 YTD Actual	% Variance from 2026 Guidance
Production			
Crude oil and condensate (bbl/d)	105,000 - 115,000	**109,743**	—
Natural gas (MMcf/d)	1,500 - 1,520	**1,479**	(1)
NGLs (bbl/d)	48,000 - 52,000	**48,189**	—
Total (boe/d)	405,000 - 420,000	**404,416**	—
Expenses ($/boe) (1)			
Operating	5.40 - 5.90	**6.25**	6
Transportation	5.25 - 5.75	**4.99**	(5)
General and administrative ("G&A") expense before share-based compensation expense	1.00 - 1.10	**1.22**	11
G&A - share-based compensation expense	0.25 - 0.35	**1.14**	226
Interest and financing (2)	1.10 - 1.20	**1.14**	—
Current income tax expense, as a per cent of funds from operations (1)	5 - 10	**10**	—
Capital expenditures ($ billions) (3)	1.8 - 1.9	**1.0**	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 accretion expense.
(3) Refer to the section entitled "About ARC Resources Ltd." contained within this MD&A for historical capital expenditures.

At June 30, 2026, both operating and transportation expense differed from their respective guidance ranges as a result of changes to operational conditions. For more information, refer to the sections entitled "Operating" and "Transportation" contained within this MD&A.

At June 30, 2026, both G&A expense before share-based compensation and G&A - share-based compensation expense exceeded their respective guidance ranges as a result of the Arrangement. For more information, refer to the sections entitled "G&A" and "Share-based Compensation Plans" contained within this MD&A.

Exhibit 2



2026 Production Guidance
2026 Guidance
2026 YTD Actual
Total (boe/d)
400,000
405,000
410,000
415,000
420,000
425,000
Crude Oil and Condensate (bbl/d)
100,000
105,000
110,000
115,000
120,000
Natural Gas (MMcf/d)
1,460
1,480
1,500
1,520
1,540
NGLs (bbl/d)
46,000
48,000
50,000
52,000
54,000

Exhibit 2a

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

2026 SECOND QUARTER FINANCIAL AND OPERATIONAL RESULTS

Financial Highlights

Table 3

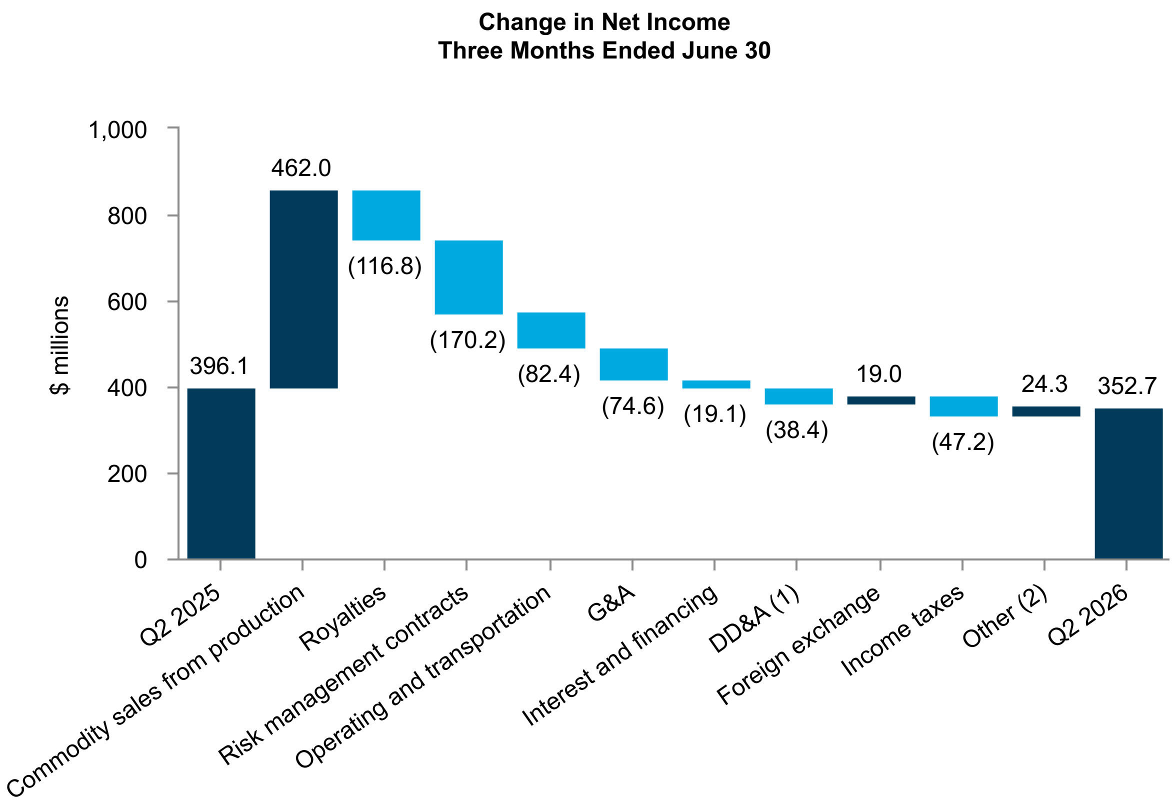
($ millions, except per share and production data)	Three Months Ended March 31, 2026	Three Months Ended **June 30, 2026**	Three Months Ended June 30, 2025	% Change	Six Months Ended **June 30, 2026**	Six Months Ended June 30, 2025	% Change
Net income	584.3	**352.7**	396.1	(11)	**937.0**	800.8	17
Net income per share	1.03	**0.62**	0.68	(9)	**1.65**	1.36	21
Cash flow from operating activities	1,050.8	**872.0**	699.1	25	**1,922.8**	1,712.1	12
Cash flow from operating activities per share	1.85	**1.54**	1.19	29	**3.39**	2.91	16
Funds from operations	967.4	**816.3**	682.1	20	**1,783.7**	1,539.1	16
Funds from operations per share	1.70	**1.44**	1.17	23	**3.14**	2.62	20
Free funds flow	459.3	**348.9**	185.8	88	**808.2**	585.7	38
Free funds flow per share	0.81	**0.62**	0.32	94	**1.42**	1.00	42
Dividends declared per share [(1)]	0.21	**0.21**	0.19	11	**0.42**	0.38	11
Average daily production (boe/d)	418,522	**390,465**	357,228	9	**404,416**	364,705	11

(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 second quarter of 2026, ARC recognized net income of $352.7 million ($0.62 per share), a decrease of $43.4 million from ARC's second quarter 2025 net income of $396.1 million ($0.68 per share). The decrease in net income is primarily attributed to a loss on risk management contracts of $23.5 million, as compared to a gain of $146.7 million in the same period of the prior year, and increases in royalties of $116.8 million, operating and transportation of $82.4 million, and G&A of $74.6 million. This was partially offset by an increase in commodity sales from production of $462.0 million, primarily driven by a higher average realized commodity price and an increase in production volumes.

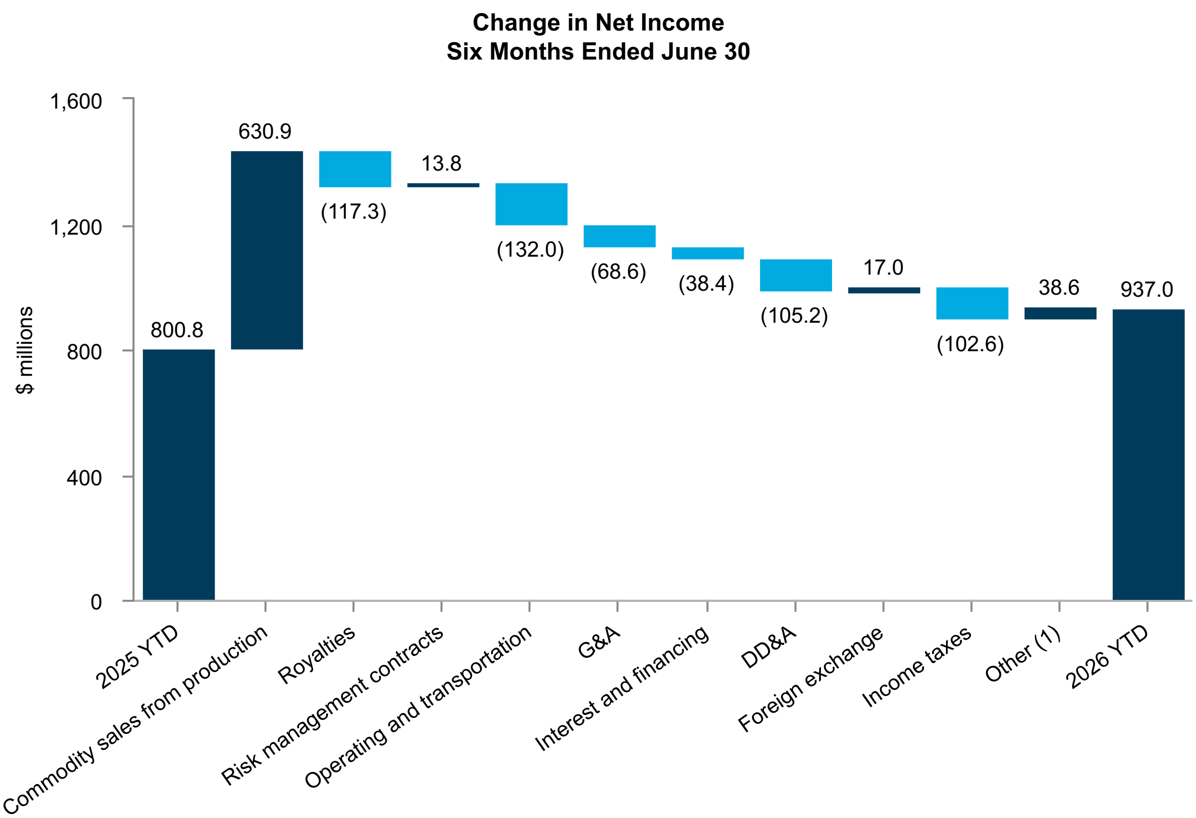
Exhibit 3



(1) Depletion, depreciation and amortization ("DD&A").
(2) Includes sales of third-party purchases, interest and other income, third-party purchases, impairment (reversal of impairment) of financial assets, and gain on disposal of crude oil and natural gas assets.

For the six months ended June 30, 2026, ARC recognized net income of $937.0 million ($1.65 per share) compared to $800.8 million ($1.36 per share) for the prior year. The $136.2 million increase in net income is primarily attributed to an increase in commodity sales from production of $630.9 million, driven by an increase in production volumes and a higher average realized commodity price. This was partially offset by increases in operating and transportation of $132.0 million, royalties of $117.3 million, DD&A of $105.2 million, and income taxes of $102.6 million.

Exhibit 3a



(1) Includes sales of third-party purchases, interest and other income, third-party purchases, impairment (reversal of impairment) of financial assets, and gain on disposal of crude oil and natural gas assets.

Cash Flow from Operating Activities and Funds from Operations

Cash flow from operating activities for the three months ended June 30, 2026, was $872.0 million, an increase of $172.9 million from ARC's second quarter 2025 cash flow from operating activities of $699.1 million. For the six months ended June 30, 2026, cash flow from operating activities increased to $1.9 billion from $1.7 billion for the same period in 2025. The increase in cash flow from operating activities for the three and six months ended June 30, 2026, 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 asset retirement obligation ("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 11 "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

	Three Months Ended			Six Months Ended	
($ millions)	March 31, 2026	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Net income	584.3	**352.7**	396.1	**937.0**	800.8
Adjusted for the following non-cash items:					
Unrealized loss (gain) on risk management contracts	(130.8)	**40.3**	(86.8)	**(90.5)**	(2.0)
DD&A	416.1	**387.4**	349.0	**803.5**	698.3
Unrealized loss (gain) on foreign exchange	1.3	**(1.9)**	2.3	**(0.6)**	3.0
Gain on disposal of assets	—	**—**	(4.0)	**—**	(4.0)
Deferred taxes	88.3	**41.4**	24.2	**129.7**	37.1
Other	8.2	**(3.6)**	1.3	**4.6**	5.9
Funds from operations	967.4	**816.3**	682.1	**1,783.7**	1,539.1
Net change in other liabilities	(22.1)	**(1.8)**	(7.7)	**(23.9)**	(55.1)
Change in non-cash operating working capital	105.5	**57.5**	24.7	**163.0**	228.1
Cash flow from operating activities	1,050.8	**872.0**	699.1	**1,922.8**	1,712.1

Details of the change in funds from operations from the three and six months ended June 30, 2025 to the three and six months ended June 30, 2026 are included in Table 5 below:

Table 5

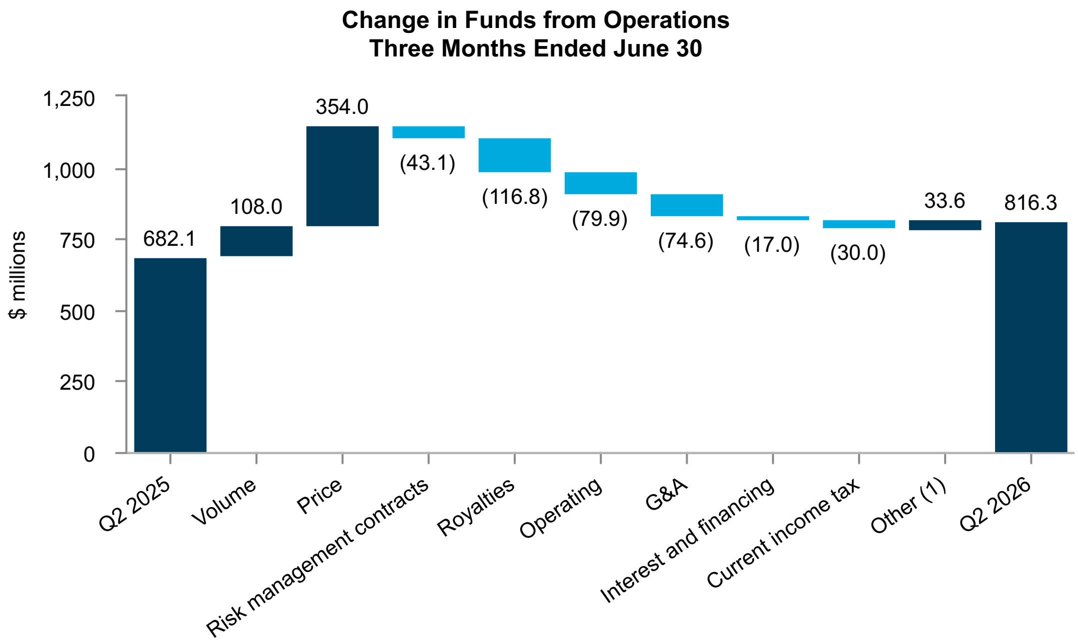
	Three Months Ended June 30		Six Months Ended June 30	
	$ millions	$/share	$ millions	$/share
Funds from operations – 2025	682.1	1.17	1,539.1	2.62
Production volume variance				
Crude oil and liquids	**73.4**	**0.13**	**241.7**	**0.42**
Natural gas	**34.6**	**0.06**	**80.6**	**0.14**
Commodity price variance				
Crude oil and liquids	**440.9**	**0.75**	**351.5**	**0.60**
Natural gas	**(86.9)**	**(0.15)**	**(42.9)**	**(0.07)**
Sales of third-party purchases	**413.1**	**0.71**	**565.3**	**0.96**
Interest and other income	**(1.2)**	**—**	**(9.8)**	**(0.02)**
Realized gain on risk management contracts	**(43.1)**	**(0.07)**	**(74.7)**	**(0.13)**
Royalties	**(116.8)**	**(0.20)**	**(117.3)**	**(0.20)**
Expenses				
Operating	**(79.9)**	**(0.14)**	**(127.2)**	**(0.22)**
Transportation	**(2.5)**	**—**	**(4.8)**	**(0.01)**
Third-party purchases	**(392.7)**	**(0.67)**	**(521.0)**	**(0.89)**
G&A	**(74.6)**	**(0.13)**	**(68.6)**	**(0.12)**
Interest and financing (1)	**(17.0)**	**(0.03)**	**(34.4)**	**(0.06)**
Realized gain on foreign exchange	**14.8**	**0.02**	**13.4**	**0.02**
Current income tax	**(30.0)**	**(0.05)**	**(10.0)**	**(0.02)**
Other	**2.1**	**—**	**2.8**	**0.01**
Weighted average shares, diluted	**—**	**0.04**	**—**	**0.11**
Funds from operations – 2026	**816.3**	**1.44**	**1,783.7**	**3.14**

(1) Excludes accretion expense.

Funds from operations for the three months ended June 30, 2026, was $816.3 million ($1.44 per share), an increase of $134.2 million from $682.1 million ($1.17 per share) for the three months ended June 30, 2025. For the six months ended June 30, 2026, funds from operations was $1.8 billion ($3.14 per share), an increase of $244.6 million from $1.5 billion ($2.62 per share) for the six months ended June 30, 2025.

The increase in funds from operations for the three months ended June 30, 2026, is primarily due to an increase in average realized crude oil and liquids prices and an increase in production, partially offset by increased royalties, operating, and G&A.

