STRATHCONA
RESOURCES LTD

2023
Sustainability
Report

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Cover: Strathcona's Winter facility in Saskatchewan.
Right: Near Strathcona's conventional heavy oil assets located in southwest Alberta and Saskatchewan.

Our Approach

This report details our sustainability priorities, programs and initiatives.

Leadership Message

Oil is the most traded commodity in the world. It provides the foundation for economic, technological and social progress, and lies at the heart of global well-being.

Domestically, the oil and gas industry is similarly critical. It contributes abundantly to Canada's gross domestic product, creates jobs nationwide and provides revenues to all levels of government. These jobs and revenue dollars underscore Canada's quality of life. We would not be the enviable country we are today without them.

Canada's responsibly and ethically produced oil and gas products are increasingly important in meeting global demand. At Strathcona, we recognize the important role we play in supporting this demand and are proud to be one of North America's fastest-growing oil and gas producers.

2023 was a landmark year for Strathcona

Following our 2023 acquisition of Pipestone, we became the fifth-largest liquids producer in Canada and a publicly traded company under the symbol SCR on the Toronto Stock Exchange.

With the additional natural gas and condensate from the combination with Pipestone, production in our already-diverse portfolio expanded to approximately 185,000 barrels of oil equivalent per day[1] across our Thermal, Lloydminster Heavy Oil and Montney areas — a noteworthy achievement considering the Waterous Energy Fund's initial investment seven years ago was in a company that produced just 5,000 barrels of oil equivalent per day.

1   Strathcona's fourth quarter 2023 average daily production was 186,064 BOE/day, comprising: 59,845 bbl/day of bitumen, 52,736 bbl/day of heavy crude oil, 580 bbl/d of light and medium crude oil, 30,509 bbl/d of NGLs and 254,361 Mcf/day of conventional natural gas.

Right: Strathcona's Druid facility in Saskatchewan.
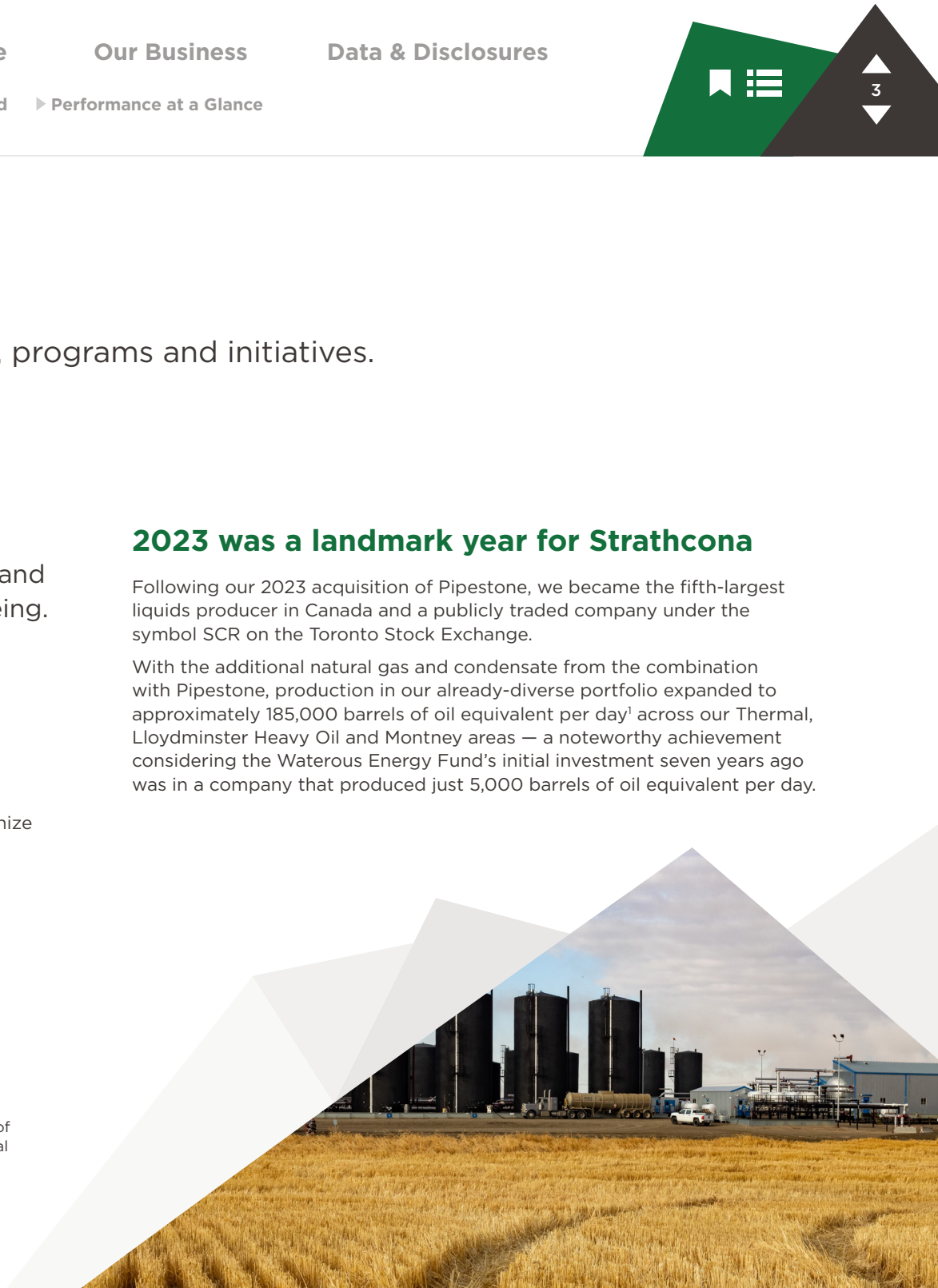
The approach we've followed from the start remains unchanged