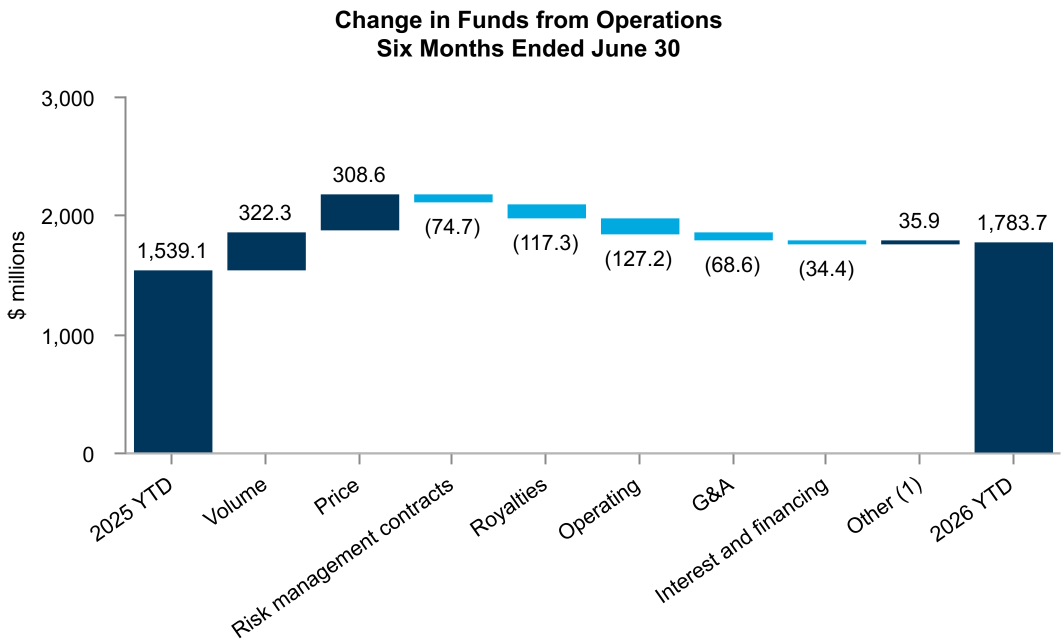
Exhibit 4



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

The increase in funds from operations for the six months ended June 30, 2026, is primarily due to an increase in production and an increase in average realized crude oil and liquids prices, partially offset by increased operating and royalties.

Exhibit 4a



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

Production

A breakdown of production by product type and percentage of production by product type is outlined in Table 6:

Table 6

	Three Months Ended				Six Months Ended		
Production	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Crude oil (bbl/d)	7,872	**8,342**	9,405	(11)	**8,108**	8,726	(7)
Condensate (bbl/d)	103,082	**100,204**	90,994	10	**101,635**	88,658	15
NGLs (bbl/d)	52,083	**44,338**	38,999	14	**48,189**	40,899	18
Crude oil and liquids (bbl/d)	163,037	**152,884**	139,398	10	**157,932**	138,283	14
Natural gas (MMcf/d)	1,533	**1,426**	1,307	9	**1,479**	1,359	9
Total production (boe/d)	418,522	**390,465**	357,228	9	**404,416**	364,705	11
Natural gas production (%)	61	**61**	61	—	**61**	62	(1)
Crude oil and liquids production (%)	39	**39**	39	—	**39**	38	1

For the three and six months ended June 30, 2026, total production increased nine per cent and 11 per cent, respectively, as compared to the same periods of the prior year.

For the three and six months ended June 30, 2026, crude oil and liquids production increased 10 per cent and 14 per cent, respectively, as compared to the same periods in the prior year. The increase for the three and six months ended June 30, 2026, is primarily due to new production attributed to assets acquired in the Kakwa area in July 2025.

For both the three and six months ended June 30, 2026, natural gas production increased nine per cent as compared to the same periods in the prior year. The increase for the three and six months ended June 30, 2026, is primarily due to increased production in the Sunrise area with the deliberate curtailment of production during the second quarter of 2025 in response to low Western Canadian natural gas prices, and new production attributed to assets acquired in the Kakwa area in July 2025.

Exhibit 5

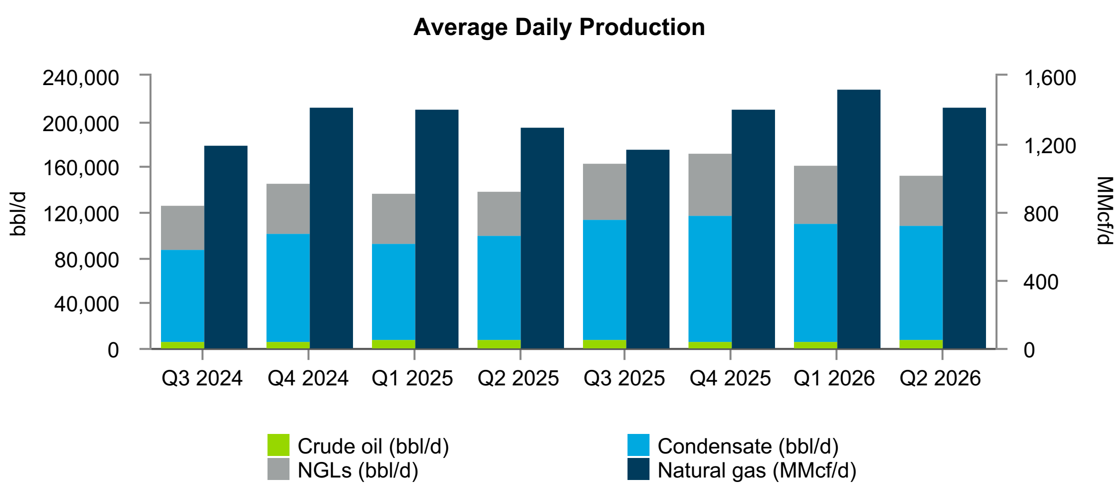


Table 7 summarizes ARC's production by core area for the three months ended June 30, 2026 and June 30, 2025:

Table 7

	Three Months Ended June 30, 2026				
Production	**Total**	**Crude Oil**	**Condensate**	**Natural Gas**	**NGLs**
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	**193,497**	400	76,237	497.3	33,971
Greater Dawson	**86,323**	595	11,742	398.7	7,532
Sunrise	**66,901**	—	72	400.9	14
Attachie	**26,723**	—	11,571	71.0	3,327
Ante Creek	**19,180**	7,336	581	57.5	1,685
All other	**(2,159)**	11	1	0.1	(2,191)
Total	**390,465**	**8,342**	**100,204**	**1,425.5**	**44,338**

	Three Months Ended June 30, 2025				
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	169,622	17	65,474	463.9	26,815
Greater Dawson	93,616	574	11,326	443.0	7,905
Sunrise	46,286	—	370	274.8	114
Attachie	26,833	—	13,195	63.5	3,059
Ante Creek	21,569	8,814	628	61.8	1,826
All other	(698)	—	1	—	(720)
Total	357,228	9,405	90,994	1,307.0	38,999

Exhibit 6

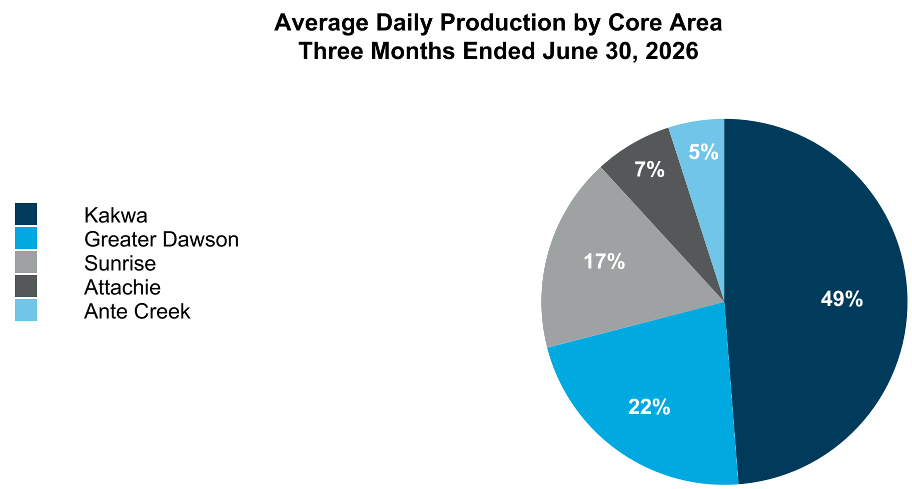


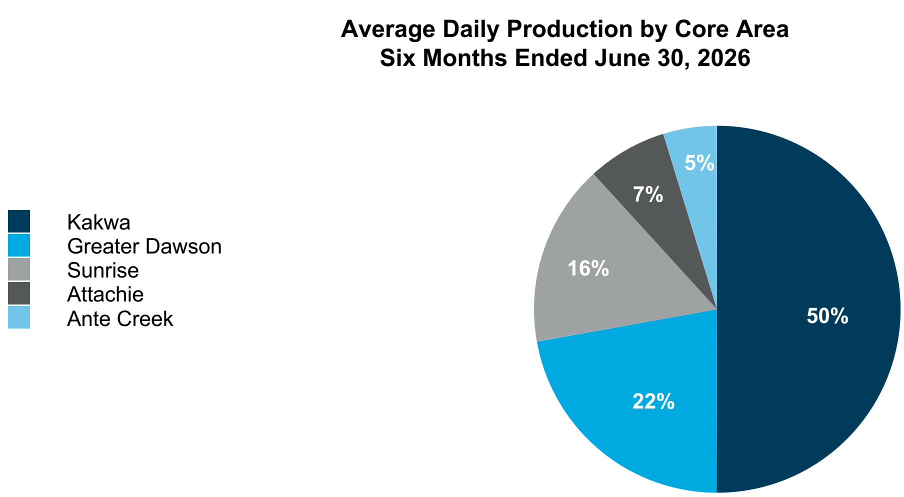
Table 7a summarizes ARC's production by core area for the six months ended June 30, 2026 and June 30, 2025:

Table 7a

	Six Months Ended June 30, 2026				
Production	**Total**	**Crude Oil**	**Condensate**	**Natural Gas**	**NGLs**
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	**200,771**	498	76,783	525.7	35,876
Greater Dawson	**91,041**	524	11,857	424.1	7,984
Sunrise	**67,025**	—	134	401.1	35
Attachie	**27,743**	—	12,288	72.1	3,444
Ante Creek	**18,617**	7,073	572	55.8	1,667
All other	**(781)**	13	1	0.1	(817)
Total	**404,416**	**8,108**	**101,635**	**1,478.9**	**48,189**

	Six Months Ended June 30, 2025				
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	166,049	19	62,550	456.5	27,391
Greater Dawson	95,791	629	11,263	453.1	8,406
Sunrise	53,419	—	261	318.4	83
Attachie	28,947	—	13,966	69.1	3,465
Ante Creek	20,725	8,077	617	61.4	1,795
All other	(226)	1	1	—	(241)
Total	364,705	8,726	88,658	1,358.5	40,899

Exhibit 6a



Commodity Sales from Production

For the three and six months ended June 30, 2026, commodity sales from production increased by 38 per cent and 23 per cent, respectively, as compared to the same periods in 2025. The increase for the three and six months ended June 30, 2026 is primarily due to higher average realized crude oil and condensate prices and an increase in production volumes.

A breakdown of commodity sales from production by product type and percentage of commodity sales from production by product type is outlined in Tables 8 and 8a:

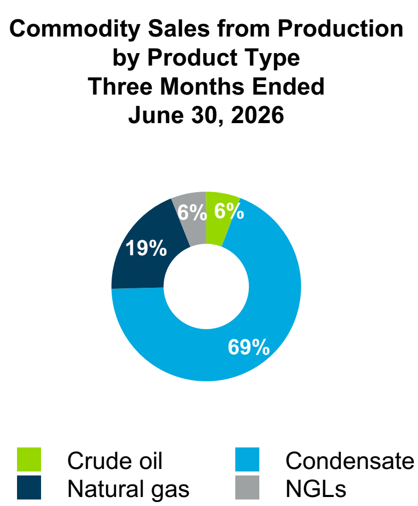
Table 8

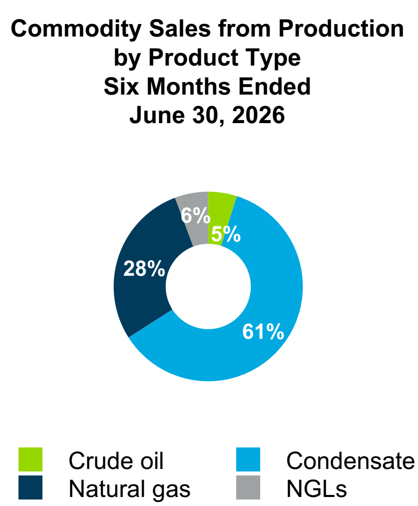
	Three Months Ended				Six Months Ended		
Commodity Sales from Production, by Product Type ($ millions)	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Crude oil	64.9	**98.7**	70.6	40	**163.6**	134.2	22
Condensate	883.0	**1,163.2**	706.7	65	**2,046.2**	1,477.8	38
Natural gas	622.3	**327.2**	379.5	(14)	**949.5**	911.8	4
NGLs	88.9	**102.1**	72.4	41	**191.0**	195.6	(2)
Commodity sales from production	1,659.1	**1,691.2**	1,229.2	38	**3,350.3**	2,719.4	23

Table 8a

	Three Months Ended				Six Months Ended		
% of Commodity Sales from Production by Product Type	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Crude oil and liquids	62	**81**	69	12	**72**	66	6
Natural gas	38	**19**	31	(12)	**28**	34	(6)
Commodity sales from production	100	**100**	100	—	**100**	100	—

Exhibit 7





Commodity Prices

A listing of benchmark commodity prices and ARC's average realized commodity prices are outlined in Table 9:

Table 9

	Three Months Ended				Six Months Ended		
	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Average Benchmark Prices							
WTI crude oil (US$/bbl)	72.67	**92.99**	63.68	46	**83.00**	67.52	23
Cdn$/US$ exchange rate	1.37	**1.38**	1.38	—	**1.38**	1.41	(2)
WTI crude oil (Cdn$/bbl)	99.56	**128.33**	87.88	46	**114.54**	95.20	20
Peace Sour Price at Edmonton (Cdn$/bbl)	91.65	**127.52**	82.06	55	**109.76**	87.01	26
Condensate Stream Price at Edmonton (Cdn$/bbl)	99.26	**132.70**	88.05	51	**116.16**	94.19	23
NYMEX Henry Hub Last Day Settlement (US$/MMBtu)	5.04	**2.90**	3.44	(16)	**3.97**	3.55	12
Chicago Citygate Monthly Index (US$/MMBtu)	5.79	**2.51**	2.99	(16)	**4.15**	3.46	20
AECO 7A Monthly Index (Cdn$/Mcf)	2.49	**1.51**	2.07	(27)	**2.00**	2.05	(2)
ARC Average Realized Commodity Prices (1)							
Crude oil ($/bbl)	91.66	**130.03**	82.56	57	**111.50**	85.00	31
Condensate ($/bbl)	95.17	**127.56**	85.35	49	**111.23**	92.09	21
Natural gas ($/Mcf)	4.51	**2.52**	3.19	(21)	**3.55**	3.71	(4)
NGLs ($/bbl)	18.96	**25.31**	20.39	24	**21.90**	26.42	(17)
Average realized commodity price ($/boe)	44.05	**47.59**	37.81	26	**45.77**	41.20	11

(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 28 per cent in the second quarter of 2026 compared to the prior quarter and 46 per cent compared to the second quarter of 2025. The increase in crude oil prices was primarily driven by the disruption of crude oil supply through the Strait of Hormuz, stemming from the ongoing war in the Middle East. While coordinated releases from strategic crude oil reserves, reduced demand, and redirection of volumes through alternative transportation routes partially offset the supply disruptions, crude oil price volatility remained elevated amid continued market uncertainty and evolving supply conditions.

The Edmonton condensate benchmark price increased 34 per cent in the second quarter of 2026 compared to the prior quarter and 51 per cent compared to the second quarter of 2025. On average, Western Canadian condensate pricing aligned with WTI crude oil pricing in the quarter.

Average NYMEX Henry Hub natural gas prices decreased 42 per cent in the second quarter of 2026 compared to the prior quarter and 16 per cent compared to the second quarter of 2025. Natural gas prices decreased during the quarter due to lower seasonal demand and increased natural gas inventory levels in the United States, which eased market concerns regarding storage levels following winter withdrawals in the prior period.

The AECO 7A Monthly Index decreased 39 per cent in the second quarter of 2026 compared to the prior quarter and 27 per cent compared to the second quarter of 2025. Prices decreased during the quarter as elevated local inventory levels and weaker downstream demand in the Western United States outweighed the incremental demand associated with Canadian liquefied natural gas exports.

ARC's Average Realized Commodity Prices

For the three and six months ended June 30, 2026, ARC's average realized crude oil price increased 57 per cent and 31 per cent, respectively, compared to the same periods in the prior year. The increases for the three and six months ended June 30, 2026, primarily reflect a stronger WTI benchmark price and a stronger differential between WTI and Peace Sour benchmark prices.

For the three and six months ended June 30, 2026, ARC's average realized condensate price increased 49 per cent and 21 per cent, respectively, compared to the same periods in the prior year. The increases for the three and six months ended June 30, 2026, primarily reflect a stronger WTI benchmark price and a stronger differential between WTI and Edmonton Condensate benchmark prices.