Strathcona is a value-driven, growth-oriented and forward-thinking organization. We are committed to the highest standards of safety, strong environmental performance, collaboration with stakeholders and positive participation in the communities where we operate.

At Strathcona, we are principled and resolute in the implementation of our **values and culture** in everything we do. As a team we continue to find better ways to get the job done. On the technology front, we were particularly proud to begin constructing the Organic Rankine Cycle (ORC) project at our Orion steam-assisted gravity drainage (SAGD) operations. This new state-of-the-art emissions reduction technology will use waste heat to generate emissions-free electricity. Offsetting approximately 80 per cent of the power Orion draws from the grid, ORC is intended to benefit the environment and reduce operating costs at Strathcona.

Relationships with business partners, neighbouring communities and residents remained a priority for Strathcona during the year. We improved our supplier qualification, which helped us increase our spend on goods and services provided by Indigenous businesses. Contributions to the community, guided by resident team members, drastically increased by more than 65 per cent compared to the previous year.

We also continued to put our money where our mouth is. Already a top-tier performer, Strathcona's compensation incentive plan again included a 25 per cent weighting on health, safety and environmental performance.

But this is only the beginning for Strathcona.

A growth story like ours has not been seen in the oil and gas industry for some time, and we plan to continue our pragmatic and unwavering commitment to safe, reliable, environmentally sound production to expand our presence as a leading Canadian energy company.

We're proud to invite you to learn more. Thank you for reading.

Connie De Ciancio
VP Corporate,
Member of the Board of Directors

Adam Waterous
Executive Chairman
of the Board of Directors

Rob Morgan
President and CEO,
Member of the Board of Directors

Strathcona Operations

Headquartered in Calgary, Alta., Strathcona Resources Ltd. (Strathcona) is one of North America's fastest-growing oil and gas producers.

Spanning northeast British Columbia (NEBC) to southwest Saskatchewan, operations are concentrated into three core areas, condensate-rich Montney, Cold Lake Thermal Oil and Lloydminster Heavy Oil. Each is characterized by a long reserve life, low West Texas Intermediate breakeven and robust free cash-flow profiles. Our concentrated portfolio of complementary assets insulates our business from risk. Our conservative management approach intends to establish a free cash flow base and concentrated production with a limited land-use footprint that minimizes our environmental impact.

In 2023, we acquired Pipestone. As a result, Strathcona is now a publicly traded company, with its common shares trading on the Toronto Stock Exchange under the symbol SCR.