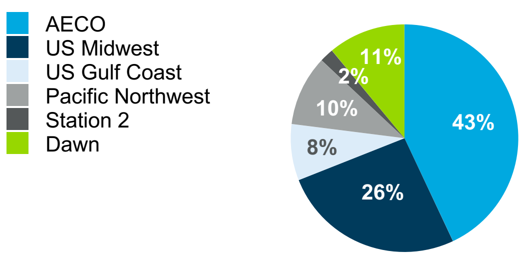
For the three months ended June 30, 2026, ARC's average realized NGLs price increased 24 per cent compared to the same period of the prior year. The increase primarily reflects a stronger WTI benchmark price. For the six months ended June 30, 2026, ARC's average realized NGLs price decreased 17 per cent compared to the same period of the prior year. The decrease primarily reflects different NGL sales contract terms, partially offset by a stronger WTI benchmark price.

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.

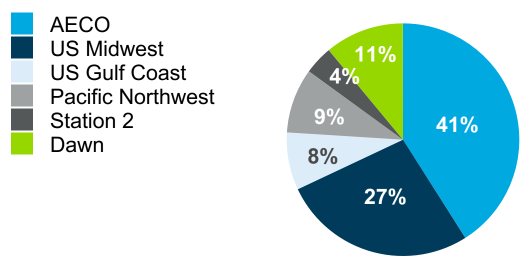
ARC's average realized natural gas price decreased 21 per cent and four per cent for the three and six months ended June 30, 2026, respectively, compared to the same periods of the prior year. The decreases are primarily due to a weaker AECO benchmark price.

Exhibit 8

**Natural Gas Sales by Sales Point
Three Months Ended
June 30, 2026**



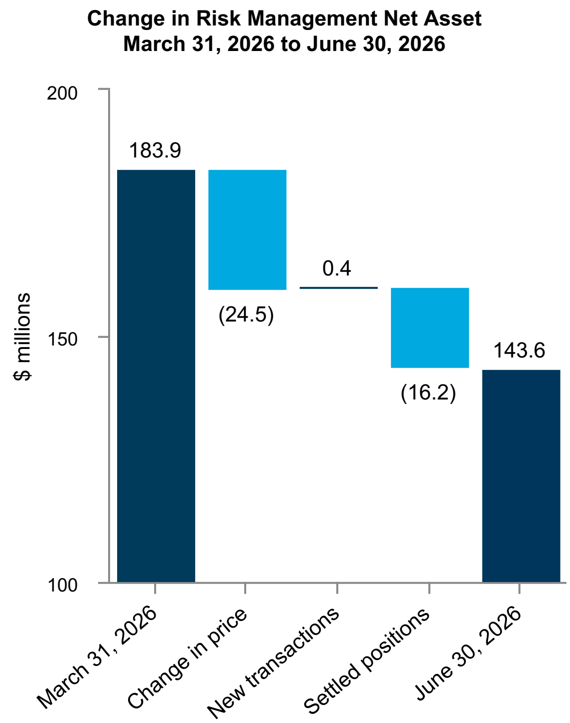
**Natural Gas Sales by Sales Point
Six Months Ended
June 30, 2026**

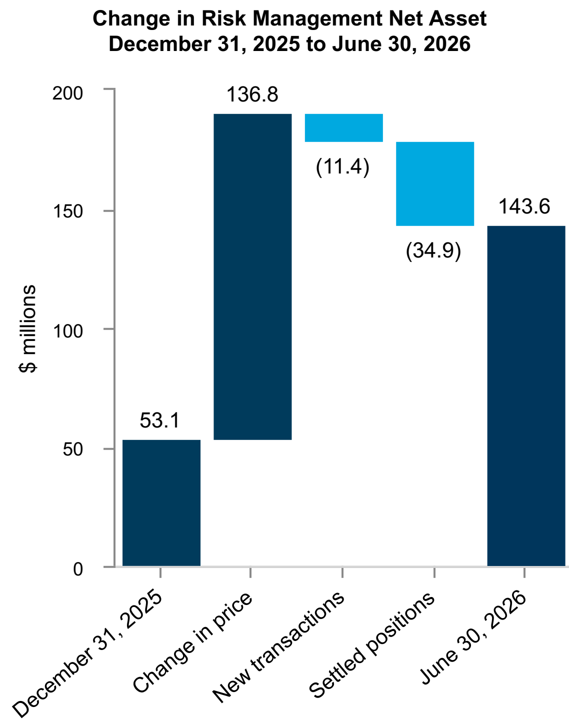


Risk Management Contracts

The fair value of ARC's risk management contracts at June 30, 2026 was a net asset of $143.6 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 liability of $8.0 million from crude oil contracts, a net asset of $152.6 million from natural gas contracts, and a net liability of $1.0 million from foreign currency contracts.

Exhibit 9





Tables 10 and 10a summarize the gain or loss on risk management contracts for the three and six months ended June 30, 2026, compared to the same periods in 2025:

Table 10

Risk Management Contracts ($ millions)	**Crude Oil & Condensate**	**Natural Gas**	**Embedded Derivative** (1)	**Foreign Currency**	**Q2 2026 Total**	Q2 2025 Total
Realized gain (loss) on risk management contracts (2)	(40.1)	56.8	—	0.1	**16.8**	59.9
Unrealized gain (loss) on risk management contracts (3)	99.9	(55.2)	(82.4)	(2.6)	**(40.3)**	86.8
Gain (loss) on risk management contracts	**59.8**	**1.6**	**(82.4)**	**(2.5)**	**(23.5)**	146.7

(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 10a

Risk Management Contracts ($ millions)	**Crude Oil & Condensate**	**Natural Gas**	**Embedded Derivative** (1)	**Foreign Currency**	**2026 YTD Total**	2025 YTD Total
Realized gain (loss) on risk management contracts (2)	(44.7)	79.5	—	0.4	**35.2**	109.9
Unrealized gain (loss) on risk management contracts (3)	(48.8)	57.7	88.7	(7.1)	**90.5**	2.0
Gain (loss) on risk management contracts	**(93.5)**	**137.2**	**88.7**	**(6.7)**	**125.7**	111.9

(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 six months ended June 30, 2026, primarily reflects cash settlements received on AECO and AECO basis natural gas contracts. As compared to the same periods of the prior year, the decrease in realized gain on risk management contracts for the three and six months ended June 30, 2026, is primarily the result of higher WTI crude oil prices relative to contract prices.

ARC's unrealized loss on risk management contracts for the three months ended June 30, 2026, compares to an unrealized gain for the same period of the prior year, and primarily reflects the revaluation of ARC's embedded derivative positions with narrower differentials between North American and international gas prices, lower natural gas forward prices relative to contract prices, as well as AECO and AECO basis natural gas contracts settlements received throughout the period.

ARC's unrealized gain on risk management contracts for the six months ended June 30, 2026, primarily reflects the revaluation of ARC’s embedded derivative positions with wider differentials between North American and international gas prices, and the revaluation of AECO natural gas contracts outstanding with lower forward pricing, as compared to the same period of the prior year.

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 11 summarizes the details of the agreements:

Table 11

	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 $82.4 million and an unrealized gain of $88.7 million for the three and six months ended June 30, 2026 (unrealized gain of $57.5 million and $24.0 million for the three and six months ended June 30, 2025), respectively. At June 30, 2026, the fair value of the embedded derivatives was a liability of $49.6 million (liability of $138.3 million at December 31, 2025). 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 12 "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 six months ended June 30, 2026, compared to the same periods in 2025 are summarized in Tables 12 and 12a:

Table 12

	Three Months Ended				Six Months Ended		
Netback ($ millions) (1)	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Commodity sales from production	1,659.1	**1,691.2**	1,229.2	38	**3,350.3**	2,719.4	23
Royalties	(163.3)	**(237.5)**	(120.7)	97	**(400.8)**	(283.5)	41
Operating	(209.8)	**(248.0)**	(168.1)	48	**(457.8)**	(330.6)	38
Transportation	(188.3)	**(176.6)**	(174.1)	1	**(364.9)**	(360.1)	1
Netback	1,097.7	**1,029.1**	766.3	34	**2,126.8**	1,745.2	22

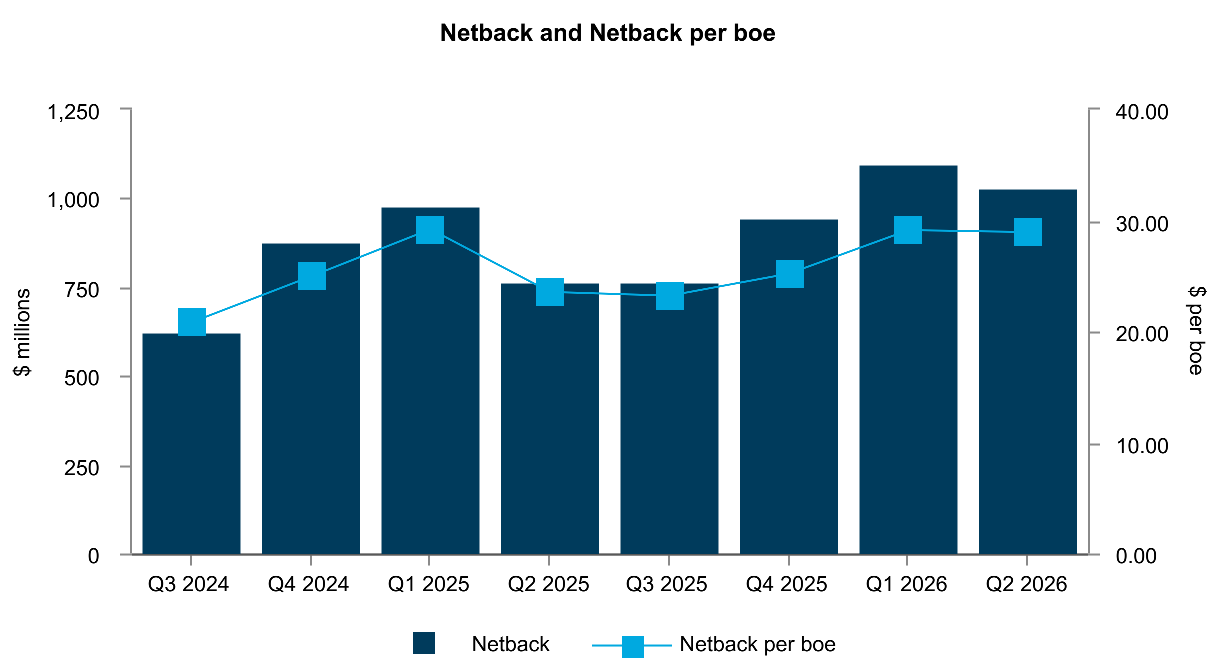
(1) Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

Table 12a

	Three Months Ended				Six Months Ended		
Netback per boe ($ per boe) (1)	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Commodity sales from production (2)	44.05	**47.59**	37.81	26	**45.77**	41.20	11
Royalties (2)	(4.34)	**(6.68)**	(3.71)	80	**(5.48)**	(4.29)	28
Operating	(5.57)	**(6.98)**	(5.17)	35	**(6.25)**	(5.01)	25
Transportation	(5.00)	**(4.97)**	(5.36)	(7)	**(4.99)**	(5.46)	(9)
Netback per boe	29.14	**28.96**	23.57	23	**29.05**	26.44	10

(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 10



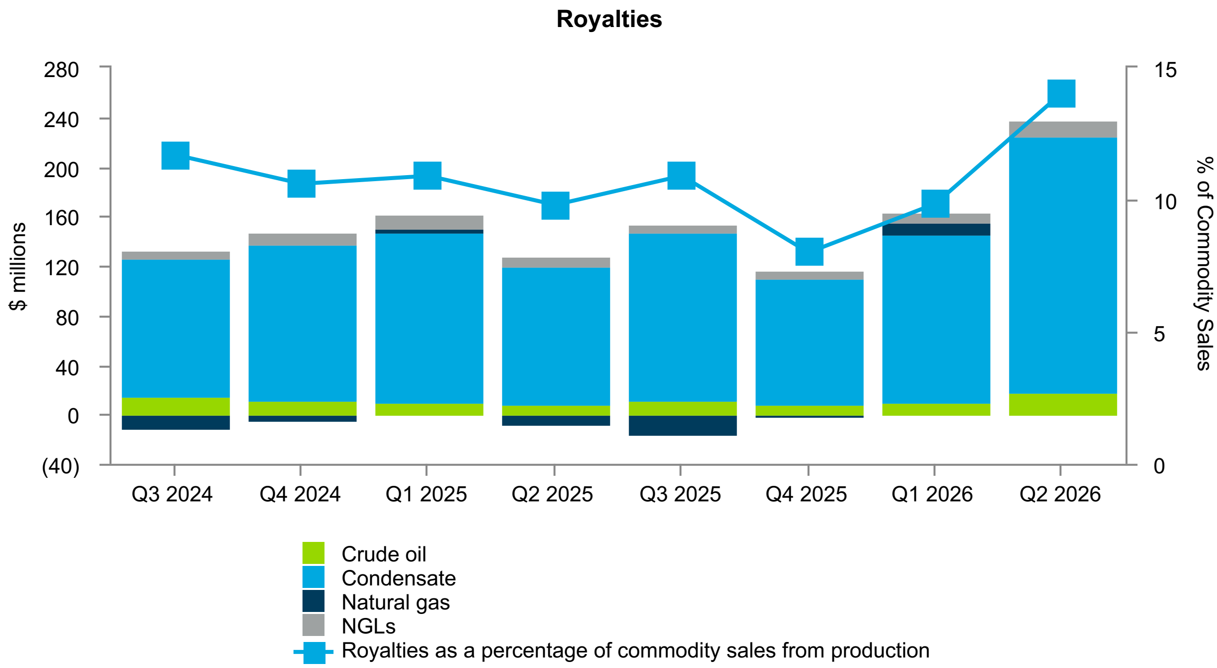
Royalties

Royalties for the three months ended June 30, 2026, increased 97 per cent to $237.5 million from $120.7 million for the same period in 2025. Royalties for the six months ended June 30, 2026, increased 41 per cent to $400.8 million from $283.5 million for the same period in 2025. The increase in royalties for the three and six months ended June 30, 2026, as compared to the same periods of the prior year, is primarily due to an increase in average realized commodity prices for crude oil and condensate, as well as an increase in production.

Royalties as a percentage of commodity sales from production(1) increased to 14 per cent ($6.68 per boe) in the second quarter of 2026 from 10 per cent ($3.71 per boe) in the second quarter of 2025. For the six months ended June 30, 2026, royalties represented 12 per cent ($5.48 per boe) of commodity sales from production as compared to 10 per cent ($4.29 per boe) for the same period in 2025. The increase in royalties as a percentage of commodity sales from production for the three and six months ended June 30, 2026, primarily reflects higher average royalty rates due to increased average realized crude oil and condensate prices, as compared to the same periods in 2025.

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

Exhibit 11



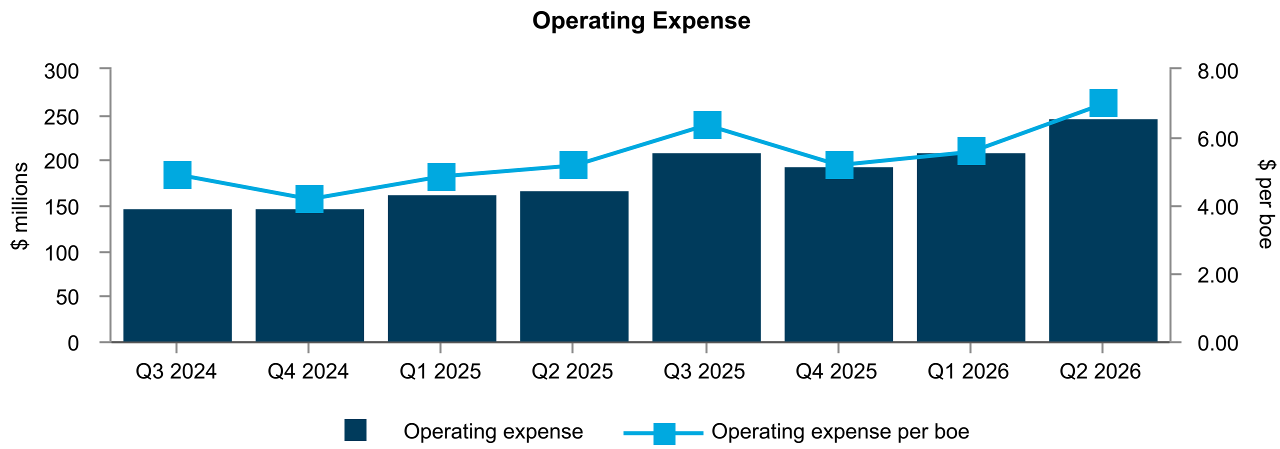
Operating

Operating expense for the three months ended June 30, 2026 was $248.0 million, an increase of 48 per cent from $168.1 million for the three months ended June 30, 2025. For the six months ended June 30, 2026, operating expense was $457.8 million, an increase of 38 per cent from $330.6 million in the same period of the prior year.

Operating expense for the three and six months ended June 30, 2026, increased compared to the same periods of the prior year with approximately half of the increase attributable to assets acquired in the Kakwa area in July 2025 and February 2026. The remaining increase is attributed to additional scheduled maintenance activities in the Greater Dawson and Kakwa areas as well as increased water-handling costs in the Attachie area.

Operating expense per boe for the three months ended June 30, 2026 was $6.98 per boe, an increase of 35 per cent from $5.17 per boe for the three months ended June 30, 2025. For the six months ended June 30, 2026, operating expense per boe was $6.25 per boe, an increase of 25 per cent from $5.01 per boe in the same period of the prior year.

Exhibit 12



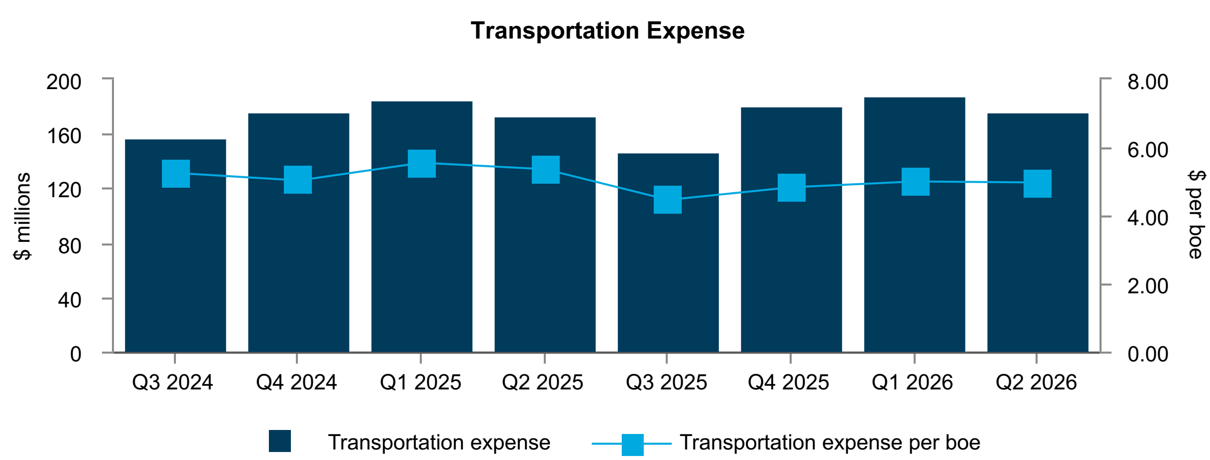
Transportation

Transportation expense for the three and six months ended June 30, 2026 was $176.6 million and $364.9 million, an increase of one per cent, from $174.1 million and $360.1 million for the three and six months ended June 30, 2025, respectively.

The increase in transportation expense for the three and six months ended June 30, 2026, relative to the same periods in 2025, is primarily due to increased crude oil and liquids transportation costs, reflecting the increase in crude oil and liquids production, partially offset by a decrease in natural gas transportation costs reflecting lower tolls.

Transportation expense per boe for the three and six months ended June 30, 2026 was $4.97 per boe and $4.99 per boe, a decrease of seven per cent and nine per cent from $5.36 per boe and $5.46 per boe for the three and six months ended June 30, 2025, respectively.

Exhibit 13



G&A

G&A expense before share-based compensation expense for the three and six months ended June 30, 2026 was $49.8 million and $89.4 million ($41.1 million and $77.1 million for the three and six months ended June 30, 2025), respectively. The increase for the three and six months ended June 30, 2026, is primarily due to transaction costs incurred as a result of the Arrangement.

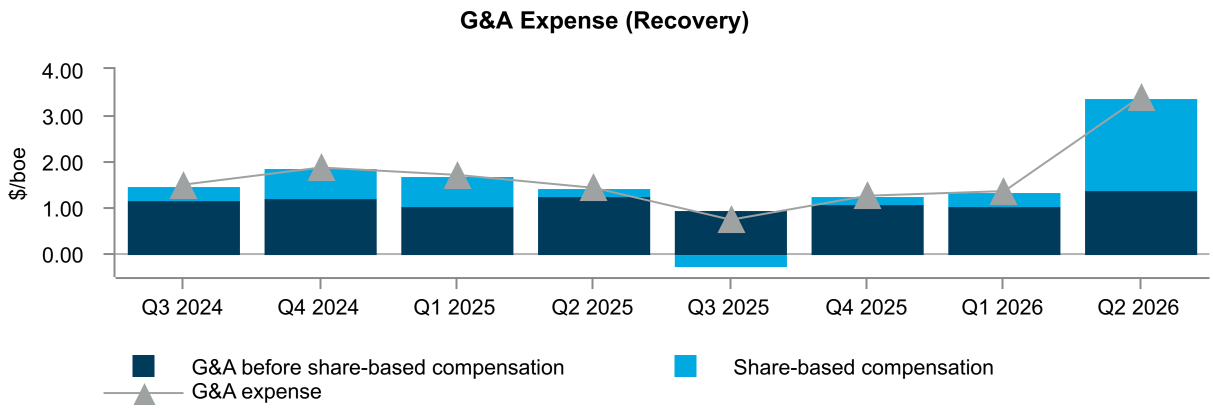
During the three and six months ended June 30, 2026, ARC recognized G&A expense of $71.3 million and $83.0 million, respectively, associated with its share-based compensation plans, compared to $5.4 million and $26.7 million during the same periods of the prior year. The change for the three and six months ended June 30, 2026, compared to the same periods of the prior year, reflects the revaluation of the liability associated with ARC's share-based compensation plans. In accordance with the terms of the Arrangement, the performance multiplier associated with certain of ARC's plans has been determined to be 2.0 and the vesting of certain awards will be accelerated. For further information, refer to the management information circular of ARC in respect of the Arrangement dated June 9, 2026 (the "Circular"), available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Table 13 is a breakdown of G&A expense:

Table 13

	Three Months Ended				Six Months Ended		
G&A Expense ($ millions, except per boe)	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
G&A expense before share-based compensation expense	39.6	**49.8**	41.1	21	**89.4**	77.1	16
G&A – share-based compensation expense	11.7	**71.3**	5.4	100	**83.0**	26.7	211
G&A expense	51.3	**121.1**	46.5	160	**172.4**	103.8	66
G&A expense before share-based compensation expense per boe	1.05	**1.40**	1.26	11	**1.22**	1.17	4
G&A – share-based compensation expense per boe	0.31	**2.01**	0.17	100	**1.14**	0.40	185
G&A expense per boe	1.36	**3.41**	1.43	138	**2.36**	1.57	50

Exhibit 14



Share-based Compensation Plans

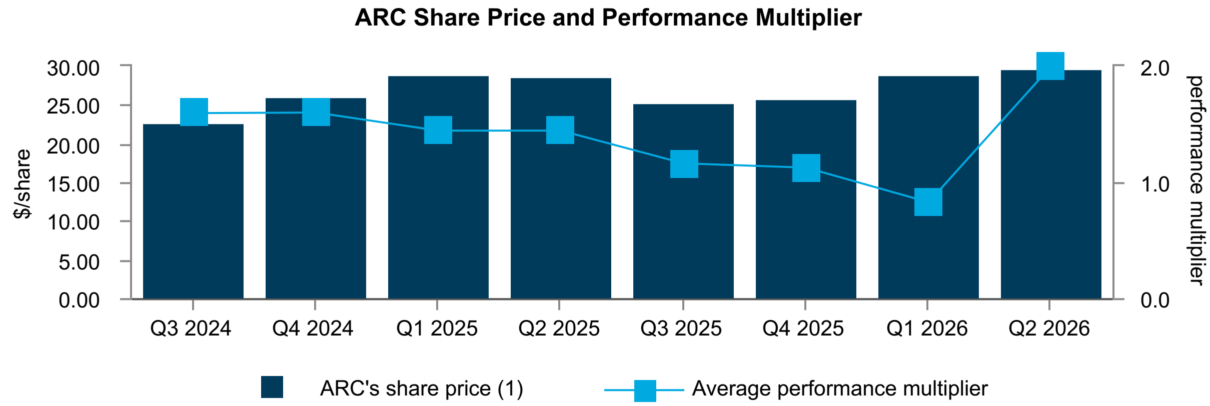
For a description of ARC's various share-based compensation plans and related accounting policies, refer to Note 3 "Summary of Material Accounting Policies" and Note 21 "Share-based Compensation Plans" of ARC's audited consolidated financial statements as at and for the year ended December 31, 2025.

In accordance with the terms of the Arrangement, certain of ARC's Restricted Share Unit ("RSU") and Performance Share Unit ("PSU") awards will be assumed by Shell and continue to vest as scheduled. ARC's Deferred Share Unit ("DSU"), Long-term Restricted Share Award ("LTRSA") and share option plans will be discontinued on or before closing of the Arrangement. At June 30, 2026, all share options were exercised. For further information, refer to the Circular, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Restricted Share Unit and Performance Share Unit Plans

At June 30, 2026, ARC had 1.3 million RSUs and 2.5 million PSUs outstanding under these plans. For the three and six months ended June 30, 2026, ARC recognized G&A in relation to its RSU and PSU plans of $69.2 million and $76.1 million ($4.7 million and $22.0 million for the three and six months ended June 30, 2025), respectively.

Exhibit 15



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

Table 14 shows the changes to the outstanding RSU and PSU awards during the six months ended June 30, 2026:

Table 14

RSU and PSU Plans (number of awards, thousands)	**RSUs**	**PSUs** [1]	**Total RSUs and PSUs**
Balance, December 31, 2025	1,334	2,678	4,012
Granted	**328**	**731**	**1,059**
Distributed	**(356)**	**(854)**	**(1,210)**
Forfeited	**(19)**	**(15)**	**(34)**
Balance, June 30, 2026	**1,287**	**2,540**	**3,827**

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

Table 15 is a summary of the future expected payments under the RSU and PSU plans based on the performance multiplier in accordance with the Arrangement and awards outstanding under the RSU and PSU plans as at June 30, 2026:

Table 15

Value of RSU and PSU Awards as at June 30, 2026	**Performance Multiplier**
(awards thousands and $ millions, except per share)	**2.0**
Estimated awards to vest [1]	
RSUs	1,287
PSUs	5,080
Total awards	**6,367**
Share price [2]	32.80
Value of RSU and PSU awards upon vesting	**208.8**
2026	101.6
2027	49.4
2028	40.4
2029	17.4

(1) Includes additional estimated awards to be issued under the RSU and PSU plans for dividends accrued to-date.
(2) Per share outstanding. Reflects the total consideration per common share pursuant to the Arrangement as detailed in the Circular, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Deferred Share Unit Plans

At June 30, 2026, ARC had 1.3 million DSUs outstanding. For the three and six months ended June 30, 2026, G&A of $2.0 million and $6.7 million was recognized in relation to the DSU plans ($0.5 million and $4.3 million for the three and six months ended June 30, 2025), respectively.

Long-term Restricted Share Award Plan

At June 30, 2026, ARC had 0.6 million restricted shares outstanding under the LTRSA plan. ARC recognized G&A of $0.1 million and $0.2 million relating to the LTRSA plan during the three and six months ended June 30, 2026 ($0.2 million and $0.4 million for the three and six months ended June 30, 2025), respectively.

Interest and Financing

Interest and financing expense for the three and six months ended June 30, 2026 was $46.9 million and $94.9 million ($1.32 per boe and $1.30 per boe), respectively, compared to $27.8 million and $56.5 million ($0.86 per boe for both periods) for the same periods of the prior year. The increase for the three and six months ended June 30, 2026, as compared to the same periods of the prior year, is primarily due to an increase in long-term debt outstanding.

A breakdown of interest and financing expense is shown in Table 16:

Table 16

	Three Months Ended				Six Months Ended		
Interest and Financing ($ millions, except per boe amounts)	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Bank debt and long-term notes	29.7	**28.2**	11.9	137	**57.9**	24.5	136
Lease obligations	12.8	**13.1**	12.4	6	**25.9**	24.9	4
Accretion expense	5.5	**5.6**	3.5	60	**11.1**	7.1	56
Interest and financing	48.0	**46.9**	27.8	69	**94.9**	56.5	68
Interest and financing per boe	1.27	**1.32**	0.86	53	**1.30**	0.86	51

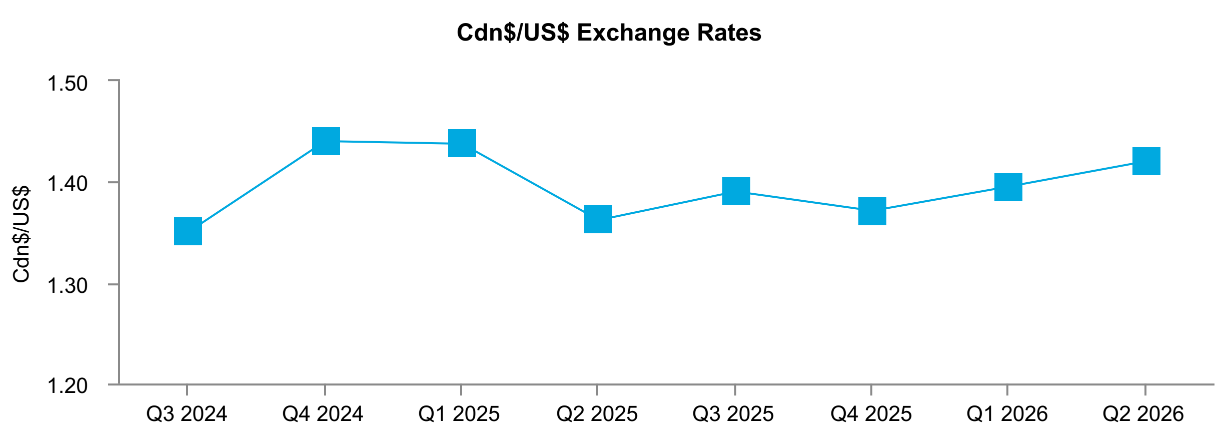
Foreign Exchange Gain and Loss

Table 17 details the realized and unrealized components of ARC's foreign exchange gain and loss:

Table 17

	Three Months Ended				Six Months Ended		
Foreign Exchange Gain and Loss ($ millions)	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Unrealized gain (loss) on US dollar-denominated balances	(1.3)	**1.9**	(2.3)	183	**0.6**	(3.0)	120
Realized gain (loss) on US dollar-denominated transactions	(2.1)	**3.5**	(11.3)	131	**1.4**	(12.0)	112
Foreign exchange gain (loss)	(3.4)	**5.4**	(13.6)	140	**2.0**	(15.0)	113

Exhibit 16



For the three and six months ended June 30, 2026, ARC recognized an unrealized loss on foreign currency translation adjustment in other comprehensive income of $1.8 million and $0.8 million (unrealized gain of $4.2 million and $5.0 million for the three and six months ended June 30, 2025) respectively.

Taxes

ARC recognized current income tax of $95.0 million and $185.0 million for the three and six months ended June 30, 2026, respectively, compared to $65.0 million and $175.0 million for the same periods in 2025. The increase for the three and six months ended June 30, 2026, as compared to the same periods of the prior year, is primarily due to higher expected taxable income as a result of increased production volumes and higher average realized crude oil and liquids prices.

For the three and six months ended June 30, 2026, ARC recognized deferred income tax of $41.4 million and $129.7 million, respectively, compared to $24.2 million and $37.1 million for the same periods in 2025. The increase for the three and six months ended June 30, 2026, as compared to the same periods in the prior year, is primarily related to higher income tax pools claimed relative to DD&A expense.

The income tax pools, which are detailed in Table 18, are deductible at various rates and annual deductions associated with the initial tax pools will decline over time.

Table 18

Income Tax Pool Type ($ millions)	**June 30, 2026**	**Annual Deductibility**
Canadian oil and gas property expense	1,825.3	10% declining balance
Canadian development expense	1,996.6	30% declining balance
Undepreciated capital cost	1,979.7	Primarily 25% declining balance
Other	27.8	Various rates, 5% declining balance to 20%
Total federal tax pools	**5,829.4**	

Depletion, Depreciation and Amortization

For the three and six months ended June 30, 2026, ARC recognized DD&A expense of $387.4 million and $803.5 million, respectively, compared to $349.0 million and $698.3 million for the three and six months ended June 30, 2025. The increase in DD&A expense for the three and six months ended June 30, 2026, compared to the same periods in the prior year, is due to an increase in production volumes and an increase in DD&A rate reflecting increases in reserves and future development costs.

A breakdown of DD&A expense is summarized in Table 19**:**

Table 19

	Three Months Ended				Six Months Ended		
DD&A Expense ($ millions, except per boe amounts)	March 31, 2026	**June 30, 2026**	June 30, 2025	% Change	**June 30, 2026**	June 30, 2025	% Change
Depletion of crude oil and natural gas assets	389.2	**360.2**	325.2	11	**749.4**	651.2	15
Depreciation of corporate assets	3.0	**3.2**	2.2	45	**6.2**	4.1	51
Depreciation of right-of-use ("ROU") assets	23.9	**24.0**	21.6	11	**47.9**	43.0	11
DD&A expense	416.1	**387.4**	349.0	11	**803.5**	698.3	15
DD&A expense per boe (1)	11.05	**10.90**	10.74	1	**10.98**	10.58	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 $407.1 million and $1.0 billion during the three and six months ended June 30, 2026, respectively, compared to $471.2 million and $900.5 million for the three and six months ended June 30, 2025. 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 22 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 $467.4 million and $975.5 million for the three and six months ended June 30, 2026, respectively, compared to $496.3 million and $953.4 million for the three and six months ended June 30, 2025. Capital expenditures for the three and six months ended June 30, 2026, primarily pertain to ARC's drilling and completions activities, which included the drilling of 34 and 70 crude oil and natural gas wells and the completion of 39 and 82 crude oil and natural gas wells, respectively, primarily in the Kakwa and Greater Dawson areas.