Strathcona Assets
- 🟧 Montney
- 🟦 Lloydminster Heavy Oil
- 🟩 Cold Lake Thermal
- ⬛ Other Mineral Rights
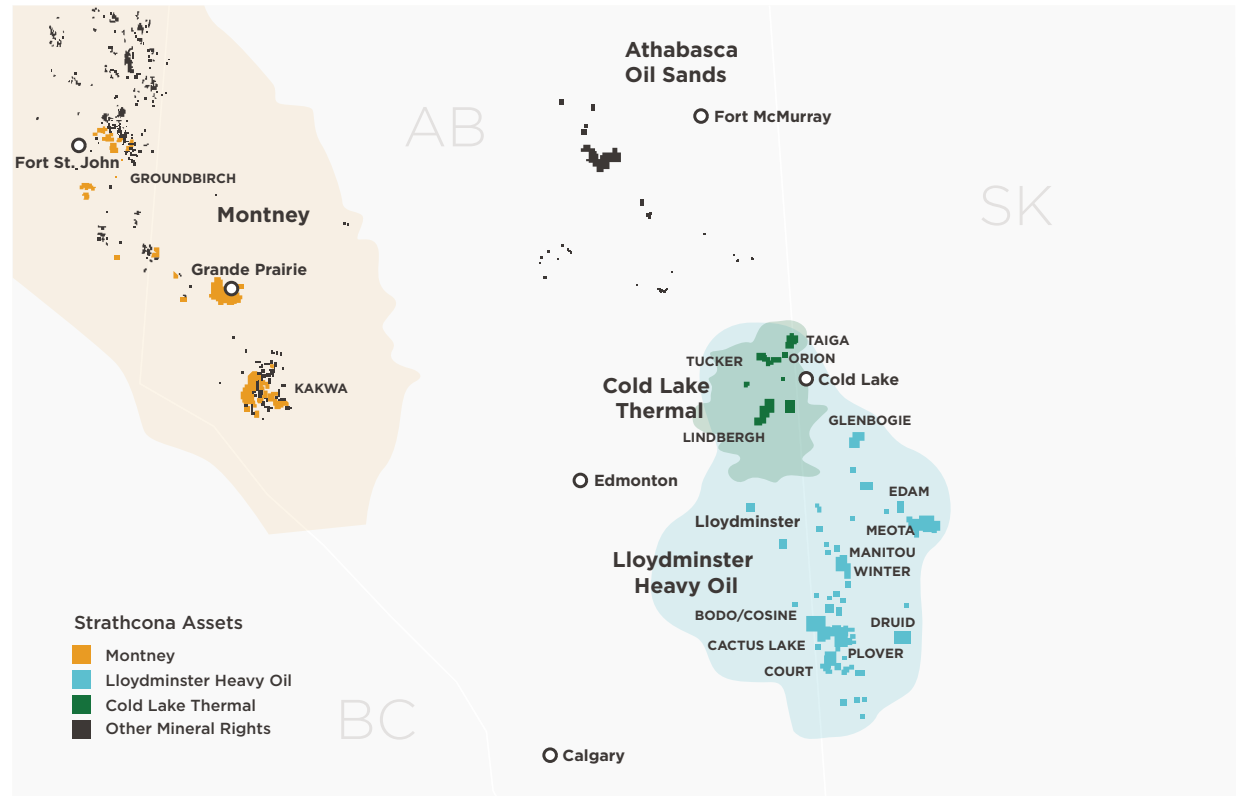
Business Strategy

Our strategy is focused on acquiring high-quality, high-performing assets and growing production through expansion initiatives at our existing locations.

Sustainability Strategy

Our commitment to sustainability continues to evolve as our operations grow. We work to integrate sustainability into our business strategy to find new ways to reduce our footprint and decouple growth from increased greenhouse gas (GHG) emissions over time.

Sustainability Scorecard[2]

The aggregated results from our materiality review determined the sustainability topics of greatest significance to Strathcona and its stakeholders. We identified eight key topics through this review. Goals and targets have been developed to progress our sustainability performance in the following areas:

Focus Area	Goal	Target	Progress
Health & Safety	Reinforce a culture that prioritizes health and safety, risk prevention and incident management.	Increase safety audits and inspections by 25%.	**458 leadership field visits**, reinforcing the importance of safety throughout our operations as they continue to grow.
Emission Reduction	Continue to improve Strathcona's emission reduction footprint through investing in innovative reduction opportunities and initiatives.	Offset 80% of Orion grid-power consumption with self-generated emissions free electricity by 2025.	**Invested $26M** towards emission reduction projects.
Water Management	Identify areas to enhance water recycling and use alternative water sources to reduce our reliance on fresh water.	Establish a water management framework for high-risk regions by 2026.	Achieved an average of **>87% recycle ratio** for our Cold Lake Thermal operations in 2023.
Asset Integrity & Spills	Maintain the integrity of our assets and infrastructure to protect the environment, our surrounding communities and the safety and reputation of our operations.	Reduce spill intensity (m3/1,000 bbl handled) by 10%.	**Invested $495,000** towards gasket replacements and composite pipe replacements in 2023.
Business Ethics & Integrity	Ensure appropriate focus and oversight of corporate strategies and practices.	>20% board independence.	**Target achieved**, and incentive program continues as designed.
Indigenous Relations	Cultivate a supportive, caring and inclusive environment with trust as the foundation for all our relationships.	Establish an Indigenous Contract Sourcing Standard.	**Awarded $60,000** in scholarships to 12 Indigenous students.
*NEW Land & Reclamation	Minimize the impact of our operations on the surrounding ecology and reduce our environmental disturbances.	Invest $35M in reclamation and site closure activities, which exceeds all required regulatory spend obligations.	
*NEW Community Investment	Reduce or eliminate barriers and contribute to the greater good of the community.	Increase community investment spend by 25% over prior year.	

2   For the purpose of the disclosure in this report, the term "material" is not used for, does not have, and is not intended to have, the same meaning as such term is assigned under applicable securities laws, including, but not limited to, with respect to financial materiality, materiality to investors or creditors, enterprise value, or other indications of financial impact, but is used solely to reflect Strathcona's identification of those sustainability topics that Strathcona has determined within its judgment present significant sustainability risks or opportunities to its operations.

Performance at a Glance

0.060 tCO$_2$e/BOE[3]
direct emission intensity.

2 test wells in Saskatchewan have confirmed subsurface technical capabilities and identified anticipated carbon capture and sequestration storage capacity of 100 MTCO$_2$.

$7M awarded from Emissions Reduction Alberta's Industrial Transformation Challenge.

2 new independent board members appointed.

15% reduction in volume of freshwater makeup from North Saskatchewan River at Lindbergh asset.

Introduced three-pillar **Indigenous-led Cultural Awareness** Program.

3,000+ hours of employee volunteerism.

8,901 field hazard identifications completed.

17% reduction in drilling greenhouse gas (GHG) emissions from battery energy storage system-equipped rigs, compared to business-as-usual operations.

Approved **Local and Indigenous Contractor and Inclusions** Guide.

Launched **SAFE360**, Strathcona's safety brand.

Over 65% increase in community investments.

3   2023 emission intensity includes the combination of Strathcona and Pipestone, pro-rated to the date of acquisition.

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▶ **Health & Safety**   ▶ Emission Reduction   ▶ Air Quality   ▶ Water Management   ▶ Asset Integrity & Spill Prevention   ▶ Land & Reclamation   ▶ Biodiversity

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Our Responsibility

Balancing the need for energy resources and economic development with environmental stewardship is important to Strathcona.

Health & Safety

Safety is foundational to everything we do at Strathcona. Our commitment to safety is directly connected to our performance, culture and how we live our values.

Safety Mindset

To create the safest possible environment, we foster a culture where safety is a mindset rather than just a series of tools, procedures, programs or actions. We believe safety leadership happens at all levels of the organization and focus on empowering our employees to take responsibility for their safety and the safety of their colleagues. Our team members have not only the right but also the responsibility to refuse unsafe work, raise concerns and report issues.

From the Executive Leadership Team's commitment and oversight of safety practices to ongoing training, safety campaigns and bi-monthly safety town halls, the prioritization of safety is paramount to our operations and woven throughout our company values.

Incident Management

Policies, procedures, standards and practices are available to support the management and mitigation of critical incidents and specify the rules and responsibilities that guide our employees, contractors, consultants and service providers. We use proactive measures such as daily field level hazard assessments and permits, formal hazard assessments and emergency response training to manage risk and ensure emergency preparedness.

Safety Performance

Our uncompromising commitment to safety continues to produce strong results.