During the six months ended June 30, 2026, ARC completed an acquisition of assets in the Kakwa area for $164.1 million that has been recognized as a business combination. For additional information, refer to Note 5 "Business Combinations" in the financial statements.

For information regarding ARC's planned capital expenditures for 2026, refer to the news releases dated November 6, 2025 and February 5, 2026, entitled "*ARC Resources Ltd. Reports Third Quarter 2025 Results, Announces 2026 Budget and 11 per cent Dividend Increase*" and "*ARC Resources Ltd. Reports Year-end 2025 Results and Reserves*", available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

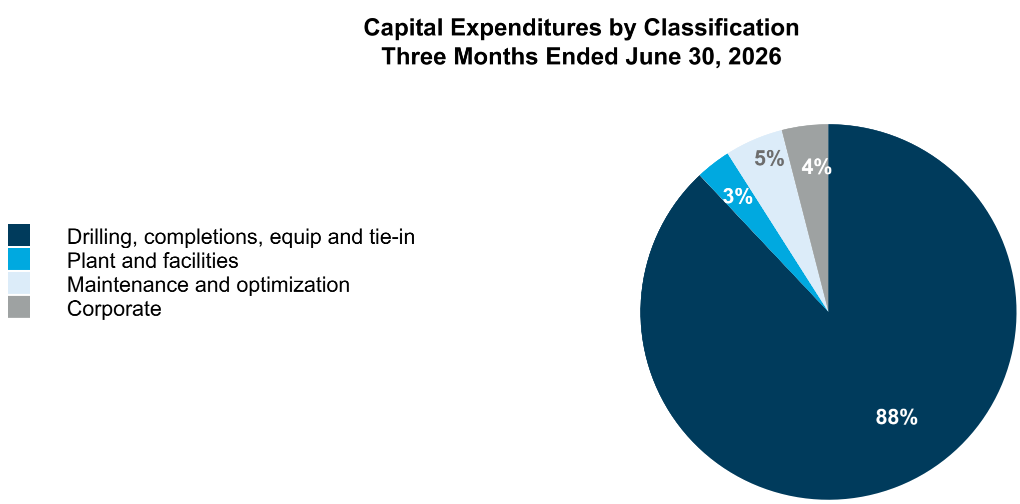
A breakdown of capital expenditures, acquisitions, and dispositions for the three months ended June 30, 2026 and June 30, 2025 is shown in Table 20:

Table 20

	Three Months Ended June 30						
	2026			2025			
Capital Expenditures ($ millions)	**E&E** (1)	**PP&E**	**Total**	E&E	PP&E	Total	% Change
Geological and geophysical	**—**	**1.6**	**1.6**	—	1.8	1.8	(11)
Drilling, completions, equip and tie-in	**—**	**413.5**	**413.5**	—	436.1	436.1	(5)
Plant and facilities	**5.5**	**7.3**	**12.8**	15.5	13.9	29.4	(56)
Maintenance and optimization	**—**	**22.2**	**22.2**	—	15.3	15.3	45
Corporate	**—**	**17.3**	**17.3**	—	13.7	13.7	26
Capital expenditures	**5.5**	**461.9**	**467.4**	15.5	480.8	496.3	(6)
Acquisitions	**—**	**0.3**	**0.3**	—	0.8	0.8	(63)
Dispositions	**—**	**—**	**—**	—	(4.0)	(4.0)	(100)
Capital expenditures and net acquisitions and dispositions	**5.5**	**462.2**	**467.7**	15.5	477.6	493.1	(5)

(1) Exploration and evaluation ("E&E").

Exhibit 17

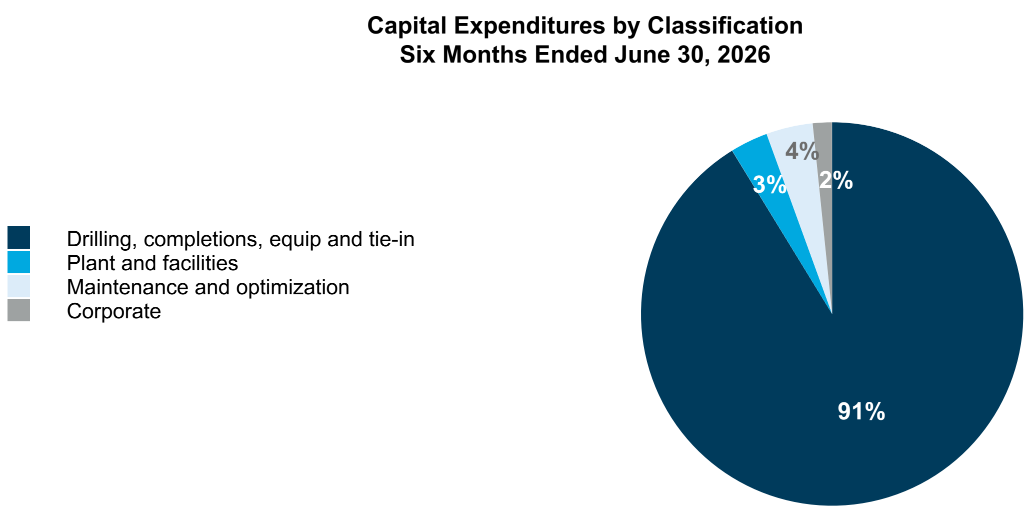


A breakdown of capital expenditures, acquisitions, and dispositions for the six months ended June 30, 2026 and June 30, 2025 is shown in Table 20a:

Table 20a

	Six Months Ended June 30						
	2026			2025			
Capital Expenditures ($ millions)	**E&E**	**PP&E**	**Total**	E&E	PP&E	Total	% Change
Geological and geophysical	**—**	**4.8**	**4.8**	—	12.3	12.3	(61)
Drilling, completions, equip and tie-in	**—**	**885.6**	**885.6**	—	831.8	831.8	6
Plant and facilities	**13.8**	**17.3**	**31.1**	28.7	43.9	72.6	(57)
Maintenance and optimization	**—**	**38.2**	**38.2**	—	21.0	21.0	82
Corporate	**—**	**15.8**	**15.8**	—	15.7	15.7	1
Capital expenditures	**13.8**	**961.7**	**975.5**	28.7	924.7	953.4	2
Acquisitions	**—**	**0.3**	**0.3**	—	4.8	4.8	(94)
Dispositions	**—**	**—**	**—**	—	(4.0)	(4.0)	(100)
Capital expenditures and net acquisitions and dispositions	**13.8**	**962.0**	**975.8**	28.7	925.5	954.2	2

Exhibit 17a

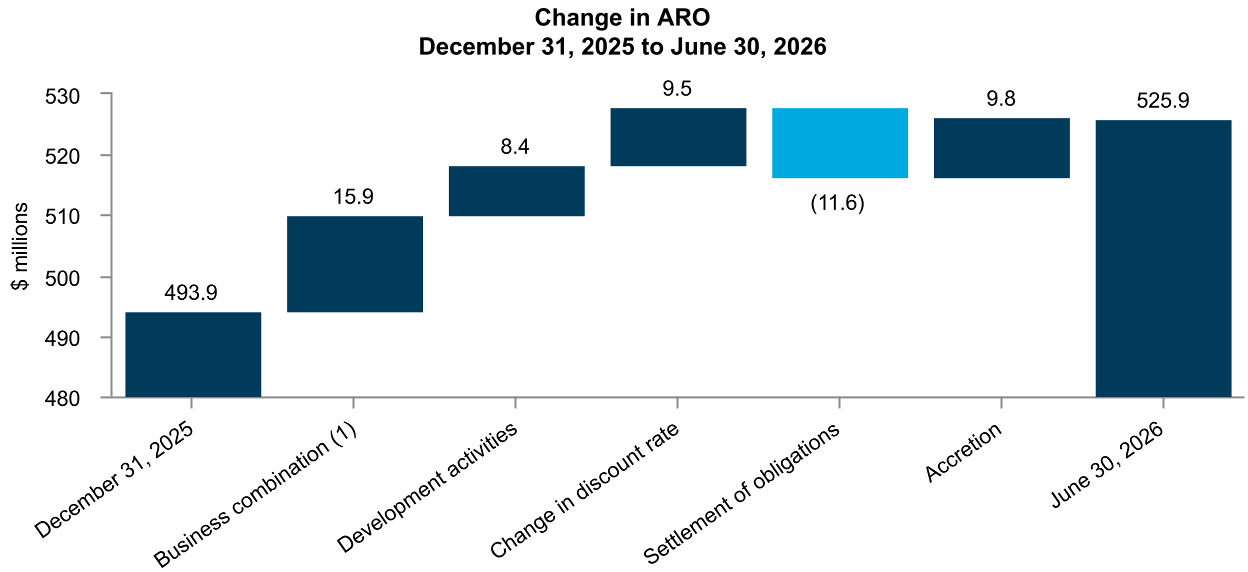


Asset Retirement Obligation

ARC maintains a planned and scheduled approach to its abandonment and reclamation activities. At June 30, 2026, ARC recognized ARO of $525.9 million ($493.9 million at December 31, 2025), for the future abandonment and reclamation of its crude oil and natural gas assets, of which $20.0 million is classified as current and $505.9 million is classified as long-term ($20.0 million and $473.9 million at December 31, 2025, respectively).

Accretion charges of $5.0 million and $9.8 million for the three and six months ended June 30, 2026 ($3.5 million and $7.1 million for the same periods in 2025), 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 six months ended June 30, 2026 was $2.8 million and $11.6 million ($1.3 million and $8.1 million for the same periods in 2025), respectively.

Exhibit 18



(1) For additional information, refer to Note 5 "Business Combinations" and Note 10 "Asset Retirement Obligation" in the financial statements.

Capitalization, Financial Resources and Liquidity

Capital Management

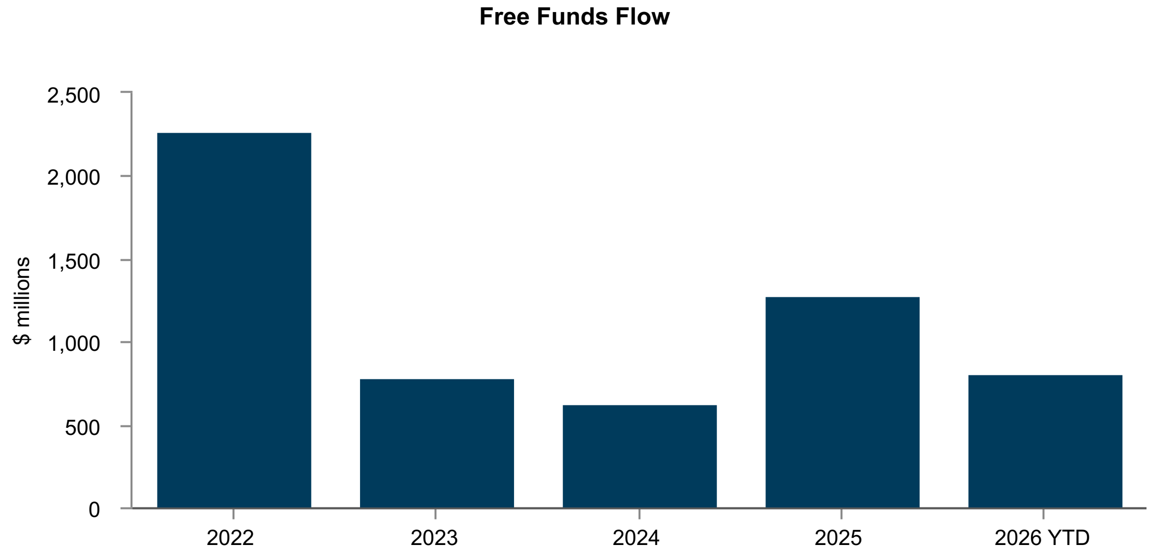
ARC's capital management objective is to fund dividend payments, lease payments, current period abandonment and reclamation expenditures, and capital expenditures necessary for the replacement of production declines using only funds from operations. Profitable growth activities will be financed with 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 six months ended June 30, 2026, ARC generated free funds flow of $348.9 million and $808.2 million ($185.8 million and $585.7 million for the three and six months ended June 30, 2025), respectively. For the calculation of free funds flow, refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

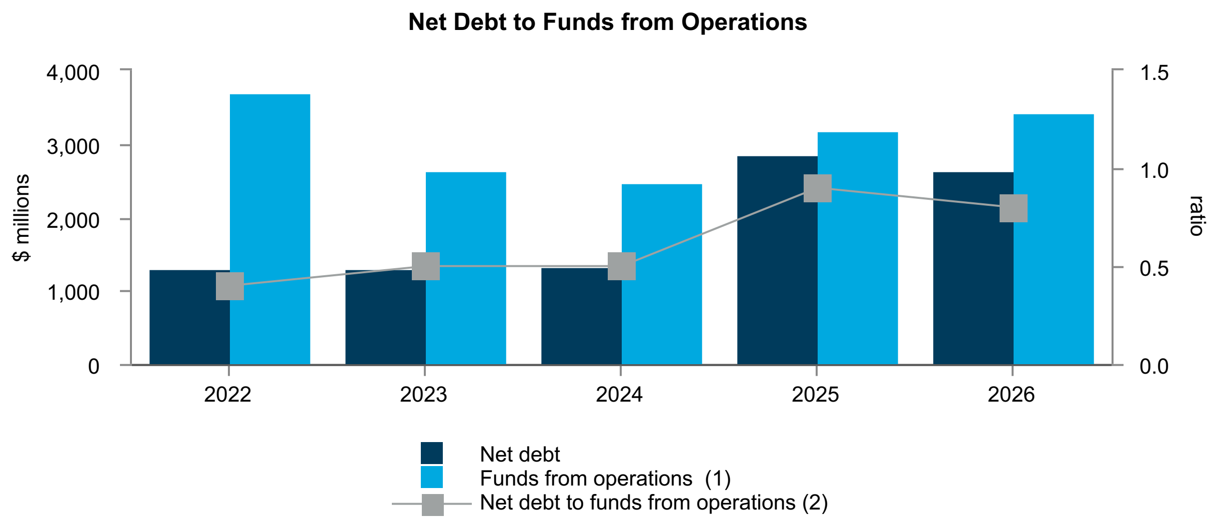
During the six months ended June 30, 2026, ARC distributed 46 per cent of free funds flow to shareholders by declaring dividends totaling $0.42 per common share and repurchasing 5.3 million common shares under its normal course issuer bid ("NCIB").

Exhibit 19



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 June 30, 2026, ARC's net debt was 0.8 times its funds from operations.

Exhibit 20



(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 six months ended June 30, 2026, ARC closed an offering of $950.0 million aggregate principal amount of senior unsecured notes, which proceeds were used to repay its $500.0 million term loan and redeem its $450.0 million aggregate principal amount Series 1 senior note. ARC also extended the maturity date of its unsecured extendible revolving credit facility to March 2030. For more information, refer to Note 9 "Long-Term Debt" in the financial statements.

At June 30, 2026, ARC's total available credit capacity, including its credit facility and senior notes, was $4.5 billion, of which $2.5 billion was drawn. At June 30, 2026, ARC's long-term debt balance had a weighted average interest rate of 3.8 per cent. For more information, refer to Note 9 "Long-term Debt" in the financial statements.

There are no financial covenants associated with the senior notes issued and there were no changes to any existing debt covenants. At June 30, 2026, ARC was in compliance with the financial covenants related to its credit facility as follows:

Table 21

Covenant Description	Position at June 30, 2026
Consolidated Debt not to exceed 60 per cent of Total Capitalization	22 %
Consolidated Tangible Assets of the Restricted Group must exceed 80 per cent of Consolidated Tangible Assets	100 %

Lease Obligations

At June 30, 2026, ARC had lease obligations of $976.8 million ($1.0 billion at December 31, 2025), of which $105.4 million is due within one year ($112.1 million at December 31, 2025). ARC's lease obligations comprise office space, equipment used in operations including drilling rigs and camps, vehicles, and third-party processing facilities and gathering infrastructure. For further information, refer to Note 8 "Lease Obligations" in the financial statements.

Shareholders’ Equity

At June 30, 2026, there were 565.9 million common shares outstanding. During the six months ended June 30, 2026, ARC repurchased 5.3 million common shares under its NCIB at an average price of $26.11 per share for a total of $139.0 million, inclusive of all costs. Shares were cancelled upon repurchase.

At June 30, 2026, there were no share options outstanding and 0.6 million restricted shares outstanding under the LTRSA plan. For more information, refer to Note 15 "Share-based Compensation Plans" in the financial statements.

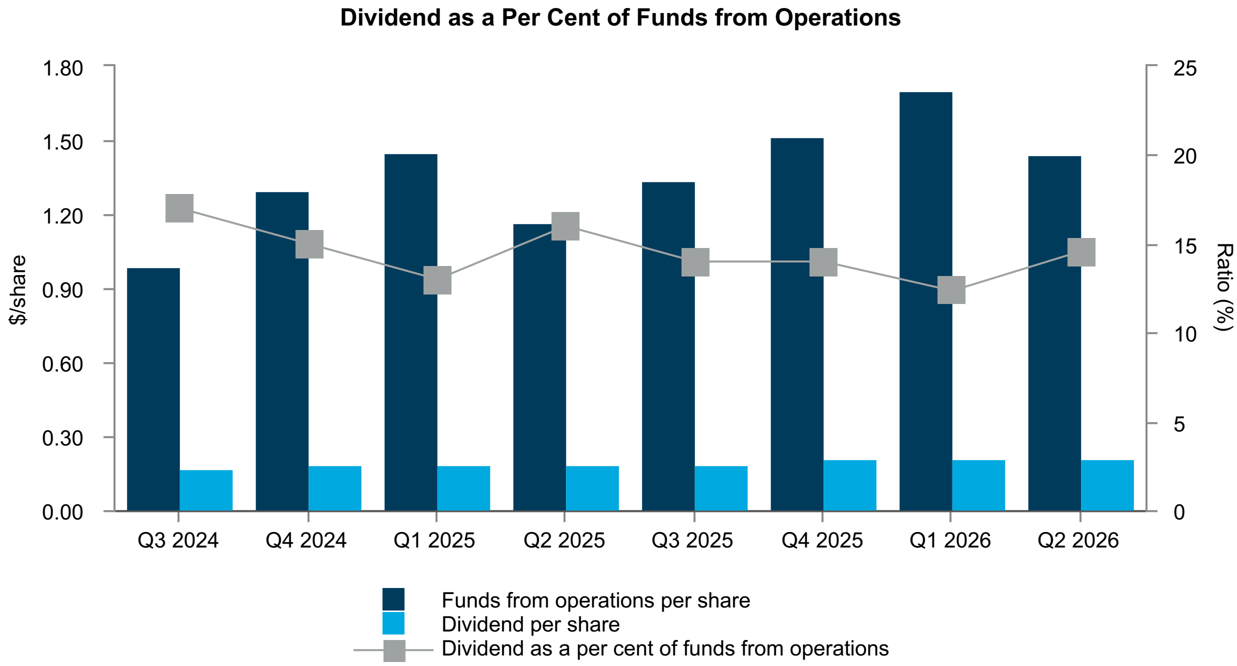
Dividends

In the second quarter of 2026, ARC declared dividends totaling $119.0 million ($0.21 per share) compared to $110.9 million ($0.19 per share) in the same period of 2025. ARC declared dividends of $237.9 million ($0.42 per share) for the six months ended June 30, 2026, compared to $222.2 million ($0.38 per share) for the same period in 2025.

ARC's dividend as a per cent of funds from operations(1) decreased from an average of 16 per cent and 14 per cent for the three and six months ended June 30, 2025, respectively, to an average of 15 per cent and 13 per cent for the three and six months ended June 30, 2026, respectively. The decrease in dividend as a per cent of funds from operations for the three and six months ended June 30, 2026, 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 21



The actual amount of future quarterly dividends is proposed by Management and is subject to the approval and discretion of ARC's board of directors (the "Board"). The Board reviews future dividends in conjunction with their review of quarterly financial and operational results.

Commitments

In addition to its recognized liabilities at June 30, 2026, ARC's total commitments were $17.4 billion. These include commitments in place as at December 31, 2025, as well as additional purchase and service commitments and fixed interest amounts associated with ARC's senior notes issued in the period, less payments made during the six months ended June 30, 2026. For more information, refer to Note 16 "Commitments and Contingencies" in the financial statements.

Off-Balance Sheet Financing

ARC does not have any guarantees or off-balance sheet arrangements that have been excluded from the consolidated balance sheets other than commitments disclosed in Note 16 "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, 2025.

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 June 30, 2026 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 six months ended June 30, 2026.

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 22 details the composition of capital expenditures and its reconciliation to cash flow used in investing activities.

Table 22

Capital Expenditures ($ millions)	Three Months Ended March 31, 2026	**June 30, 2026**	June 30, 2025	Six Months Ended **June 30, 2026**	June 30, 2025
Cash flow used in investing activities	632.3	**407.1**	471.2	**1,039.4**	900.5
Business combinations (1)	(164.1)	**12.2**	—	**(151.9)**	—
Acquisition of assets	—	**(0.3)**	(0.8)	**(0.3)**	(4.8)
Disposal of assets	—	**—**	4.0	**—**	4.0
Long-term investments	(1.1)	**0.2**	(0.9)	**(0.9)**	(1.2)
Change in non-cash investing working capital	31.3	**38.5**	14.7	**69.8**	38.3
Capitalized ROU asset depreciation	9.7	**9.7**	8.1	**19.4**	16.6
Capital expenditures	508.1	**467.4**	496.3	**975.5**	953.4

(1) Refer to Note 5 "Business Combinations" in the financial statements.

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 23 details the calculation of free funds flow and its reconciliation to cash flow from operating activities.

Table 23

Free Funds Flow ($ millions)	Three Months Ended March 31, 2026	**June 30, 2026**	June 30, 2025	Six Months Ended **June 30, 2026**	June 30, 2025
Cash flow from operating activities	1,050.8	**872.0**	699.1	**1,922.8**	1,712.1
Net change in other liabilities	22.1	**1.8**	7.7	**23.9**	55.1
Change in non-cash operating working capital	(105.5)	**(57.5)**	(24.7)	**(163.0)**	(228.1)
Funds from operations	967.4	**816.3**	682.1	**1,783.7**	1,539.1
Capital expenditures	(508.1)	**(467.4)**	(496.3)	**(975.5)**	(953.4)
Free funds flow	459.3	**348.9**	185.8	**808.2**	585.7

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 12 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 24 contains a reconciliation of adjusted EBIT to the most directly comparable GAAP measure, net income.

Table 24

	Twelve Months Ended	Twelve Months Ended December 31				
Adjusted EBIT ($ millions)	**June 30, 2026**	2025	2024	2023	2022	2022 - 2025 Average[(1)]
Net income	**1,411.3**	1,275.1	1,124.1	1,596.5	2,302.3	1,574.5
Add interest and financing	**189.7**	151.3	133.8	105.5	97.2	122.0
Less accretion expense	**(21.1)**	(17.1)	(14.1)	(13.2)	(11.0)	(13.9)
Add income taxes	**461.4**	358.8	330.9	460.8	675.9	456.6
Adjusted EBIT	**2,041.3**	1,768.1	1,574.7	2,149.6	3,064.4	2,139.2

(1) Average for the years ended December 31, 2022, 2023, 2024, and 2025.

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 25 contains a reconciliation of average capital employed to the most directly comparable GAAP measure, shareholders' equity.

Table 25

	Twelve Months Ended	Twelve Months Ended December 31				
Average Capital Employed ($ millions)	**June 30, 2026**	2025	2024	2023	2022	2022 - 2025 Average[(1)]
Net debt - beginning of period	**1,289.2**	1,335.6	1,317.1	1,301.5	1,828.7	1,828.7
Current portion of lease obligations	**84.6**	92.8	85.2	92.4	109.3	109.3
Long-term portion of lease obligations	**867.6**	908.5	974.6	702.9	760.0	760.0
Shareholders' equity - beginning of period	**8,296.0**	7,948.2	7,427.8	6,653.5	5,927.5	5,927.5
Opening capital employed (A)	**10,537.4**	10,285.1	9,804.7	8,750.3	8,625.5	8,625.5
Net debt - end of period	**2,633.8**	2,866.1	1,335.6	1,317.1	1,301.5	2,866.1
Current portion of lease obligations	**105.4**	112.1	92.8	85.2	92.4	112.1
Long-term portion of lease obligations	**871.4**	922.1	908.5	974.6	702.9	922.1
Shareholders' equity - end of period	**8,848.2**	8,264.0	7,948.2	7,427.8	6,653.5	8,264.0
Closing capital employed (B)	**12,458.8**	12,164.3	10,285.1	9,804.7	8,750.3	12,164.3
Average capital employed (A+B)/2	**11,498.1**	11,224.7	10,044.9	9,277.5	8,687.9	10,394.9

(1) Average for the years ended December 31, 2022, 2023, 2024, and 2025.

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 12a 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 26:

Table 26

	Twelve Months Ended	Twelve Months Ended December 31				
ROACE ($ millions)	**June 30, 2026**	2025	2024	2023	2022	2022 - 2025 Average(1)
Adjusted EBIT	**2,041.3**	1,768.1	1,574.7	2,149.6	3,064.4	2,139.2
Divided by average capital employed	**11,498.1**	11,224.7	10,044.9	9,277.5	8,687.9	10,394.9
ROACE (%)	**18**	16	16	23	35	21

(1) Average for the years ended December 31, 2022, 2023, 2024, and 2025.

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 is calculated as follows in Table 27:

Table 27

	Three Months Ended			**Six Months Ended**	
Funds from Operations ($ millions)	March 31, 2026	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Cash flow from operating activities	1,050.8	**872.0**	699.1	**1,922.8**	1,712.1
Net change in other liabilities	22.1	**1.8**	7.7	**23.9**	55.1
Change in non-cash operating working capital	(105.5)	**(57.5)**	(24.7)	**(163.0)**	(228.1)
Funds from operations	967.4	**816.3**	682.1	**1,783.7**	1,539.1

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 are 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 28 details the composition of ARC's net debt and net debt to funds from operations as at June 30, 2026 and December 31, 2025:

Table 28

Net Debt ($ millions, except ratio amounts)	**June 30, 2026**	December 31, 2025
Long-term debt [1]	**2,488.2**	2,878.1
Accounts payable and accrued liabilities	**1,081.1**	760.8
Dividends payable	**119.0**	120.0
Cash and cash equivalents, accounts receivable, and prepaid expense	**(1,054.5)**	(892.8)
Net debt	**2,633.8**	2,866.1
Funds from operations [2]	**3,437.0**	3,192.4
Net debt to funds from operations (ratio) [3]	**0.8**	0.9

(1) Includes current portion of long-term debt of $450.0 million at December 31, 2025.
(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: the remaining conditions to closing and the anticipated timing of closing of the Arrangement under the heading "Arrangement Agreement"; ARC's business model under the heading "About ARC Resources Ltd."; ARC's 2026 annual guidance, including production guidance, expense guidance and guidance with respect to current income tax expense as a per cent of funds from operations under the heading "Annual Guidance"; the terms, including the anticipated timing of commencement, volumes, terms, 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 acceleration of the vesting of certain awards as a result of the Arrangement under the heading "G&A"; the anticipated vesting of RSUs and PSUs, the performance multiplier to be applied to ARC's PSUs as a result of the Arrangement, expected variability of future payments under the RSU and PSU plans, the anticipated assumption of ARC's RSUs and PSUs by Shell and that ARC's DSU, LTRSA, and share option plans will be discontinued on or before closing of the Arrangement, under the heading "Share-based Compensation 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 and ARC's target net debt to funds from operations under the heading "Capitalization, Financial Resources and Liquidity"; 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"; expectations with respect to the value of ARC's commitments under the heading "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: the satisfaction of the conditions the Arrangement is subject to; Shell's ability to finance the Arrangement; that the Arrangement will close upon the timeline currently anticipated; 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; 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 2026 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: regulatory and government approvals of the Arrangement; the risk that the Arrangement may be varied, accelerated or terminated in certain circumstances; risks relating to the outcome of the Arrangement; the risk that the conditions of the Arrangement may not be satisfied, or to the extent permitted, waived, including the risk that required regulatory approvals may not be received in a timely manner or at all; 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; the impacts of the ongoing Middle-East conflicts, including the war in Iran and the impact of ongoing shipping interruptions through the Strait of Hormuz, the Russia-Ukraine war, and geopolitical developments in Venezuela (and any associated sanctions) on the global economy and commodity prices; 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 (including risks with respect to water production and disposal); 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; risks related to potential or ongoing litigation; lack of adequate insurance coverage; inaccurate estimation of ARC's reserve volumes; risks related to derivative risk management contracts; 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 close, integrate and realize the anticipated benefits of completed, contemplated, or future acquisitions and divestitures; 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, 2025.

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 2026 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
IASB	International Accounting Standards Board
ICFR	Internal Control over Financial Reporting
IFRS	International Financial Reporting Standards
IQRE	independent qualified reserves evaluator
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)	2026		2025				2024	
FINANCIAL	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Commodity sales from production	**1,691.2**	1,659.1	1,438.8	1,263.5	1,229.2	1,490.2	1,345.5	1,054.4
Per share, basic [1]	**2.99**	2.92	2.51	2.18	2.10	2.53	2.28	1.77
Per share, diluted [1]	**2.99**	2.91	2.51	2.17	2.10	2.53	2.27	1.77
Net income	**352.7**	584.3	259.9	214.4	396.1	404.7	370.3	328.9
Per share, basic	**0.62**	1.03	0.45	0.37	0.68	0.69	0.63	0.55
Per share, diluted	**0.62**	1.03	0.45	0.37	0.68	0.69	0.63	0.55
Cash flow from operating activities	**872.0**	1,050.8	668.1	713.3	699.1	1,013.0	650.9	518.4
Per share, basic [1]	**1.54**	1.85	1.17	1.23	1.20	1.72	1.10	0.87
Per share, diluted [1]	**1.54**	1.85	1.16	1.23	1.19	1.72	1.10	0.87
Funds from operations	**816.3**	967.4	874.3	779.0	682.1	857.0	770.4	592.4
Per share, basic [1]	**1.44**	1.70	1.53	1.34	1.17	1.46	1.30	1.00
Per share, diluted [1]	**1.44**	1.70	1.52	1.34	1.17	1.45	1.30	0.99
Free funds flow	**348.9**	459.3	415.4	282.6	185.8	399.9	420.4	133.8
Per share, basic [1]	**0.62**	0.81	0.72	0.49	0.32	0.68	0.71	0.22
Per share, diluted [1]	**0.62**	0.81	0.72	0.49	0.32	0.68	0.71	0.22
Cash flow used in investing activities	**407.1**	632.3	475.5	2,160.0	471.2	429.3	423.3	339.7
Dividends declared	**119.0**	118.9	120.0	109.6	110.9	111.3	112.2	100.8
Per share	**0.21**	0.21	0.21	0.19	0.19	0.19	0.19	0.17
Total assets	**15,918.3**	15,822.5	15,310.3	15,181.3	14,177.9	13,040.2	13,099.7	12,901.2
Total liabilities	**7,070.1**	7,211.6	7,046.3	6,977.1	5,881.9	4,942.1	5,151.5	5,172.2
Net debt	**2,633.8**	2,863.2	2,866.1	3,056.6	1,289.2	1,260.5	1,335.6	1,560.6
Weighted average shares, basic	**565.6**	568.6	573.2	580.6	584.0	588.5	591.0	595.1
Weighted average shares, diluted	**566.4**	569.4	574.1	581.5	585.0	589.7	592.3	596.4
Shares outstanding, end of period	**565.9**	565.5	570.6	575.7	582.5	585.0	589.6	591.7
CAPITAL EXPENDITURES								
Geological and geophysical	**1.6**	3.2	8.2	3.2	1.8	10.5	2.3	4.6
Drilling, completions, equip and tie-in	**413.5**	472.1	407.8	445.5	436.1	400.4	264.3	390.3
Plant and facilities	**12.8**	18.3	16.0	25.1	29.4	38.5	57.0	52.7
Maintenance and optimization	**22.2**	16.0	19.4	25.2	15.3	5.7	9.7	17.0
Corporate	**17.3**	(1.5)	7.5	(2.6)	13.7	2.0	16.7	(6.0)
Capital expenditures	**467.4**	508.1	458.9	496.4	496.3	457.1	350.0	458.6
Acquisitions	**0.3**	—	2.4	49.6	0.8	4.0	16.4	—
Dispositions	**—**	—	—	—	(4.0)	—	(7.6)	(80.0)
Capital expenditures, and net acquisitions and dispositions	**467.7**	508.1	461.3	546.0	493.1	461.1	358.8	378.6
OPERATING								
Production								
Crude oil and condensate (bbl/d)	**108,546**	110,954	118,898	113,959	100,399	94,334	102,977	88,517
Natural gas (MMcf/d)	**1,426**	1,533	1,410	1,172	1,307	1,411	1,418	1,203
NGLs (bbl/d)	**44,338**	52,083	54,500	50,014	38,999	42,821	42,998	37,797
Total (boe/d)	**390,465**	418,522	408,382	359,236	357,228	372,265	382,341	326,768
Average realized commodity prices								
Crude oil ($/bbl)	**130.03**	91.66	73.63	82.75	82.56	87.90	91.46	92.22
Condensate ($/bbl)	**127.56**	95.17	78.45	84.66	85.35	99.28	95.52	95.38
Natural gas ($/Mcf)	**2.52**	4.51	3.77	2.75	3.19	4.19	2.58	1.78
NGLs ($/bbl)	**25.31**	18.96	18.97	17.47	20.39	31.98	26.83	23.77
Oil equivalent ($/boe)	**47.59**	44.05	38.30	38.23	37.81	44.48	38.25	35.07
TRADING STATISTICS [2]								
($, based on intra-day trading)								
High	**32.59**	29.84	27.20	29.27	31.56	29.05	27.40	26.45
Low	**24.37**	21.14	23.54	23.67	22.63	23.85	22.48	21.44
Close	**29.80**	28.95	25.75	25.38	28.71	28.93	26.07	22.86
Average daily volume (thousands)	**12,941**	8,044	5,431	5,046	3,559	3,674	3,747	3,696

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.