Safety Performance Metrics	2023 Thresholds	2023 Actuals	Context
Lost Time Injuries (employees and contractors)	6	3	A worker could not fulfill their regular duties and were required to take time off work.
Recordable Injuries (employees and contractors)	29	20	An injury that required medical intervention beyond first aid or that required the worker to perform a modified job.
Preventable Vehicle Incidents	12	9	A vehicle incident that could have reasonably been prevented, excluding animal strikes and third-party damage.

	2023 Projections	2023 Actuals	Context
Safety Audits	1,889	2,959	A formal inspection of a particular operation.
Leadership Field Visits	324	458	A formal visit to a field location with direct interactions between leaders and workers.
Hazard Identifications	5,244	8,901	The identification, mitigation and communication of a physical hazard or behaviour.

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Contractor Safety

Contractors contribute to a significant portion of our field-level operations; as such, our contractors participate in our safety training, programs and campaigns. Our contractor evaluation process assesses the safety performance and track record of contractors working on our behalf, ensuring they achieve and maintain specific safety qualifications to work on a Strathcona site. Included in the Health, Safety, Environment & Regulatory Scorecard, contractor evaluations encourage our field-level employees to verify that our contractors continue to meet our worksite standards.

2,027
contractor evaluations performed

872
Stop Works were completed in 2023

Stop Work Recognition Program

In 2023, we introduced a Stop Work Recognition Program to underscore our commitment to supporting our team members' ability to stop unsafe work. Within this program, Behn Robertson, an operator at our Lloydminster Heavy Oil asset, exemplified an outstanding commitment to safety and empathy. While completing a work permit, Robertson noticed signs of distress in a coworker and further discovered the colleague had recently experienced a loss in the family. Robertson exercised his stop-work authority, ensuring the grieving team member received the necessary time off while prioritizing the safety of all on-site personnel. Behn's decisive action not only prevented potential hazards but also showcased the importance of looking out for one another's well-being in the workplace.

Right: Merv Pond, recently retired Sr. Operations Advisor on Strathcona's Conventional Heavy Oil team.

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Emission Reduction

We are taking action to decarbonize and enhance our position as a sustainable, effective and resilient producer.

Risks & Scenarios

Emissions-related risks are incorporated into Strathcona's overall risk management program and are assessed the same as other business risks. Strathcona analyzes the impact of emissions-related risks in various scenarios as part of our business modelling practices. Our executive leadership members and their teams share the responsibility of managing these risks while exploring opportunities to limit exposure and increase resilience. View our emission-related risks here.

Emissions Strategy

We focus on optimizing processes, deploying emission-reducing technologies and safeguarding our business against rising carbon prices. Our emissions strategy is built on three priority areas:

- methane emission reduction
- CO_2 emission reduction and optimization
- carbon capture and storage/sequestration

Methane Emission Reduction

As methane has a global warming potential that is approximately 28 times greater than CO_2, Strathcona prioritizes methane elimination strategies over reduction approaches. We primarily do this through the application of new technologies that eliminate infrastructure leaks and reduce our total methane emissions.

Low Methane Railcar Loading

Strathcona's Hamlin rail facility located near North Battleford, Sask., uses 2,000 railcars to transport nearly 30,000 barrels of oil per day to buyers on the south coast of the United States. Typically, in railcar loading situations, some methane escapes into the atmosphere. Our Hamlin rail facility has been specifically designed to capture all methane emissions prior to incineration to ensure no fugitive emissions are released into the environment from operations. All gases captured from the railcar loading process are sent to an incinerator on-site. Incineration allows for the combustion of these gases, which minimizes the release of methane emissions into the atmosphere.

Right: Strathcona's Hamlin rail facility in Saskatchewan.

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Above: Strathcona's Allison Shea (centre) and Greg Nohnychuk (right) receiving the 2022 CN Safe Handling Award from CN Senior VP, Transportation, Derek Taylor.

Strathcona's Hamlin rail terminal was awarded the CN Safe Handling Award in 2022 for shipping over 10,000 railcars with zero non-accidental releases.

4   Net value takes out any energy used to recharge the batteries.

Right: Battery energy storage system-equipped rig in Grande Prairie, Alta.