Q2 2026

Financial
Statements

ARC RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
(unaudited)

As at

(Cdn$ millions)	**June 30, 2026**	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	**67.5**	7.0
Inventory	**24.3**	17.9
Accounts receivable	**846.8**	749.2
Prepaid expense	**140.2**	136.6
Risk management contracts (Note 12)	**112.2**	135.6
	1,191.0	1,046.3
Risk management contracts (Note 12)	**167.2**	56.4
Long-term investments	**42.5**	30.2
Exploration and evaluation assets	**455.6**	442.4
Property, plant and equipment (Notes 5 and 6)	**12,900.4**	12,514.4
Right-of-use and other long-term assets (Note 7)	**913.4**	972.4
Goodwill	**248.2**	248.2
Total assets	**15,918.3**	15,310.3
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**1,081.1**	760.8
Current portion of lease obligations (Note 8)	**105.4**	112.1
Current portion of long-term debt (Note 9)	**—**	450.0
Current portion of other deferred liabilities	**28.4**	28.6
Current portion of asset retirement obligation (Notes 5 and 10)	**20.0**	20.0
Dividends payable (Note 13)	**119.0**	120.0
Risk management contracts (Note 12)	**1.7**	—
	1,355.6	1,491.5
Risk management contracts (Note 12)	**134.1**	138.9
Long-term portion of lease obligations (Note 8)	**871.4**	922.1
Long-term debt (Note 9)	**2,488.2**	2,428.1
Long-term incentive compensation liability (Note 15)	**30.6**	28.1
Other deferred liabilities	**104.3**	113.0
Asset retirement obligation (Notes 5 and 10)	**505.9**	473.9
Deferred taxes	**1,580.0**	1,450.7
Total liabilities	**7,070.1**	7,046.3
SHAREHOLDERS' EQUITY		
Shareholders' capital (Note 13)	**5,952.1**	5,990.6
Contributed surplus	**25.0**	28.4
Retained earnings	**2,873.9**	2,247.0
Accumulated other comprehensive loss	**(2.8)**	(2.0)
Total shareholders' equity	**8,848.2**	8,264.0
Total liabilities and shareholders' equity	**15,918.3**	15,310.3
Commitments and contingencies (Note 16)		

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 six months ended June 30

	Three Months Ended		Six Months Ended	
(Cdn$ millions, except per share amounts)	**2026**	2025	**2026**	2025
Commodity sales from production (Note 14)	**1,691.2**	1,229.2	**3,350.3**	2,719.4
Royalties	**(237.5)**	(120.7)	**(400.8)**	(283.5)
Sales of third-party purchases (Note 14)	**720.3**	307.2	**1,177.7**	612.4
Total revenue	**2,174.0**	1,415.7	**4,127.2**	3,048.3
Interest and other income	**12.3**	2.3	**14.6**	13.2
Gain (loss) on risk management contracts (Note 12)	**(23.5)**	146.7	**125.7**	111.9
Total revenue, interest and other income, and gain (loss) on risk management contracts	**2,162.8**	1,564.7	**4,267.5**	3,173.4
Operating	**248.0**	168.1	**457.8**	330.6
Transportation	**176.6**	174.1	**364.9**	360.1
Third-party purchases (Note 17)	**700.2**	307.5	**1,124.2**	603.2
General and administrative	**121.1**	46.5	**172.4**	103.8
Interest and financing	**46.9**	27.8	**94.9**	56.5
Impairment (reversal of impairment) of financial assets	**(1.1)**	(3.2)	**0.1**	(3.0)
Depletion, depreciation and amortization (Notes 6 and 7)	**387.4**	349.0	**803.5**	698.3
Loss (gain) on foreign exchange	**(5.4)**	13.6	**(2.0)**	15.0
Gain on disposal of crude oil and natural gas assets	**—**	(4.0)	**—**	(4.0)
Total expenses	**1,673.7**	1,079.4	**3,015.8**	2,160.5
Net income before income taxes	**489.1**	485.3	**1,251.7**	1,012.9
Provision for income taxes				
Current	**95.0**	65.0	**185.0**	175.0
Deferred	**41.4**	24.2	**129.7**	37.1
Total income taxes	**136.4**	89.2	**314.7**	212.1
Net income	**352.7**	396.1	**937.0**	800.8
Other comprehensive income				
Items that may be reclassified to net income in subsequent periods:				
Net unrealized gain (loss) on foreign currency translation adjustment	**(1.8)**	4.2	**(0.8)**	5.0
Comprehensive income	**350.9**	400.3	**936.2**	805.8
Net income per share (Note 13)				
Basic	**0.62**	0.68	**1.65**	1.37
Diluted	**0.62**	0.68	**1.65**	1.36

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 six months ended June 30

(Cdn$ millions)	Shareholders' Capital (Note 13)	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
December 31, 2024	6,194.3	31.6	1,728.5	(6.2)	7,948.2
Comprehensive income	—	—	800.8	5.0	805.8
Share-based compensation plans (Note 15)	2.6	(2.1)	—	—	0.5
Exercise of share options	11.2	(1.3)	—	—	9.9
Repurchase of shares for cancellation (Note 13)	(85.7)	—	(129.0)	—	(214.7)
Change in liability for share purchase commitment (Note 13)	(12.5)	—	(19.0)	—	(31.5)
Dividends declared (Note 13)	—	—	(222.2)	—	(222.2)
June 30, 2025	6,109.9	28.2	2,159.1	(1.2)	8,296.0
December 31, 2025	5,990.6	28.4	2,247.0	(2.0)	8,264.0
Comprehensive income	**—**	**—**	**937.0**	**(0.8)**	**936.2**
Share-based compensation plans (Note 15)	**3.1**	**(2.9)**	**—**	**—**	**0.2**
Exercise of share options	**10.2**	**(0.5)**	**—**	**—**	**9.7**
Repurchase of shares for cancellation (Note 13)	**(58.6)**	**—**	**(80.4)**	**—**	**(139.0)**
Change in liability for share purchase commitment (Note 13)	**6.8**	**—**	**8.2**	**—**	**15.0**
Dividends declared (Note 13)	**—**	**—**	**(237.9)**	**—**	**(237.9)**
June 30, 2026	**5,952.1**	**25.0**	**2,873.9**	**(2.8)**	**8,848.2**

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 six months ended June 30

	Three Months Ended		Six Months Ended	
(Cdn$ millions)	**2026**	2025	**2026**	2025
CASH FLOW FROM OPERATING ACTIVITIES				
Net income	**352.7**	396.1	**937.0**	800.8
Add items not involving cash:				
Unrealized loss (gain) on risk management contracts (Note 12)	**40.3**	(86.8)	**(90.5)**	(2.0)
Depletion, depreciation and amortization (Notes 6 and 7)	**387.4**	349.0	**803.5**	698.3
Unrealized loss (gain) on foreign exchange	**(1.9)**	2.3	**(0.6)**	3.0
Gain on disposal of crude oil and natural gas assets	**—**	(4.0)	**—**	(4.0)
Deferred taxes	**41.4**	24.2	**129.7**	37.1
Other (Note 17)	**(3.6)**	1.3	**4.6**	5.9
Net change in other liabilities (Note 17)	**(1.8)**	(7.7)	**(23.9)**	(55.1)
Change in non-cash working capital (Note 17)	**57.5**	24.7	**163.0**	228.1
Cash flow from operating activities	**872.0**	699.1	**1,922.8**	1,712.1
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES				
Draw of long-term debt under credit facilities	**909.9**	814.4	**2,635.6**	2,062.6
Issuance of senior notes (Note 9)	**—**	1,000.0	**950.0**	1,000.0
Repayment of long-term debt (Note 9)	**(1,167.9)**	(891.5)	**(3,973.6)**	(2,454.7)
Proceeds from exercise of share options	**5.3**	5.5	**9.7**	9.9
Repurchase of shares	**—**	(76.6)	**(137.5)**	(207.4)
Repayment of principal relating to lease obligations	**(29.9)**	(25.6)	**(59.4)**	(51.9)
Cash dividends paid	**(118.9)**	(111.3)	**(238.9)**	(223.5)
Change in non-cash working capital (Note 17)	**—**	5.1	**(8.8)**	3.2
Cash flow from (used in) financing activities	**(401.5)**	720.0	**(822.9)**	138.2
CASH FLOW USED IN INVESTING ACTIVITIES				
Business combinations (Note 5)	**12.2**	—	**(151.9)**	—
Acquisition of assets	**(0.3)**	(0.8)	**(0.3)**	(4.8)
Disposition of assets	**—**	4.0	**—**	4.0
Property, plant and equipment development expenditures (Note 6)	**(452.2)**	(472.7)	**(942.3)**	(908.1)
Exploration and evaluation asset expenditures	**(5.5)**	(15.5)	**(13.8)**	(28.7)
Long-term investments	**0.2**	(0.9)	**(0.9)**	(1.2)
Change in non-cash working capital (Note 17)	**38.5**	14.7	**69.8**	38.3
Cash flow used in investing activities	**(407.1)**	(471.2)	**(1,039.4)**	(900.5)
INCREASE IN CASH AND CASH EQUIVALENTS	**63.4**	947.9	**60.5**	949.8
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**4.1**	1.9	**7.0**	—
CASH AND CASH EQUIVALENTS, END OF PERIOD	**67.5**	949.8	**67.5**	949.8
The following are included in cash flow from operating activities:				
Income taxes paid in cash	**108.1**	41.2	**185.8**	80.6
Interest paid in cash	**34.8**	14.8	**70.5**	46.9

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

1. Structure of the Business

The principal undertakings of ARC Resources Ltd. and its 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. Arrangement Agreement

On April 27, 2026, ARC announced that it entered into a definitive arrangement agreement with Shell plc ("Shell") and Shell Canada Limited, a wholly owned subsidiary of Shell, which agreement was subsequently amended pursuant to an amending agreement dated June 6, 2026 (as amended, the "Arrangement Agreement"), whereby Shell agreed to acquire all of the issued and outstanding common shares of ARC by way of a statutory plan of arrangement in a cash and share transaction valued at approximately $22.0 billion, including assumed net debt (the "Arrangement").

On July 14, 2026, the shareholders of ARC approved the Arrangement and ARC subsequently obtained a final order from the Court of King's Bench of Alberta approving the Arrangement. Closing of the Arrangement remains subject to the receipt of the remaining regulatory approval and other customary closing conditions and is expected to occur in the second half of 2026.

3. 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, 2025. 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, 2025. 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 its 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 July 30, 2026.

4. New Accounting Policies

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

On January 1, 2026, ARC adopted the amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* as issued by the International Accounting Standards Board relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. There was not a material impact to ARC's financial statements.

5. Business Combinations

On February 18, 2026, ARC completed an acquisition of assets in the Kakwa area of Alberta for total cash consideration of $164.1 million (the "Transaction"). The Transaction expands ARC's holdings in its core Kakwa region and 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, 2025.

The cash consideration of $164.1 million is allocated based on Management's best estimate of the net assets acquired, which is subject to change, and comprises $174.2 million of property, plant and equipment ("PP&E") and $10.1 million of asset retirement obligation ("ARO").

During the three months ended June 30, 2026, ARC also recorded final closing adjustments of $(12.2) million to PP&E, related to a business combination that was completed in July 2025. For further information, refer to Note 6 "Business Combination" of ARC's audited consolidated financial statements for the year ended December 31, 2025.

6. Property, Plant and Equipment

Cost	Development and Production Assets	Corporate Assets	Total
Balance, December 31, 2025	22,525.3	177.4	22,702.7
Business combinations (Note 5)	**162.0**	**—**	**162.0**
Additions	**953.6**	**8.1**	**961.7**
Acquisitions	**0.3**	**—**	**0.3**
Change in asset retirement cost	**24.2**	**—**	**24.2**
Balance, June 30, 2026	**23,665.4**	**185.5**	**23,850.9**
Accumulated Depletion, Depreciation and Amortization ("DD&A")			
Balance, December 31, 2025	(10,058.2)	(130.1)	(10,188.3)
DD&A	**(756.0)**	**(6.2)**	**(762.2)**
Balance, June 30, 2026	**(10,814.2)**	**(136.3)**	**(10,950.5)**
Carrying Amounts			
Balance, December 31, 2025	12,467.1	47.3	12,514.4
Balance, June 30, 2026	**12,851.2**	**49.2**	**12,900.4**

For the three and six months ended June 30, 2026, $21.7 million and $33.7 million of overhead charges, including share-based compensation, were capitalized to PP&E ($11.4 million and $25.2 million for the three and six months ended June 30, 2025), respectively.

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

	Leases			Other	
Cost	**Buildings**	**Equipment and Vehicles**	**Facilities**	**Service Contracts**	**Total**
Balance, December 31, 2025	38.7	216.2	1,208.7	29.3	1,492.9
Additions	—	—	—	**7.6**	**7.6**
Modifications and terminations	—	**(4.7)**	**4.5**	—	**(0.2)**
Balance, June 30, 2026	**38.7**	**211.5**	**1,213.2**	**36.9**	**1,500.3**
Accumulated Depreciation					
Balance, December 31, 2025	(26.9)	(124.5)	(360.7)	(8.4)	(520.5)
Depreciation [(1)]	**(0.9)**	**(21.5)**	**(45.0)**	**(1.0)**	**(68.4)**
Modifications and terminations	—	**2.0**	—	—	**2.0**
Balance, June 30, 2026	**(27.8)**	**(144.0)**	**(405.7)**	**(9.4)**	**(586.9)**
Carrying Amounts					
Balance, December 31, 2025	11.8	91.7	848.0	20.9	972.4
Balance, June 30, 2026	**10.9**	**67.5**	**807.5**	**27.5**	**913.4**

(1) Includes $19.4 million of depreciation on equipment and vehicle ROU assets capitalized to PP&E.

8. Lease Obligations

Carrying Amount	
Balance, December 31, 2025	1,034.2
Modifications and terminations	**2.0**
Interest expense	**25.9**
Repayments	**(85.3)**
Balance, June 30, 2026	**976.8**
Lease obligations due within one year	**105.4**
Lease obligations due beyond one year	**871.4**

9. Long-term Debt

	June 30, 2026	December 31, 2025
Syndicated credit facilities	**—**	388.0
Term loan	**—**	500.0
Senior notes		
Series 1	**—**	450.0
Series 2	**550.0**	550.0
Series 3	**550.0**	550.0
Series 4	**450.0**	450.0
Series 5	**400.0**	—
Series 6	**550.0**	—
Total senior notes	**2,500.0**	2,000.0
Unamortized debt issuance costs	**(11.8)**	(9.9)
Total long-term debt outstanding	**2,488.2**	2,878.1
Long-term debt due within one year	**—**	450.0
Long-term debt due beyond one year	**2,488.2**	2,428.1

During the six months ended June 30, 2026, ARC closed an offering of $950.0 million aggregate principal amount of senior unsecured notes, which proceeds were used to repay its $500.0 million term loan and redeem its aggregate principal amount of $450.0 million Series 1 senior note. The terms of ARC's senior notes are summarized below:

Senior Note	**Issued**	**Principal**	**Coupon Rate**	**Maturity**
Series 1	March 2021	$450 million	2.354%	Redeemed
Series 2	March 2021	$550 million	3.465%	March 2031
Series 3	June 2025	$550 million	3.577%	June 2028
Series 4	June 2025	$450 million	4.409%	June 2032
Series 5	February 2026	$400 million	3.349%	February 2029
Series 6	February 2026	$550 million	4.104%	February 2033

During the six months ended June 30, 2026, ARC extended the maturity date of its unsecured extendible revolving credit facility to March 2030 from March 2029, with the borrowing capacity unchanged at $2.0 billion. At June 30, 2026, ARC's total available credit capacity, including its credit facility and senior notes, was $4.5 billion ($4.5 billion at December 31, 2025), of which $2.5 billion was drawn ($2.9 billion at December 31, 2025).

There are no financial covenants associated with the Series 5 and Series 6 senior notes and there were no changes to any existing debt covenants. At June 30, 2026, ARC was in compliance with all of its debt covenants.

Based on a market comparison, the fair value of all long-term debt outstanding was $2.5 billion at June 30, 2026 ($2.9 billion at December 31, 2025).

10. Asset Retirement Obligation

ARC has estimated the net present value of its total ARO to be $525.9 million at June 30, 2026 ($493.9 million at December 31, 2025) based on a total future undiscounted liability of $819.2 million ($792.9 million at December 31, 2025). Management estimates that these payments are expected to be made over the next 57 years, with the majority of payments occurring in the years 2050 - 2070. The Bank of Canada's long-term risk-free bond rate of 3.8 per cent (3.9 per cent at December 31, 2025) and an average inflation rate of 2.0 per cent (2.0 per cent at December 31, 2025) were used to calculate the present value of ARO at June 30, 2026.

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

	Six Months Ended June 30, 2026	Year Ended December 31, 2025
Balance, beginning of period	**493.9**	431.4
Acquired through a business combination (1) (Note 5)	**10.1**	30.5
Revaluation of obligations acquired through a business combination (2)	**5.8**	28.5
Development activities	**8.4**	16.3
Change in estimates (3)	**—**	42.1
Change in discount rate	**9.5**	(53.3)
Settlement of obligations	**(11.6)**	(17.6)
Accretion	**9.8**	16.0
Balance, end of period	**525.9**	493.9
Expected to be incurred within one year	**20.0**	20.0
Expected to be incurred beyond one year	**505.9**	473.9

(1) For the six months ended June 30, 2026, the obligations acquired were measured at a credit-adjusted rate of 6.9 per cent (6.6 per cent for the year ended December 31, 2025).
(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, 2025.
(3) Relates to changes in cost estimates of future obligations and anticipated settlement dates of ARO.

11. 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 six months ended June 30, 2026, ARC refinanced $950.0 million of long-term debt, repurchased 5.3 million common shares under its normal course issuer bid, and the Board declared dividends totaling $0.42 per common share.

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 six months ended June 30, 2026 and 2025 is calculated as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	**2026**	2025
Cash flow from operating activities	**872.0**	699.1	**1,922.8**	1,712.1
Net change in other liabilities (Note 17)	**1.8**	7.7	**23.9**	55.1
Change in non-cash operating working capital (Note 17)	**(57.5)**	(24.7)	**(163.0)**	(228.1)
Funds from operations	**816.3**	682.1	**1,783.7**	1,539.1

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 June 30, 2026, ARC's net debt was 0.8 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 June 30, 2026 and 2025:

	June 30, 2026	June 30, 2025
Long-term debt (1)	**2,488.2**	1,990.8
Accounts payable and accrued liabilities	**1,081.1**	846.3
Dividends payable	**119.0**	110.9
Cash and cash equivalents, accounts receivable, and prepaid expense	**(1,054.5)**	(1,658.8)
Net debt	**2,633.8**	1,289.2
Funds from operations (2)	**3,437.0**	2,901.9
Net debt to funds from operations (ratio) (3)	**0.8**	0.4

(1) Includes current portion of long-term debt of $450.0 million at June 30, 2025.
(2) 12-month trailing funds from operations.
(3) Composed of net debt divided by 12-month trailing funds from operations.

12. Financial Instruments and Market Risk Management

Financial Instruments

At June 30, 2026, 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 9 "Long-term Debt". There were no transfers between levels in the fair value hierarchy for the six months ended June 30, 2026.

The carrying values of ARC's accounts receivable, accounts payable and accrued liabilities, and dividends payable as at June 30, 2026 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 17 "Financial Instruments and Market Risk Management" of ARC's audited consolidated financial statements for the year ended December 31, 2025.

ARC recognizes a gain (loss) on risk management contracts in the unaudited condensed interim consolidated statements of comprehensive income ("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 six months ended June 30, 2026, ARC recognized an unrealized loss of $82.4 million and an unrealized gain of $88.7 million (unrealized gain of $57.5 and $24.0 million for the three and six months ended June 30, 2025), respectively. At June 30, 2026, the fair value of the natural gas embedded derivatives was a liability of $49.6 million (liability of $138.3 million at December 31, 2025).

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 June 30, 2026 and December 31, 2025:

	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 June 30, 2026					
Risk management contracts					
Current asset	**161.6**	**(48.8)**	**112.8**	**(0.6)**	**112.2**
Long-term asset	**193.3**	**(25.7)**	**167.6**	**(0.4)**	**167.2**
Current liability	**(50.6)**	**48.8**	**(1.8)**	**0.1**	**(1.7)**
Long-term liability	**(159.9)**	**25.7**	**(134.2)**	**0.1**	**(134.1)**
Net position	**144.4**	**—**	**144.4**	**(0.8)**	**143.6**
As at December 31, 2025					
Risk management contracts					
Current asset	172.5	(36.3)	136.2	(0.6)	135.6
Long-term asset	77.5	(20.8)	56.7	(0.3)	56.4
Current liability	(36.3)	36.3	—	—	—
Long-term liability	(159.7)	20.8	(138.9)	—	(138.9)
Net position	54.0	—	54.0	(0.9)	53.1

Risk Management Contracts

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

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	**2026**	2025
Realized gain on risk management contracts	**16.8**	59.9	**35.2**	109.9
Unrealized gain (loss) on risk management contracts	**(40.3)**	86.8	**90.5**	2.0
Total gain (loss) on risk management contracts	**(23.5)**	146.7	**125.7**	111.9

The following table summarizes ARC's risk management contracts as at June 30, 2026:

Risk Management Contracts Positions Summary (1)

As at June 30, 2026	2026 (remainder)		2027		2028		2029	
Crude Oil – WTI	US$/bbl	bbl/day	US$/bbl	bbl/day	US$/bbl	bbl/day	US$/bbl	bbl/day
Ceiling	82.26	27,500	73.13	10,000	—	—	—	—
Floor	65.91	27,500	61.00	10,000	—	—	—	—
Sold Floor	55.00	27,500	50.00	10,000	—	—	—	—
Sold Swaption (2)	—	—	81.93	9,000	—	—	—	—
Total Crude Oil Volumes (bbl/day)		**27,500**		**10,000**		**—**		**—**
Natural Gas – AECO 7A	Cdn$/GJ	GJ/day	Cdn$/GJ	GJ/day	Cdn$/GJ	GJ/day	Cdn$/GJ	GJ/day
Ceiling	4.04	300,000	3.61	180,000	3.46	30,000	3.46	30,000
Floor	2.71	300,000	2.55	180,000	2.50	30,000	2.50	30,000
Swap	2.87	33,424	—	—	—	—	—	—
Natural Gas – Chicago (3)	US$/MMBtu	MMBtu/day	US$/MMBtu	MMBtu/day	US$/MMBtu	MMBtu/day	US$/MMBtu	MMBtu/day
Ceiling	5.27	50,000	—	—	—	—	—	—
Floor	3.50	50,000	—	—	—	—	—	—
Total Natural Gas Volumes (MMBtu/day)		**366,025**		**170,607**		**28,435**		**28,435**
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
Sold Swap	(1.05)	92,500	(1.05)	92,500	(1.11)	142,500	(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$/US$)
Ceiling	180.0	1.4265	—	—	—	—	—	—
Floor	180.0	1.3700	—	—	—	—	—	—
Sold Floor	120.0	1.3100	—	—	—	—	—	—

(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 NGI Chicago Citygate.

13. Shareholders' Capital

(thousands of shares)	**Six Months Ended June 30, 2026**	Year Ended December 31, 2025
Common shares, beginning of period	570,626	589,626
Repurchase of shares for cancellation	**(5,324)**	(19,687)
Issued on exercise of share options and long-term incentive awards	**466**	598
Unvested restricted shares held in trust pursuant to the LTRSA Plan (1)	**(8)**	(16)
Restricted shares vested pursuant to the LTRSA Plan	**114**	105
Common shares, end of period	**565,874**	570,626

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

The following table details ARC's share repurchases:

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Shares repurchased (thousands of shares)	**5,324**	7,776
Average price per share	**$26.11**	$27.53
Recognized as a reduction of:		
Share capital	**58.6**	85.7
Retained earnings	**80.4**	129.0
Share repurchase cost	**139.0**	214.7

At December 31, 2025, ARC had recognized a liability of $15.0 million for share repurchases under an automatic share purchase plan agreement. There was no automatic share purchase plan agreement at June 30, 2026.

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

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of shares)	**2026**	2025	**2026**	2025
Weighted average common shares	**565,642**	584,002	**567,097**	586,236
Dilutive impact of share-based compensation (1)	**784**	1,045	**801**	1,122
Weighted average common shares, diluted	**566,426**	585,047	**567,898**	587,358

(1) For the three and six months ended June 30, 2026, no share-based compensation awards were excluded from the diluted weighted average shares calculation (0.1 million for both the three and six months ended June 30, 2025, as they were anti-dilutive).

Dividends declared for the three and six months ended June 30, 2026 were $0.21 and $0.42 per share ($0.19 and $0.38 per share for the three and six months ended June 30, 2025), respectively.

14. 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,	Three Months Ended June 30		Six Months Ended June 30	
by Product	**2026**	2025	**2026**	2025
Crude oil	**98.7**	70.6	**163.6**	134.2
Condensate	**1,163.2**	706.7	**2,046.2**	1,477.8
Natural gas	**327.2**	379.5	**949.5**	911.8
Natural gas liquids	**102.1**	72.4	**191.0**	195.6
Total commodity sales from production	**1,691.2**	1,229.2	**3,350.3**	2,719.4

During the three and six months ended June 30, 2026, $158.5 million and $492.4 million of total commodity sales from production are attributed to the United States ($198.3 million and $487.8 million for the three and six months ended June 30, 2025), respectively, with the remainder attributed to Canada, based on the location of ARC's sales points.

At June 30, 2026, accounts receivable includes $784.7 million from contracts with customers ($676.7 million at December 31, 2025).

Sales of Third-Party Purchases

Through the normal course of business, ARC purchases goods and services from third parties and earns 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 June 30		Six Months Ended June 30	
	2026	2025	**2026**	2025
Sales of commodities purchased from third parties	**703.4**	295.3	**1,150.9**	600.5
Transportation assignment sales	**16.9**	11.9	**26.8**	11.9
Sales of third-party purchases	**720.3**	307.2	**1,177.7**	612.4

During the three and six months ended June 30, 2026, $18.7 million and $121.5 million of sales of third-party purchases are attributed to the United States ($5.0 million and $5.1 million for the three and six months ended June 30, 2025), respectively, with the remainder attributed to Canada.

15. Share-based Compensation Plans

In accordance with the terms of the Arrangement, certain of ARC's Restricted Share Unit ("RSU") and Performance Share Unit ("PSU") awards will be assumed by Shell and continue to vest as scheduled. ARC's Deferred Share Unit ("DSU"), LTRSA and share option plans will be discontinued on or before closing of the Arrangement. At June 30, 2026, all share options were exercised.

Long-term Incentive Plans

The following table summarizes the changes in the RSU, PSU, and DSU awards for the six months ended June 30, 2026:

RSU, PSU, and DSU Plans (number of awards, thousands)	**RSUs**	**PSUs** [1]	**DSUs**
Balance, December 31, 2025	1,334	2,678	1,193
Granted	**328**	**731**	**60**
Distributed	**(356)**	**(854)**	**—**
Forfeited	**(19)**	**(15)**	**—**
Balance, June 30, 2026	**1,287**	**2,540**	**1,253**

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

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

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	**2026**	2025
General and administrative ("G&A")	**71.2**	5.2	**82.8**	26.3
Operating	**2.6**	1.0	**3.9**	1.7
PP&E	**12.1**	2.0	**14.4**	8.0
Total compensation charge	**85.9**	8.2	**101.1**	36.0
Cash payment	**—**	—	**32.9**	34.4

At June 30, 2026, compensation amounts of $143.7 million were recognized in accounts payable and accrued liabilities on the balance sheets ($78.0 million at December 31, 2025) and $30.6 million was included in long-term incentive compensation liability ($28.1 million at December 31, 2025).

LTRSA Plan

The changes in total LTRSA outstanding and related fair value per restricted share for the six months ended June 30, 2026 were as follows:

	LTRSA (number of awards, thousands)	Fair Value per Restricted Share ($)
Balance, December 31, 2025	745	8.03
Restricted shares purchased	**8**	**25.44**
Distributed	**(114)**	**16.44**
Balance, June 30, 2026	**639**	**6.74**

ARC recognized G&A expense of $0.1 million and $0.2 million relating to the LTRSA Plan for the three and six months ended June 30, 2026 ($0.2 million and $0.4 million for the three and six months ended June 30, 2025), respectively.

16. Commitments and Contingencies

In addition to its recognized liabilities, the following is a summary of ARC's contractual commitments as at June 30, 2026 and December 31, 2025:

	Payments Due by Period				
As at June 30, 2026	**1 Year**	**2-3 Years**	**4-5 Years**	**Beyond 5 Years**	**Total**
Interest (1)	94.5	169.4	123.0	65.0	451.9
Purchase and service (2)	245.7	559.5	911.4	7,203.0	8,919.6
Transportation	747.2	1,367.6	1,211.5	4,667.4	7,993.7
Total contractual commitments	**1,087.4**	**2,096.5**	**2,245.9**	**11,935.4**	**17,365.2**

As at December 31, 2025	1 Year	2-3 Years	4-5 Years	Beyond 5 Years	Total
Interest (1)	63.9	107.3	77.8	39.3	288.3
Purchase and service (2)	170.6	314.4	878.3	7,174.5	8,537.8
Transportation	721.2	1,334.6	1,180.0	4,820.4	8,056.2
Total contractual commitments	955.7	1,756.3	2,136.1	12,034.2	16,882.3

(1) Fixed interest payments on ARC's senior notes.
(2) Includes variable operating costs associated with ARC's lease obligations.

17. 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. The following table details the amount of total employee compensation expense included in operating and G&A expense in the statements of comprehensive income:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	**2026**	2025
Operating	**20.5**	18.5	**36.6**	45.1
G&A	**88.9**	23.4	**113.5**	60.1
Total employee compensation expense	**109.4**	41.9	**150.1**	105.2

Through the normal course of business, ARC purchases 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 June 30		Six Months Ended June 30	
	2026	2025	**2026**	2025
Commodities purchased from third parties	**683.5**	295.5	**1,097.7**	591.2
Transportation assignment	**16.7**	12.0	**26.5**	12.0
Third-party purchases	**700.2**	307.5	**1,124.2**	603.2

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 June 30		Six Months Ended June 30	
Change in Non-cash Working Capital	**2026**	2025	**2026**	2025
Accounts receivable	**43.5**	44.4	**(25.3)**	127.3
Accounts payable and accrued liabilities	**53.1**	80.9	**260.1**	222.8
Inventory	**9.5**	4.0	**0.4**	3.6
Prepaid and other long-term assets	**(10.1)**	(84.8)	**(11.2)**	(84.1)
Total change in non-cash working capital	**96.0**	44.5	**224.0**	269.6
Relating to:				
Operating activities	**57.5**	24.7	**163.0**	228.1
Financing activities	**—**	5.1	**(8.8)**	3.2
Investing activities	**38.5**	14.7	**69.8**	38.3
Total change in non-cash working capital	**96.0**	44.5	**224.0**	269.6

	Three Months Ended June 30		Six Months Ended June 30	
Other Non-cash Items	**2026**	2025	**2026**	2025
Accretion expense	**5.6**	3.5	**11.1**	7.1
Share-based compensation expense	**0.1**	0.2	**0.2**	0.4
Impairment (reversal of impairment) of financial assets	**(1.1)**	(3.2)	**0.1**	(3.0)
Loss (gain) on long-term investments	**(10.9)**	0.3	**(10.9)**	0.3
Other amortization	**2.7**	0.5	**4.1**	1.1
Total other non-cash items	**(3.6)**	1.3	**4.6**	5.9

	Three Months Ended June 30		Six Months Ended June 30	
Net Change in Other Liabilities	**2026**	2025	**2026**	2025
Long-term incentive compensation liability	**9.3**	4.2	**2.5**	(34.9)
ARO cash settlements	**(2.8)**	(1.3)	**(11.6)**	(8.1)
Other deferred liabilities	**(7.4)**	(6.0)	**(9.5)**	(6.7)
Debt issuance costs	**(0.9)**	(4.6)	**(5.3)**	(5.4)
Total net change in other liabilities	**(1.8)**	(7.7)	**(23.9)**	(55.1)

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
December 31, 2024	92.8	2,295.9	2,388.7
Cash flows			
Draw and issuance of long-term debt	—	3,062.6	3,062.6
Repayment of long-term debt	—	(2,454.7)	(2,454.7)
Repayment of lease obligations	(51.9)	—	(51.9)
Debt issuance costs	—	(5.4)	(5.4)
Reclassified to current			
Long-term debt	450.0	(450.0)	—
Lease obligations	43.6	(43.6)	—
Non-cash changes			
Lease modification	0.1	2.7	2.8
Amortization of debt issuance costs	—	0.9	0.9
Balance, June 30, 2025	534.6	2,408.4	2,943.0
Balance, December 31, 2025	562.1	3,350.2	3,912.3
Cash flows			
Draw and issuance of long-term debt	**—**	**3,585.6**	**3,585.6**
Repayment of long-term debt	**(450.0)**	**(3,523.6)**	**(3,973.6)**
Repayment of lease obligations	**(59.4)**	**—**	**(59.4)**
Debt issuance costs	**—**	**(5.3)**	**(5.3)**
Reclassified to current			
Lease obligations	**54.6**	**(54.6)**	**—**
Non-cash changes			
Lease modification and termination	**(1.9)**	**3.9**	**2.0**
Amortization of debt issuance costs	**—**	**3.4**	**3.4**
Balance, June 30, 2026	**105.4**	**3,359.6**	**3,465.0**
Lease obligations due within one year	**105.4**	**—**	**105.4**
Lease obligations due beyond one year	**—**	**871.4**	**871.4**
Long-term debt due within one year	**—**	**—**	**—**
Long-term debt due beyond one year	**—**	**2,488.2**	**2,488.2**

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Corporate Calendar

November 5, 2026 | Q3 2026 Results

Stock Exchange Listing

ARC Resources Ltd. shares are traded on the Toronto Stock Exchange under the symbol **ARX.**

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ARC's financial reports, annual regulatory filings and news releases are available on **arcresources.com.**

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