CO_2 Emission Reduction and Optimization

Using technology to improve existing operations and processes is also important for incremental improvement of emission reduction. This includes increasing the efficiency of steam and electricity generation at our thermal operations. Improving energy efficiency across our operations has environmental and economic benefits.

Battery Energy Storage System Sees Strong Results

Strathcona has expanded its use of the battery energy storage system for drilling operations, a program that began in 2022. This system uses a tri-fuel approach of battery power, natural gas and diesel to provide appropriate energy demands required during drilling while reducing fossil fuel consumption and the associated emissions.

The battery energy storage system-equipped rig has seen significant results in 2023, including:

- 35 per cent average reduction in diesel consumption and 31 per cent average increase in natural gas substitution[4]
- 17 per cent average reduction in GHG emissions for a total reduction of 948 tCO_2e

406,655 litres
of total diesel displaced

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Waste Heat Recovery

Strathcona expects to implement a new state-of-the-art emissions reduction technology at our Orion thermal oil facility – known as an organic rankine cycle system – in the Cold Lake region. The system will use waste heat recovery to generate emissions-free electricity. Strathcona's Organic Rankine Cycle is slated for completion in the first half of 2025. The project will be constructed within the facility's existing operational footprint.

80%
of the facility's existing grid-power consumption is expected to be offset

~740,000 tonnes
of GHG emissions reduced by 2050

Organic Rankine Cycle Technology Implementation

Implementing Organic Rankine Cycle technology at steam assisted gravity drainage operations, like Orion, will allow Strathcona to capture previously lost low-grade thermal heat at approximately 150°C and convert it to emissions-free electricity that can be used to help self-power operations and reduce the need to draw from the local power grid. Low-grade thermal heat from the Orion facility was previously released through aerial coolers.
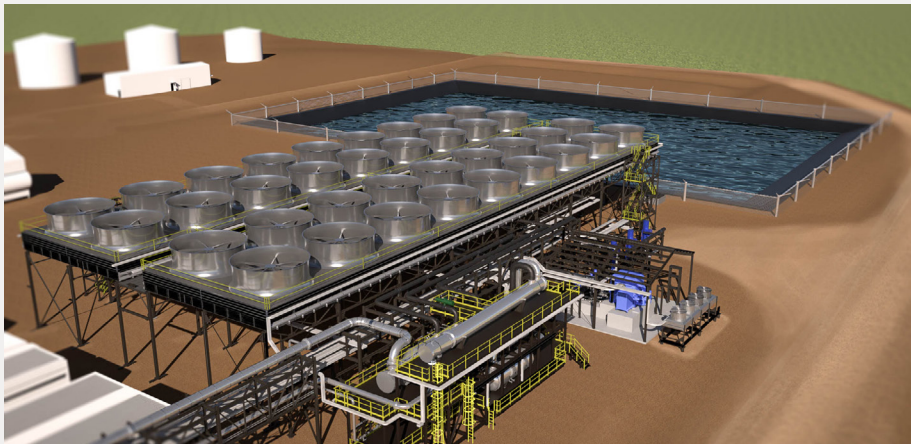
Below Left: Organic rankine cycle schematic diagram.
Below Right: Strathcona's Orion asset near Cold Lake, Alta.

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# Carbon Capture and Storage/Sequestration

Strathcona is positioned to be an early mover in the carbon capture and sequestration (CCS) space. Our thermal assets in both Alberta and Saskatchewan are uniquely situated for CCS opportunities as they are near suitable geologic formations requiring minimal transportation, which leads to lower abatement costs and accelerated timelines.

Saskatchewan CCS Potential

We have completed front-end engineering design studies for CCS implementation at our steam assisted gravity drainage facilities. Two test wells have confirmed subsurface technical capabilities and identified an anticipated storage capacity of 100 megatonnes of carbon dioxide (MTCO$_2$). The team has also secured the lease of pore space for this project.

Alberta CCS Potential

We are taking a multi-pronged, phased approach while pursuing multiple provincial and federal funding opportunities to progress our CCS initiatives. We have been awarded funding from Emissions Reduction Alberta towards front-end engineering and design work across all three Cold Lake Thermal assets: Orion, Tucker and Lindbergh.[5] The goal of these studies is to identify an optimal post-combustion carbon capture technology, then sufficiently advance a modularized and repeatable design that reflects a deep understanding of the challenges, costs and opportunities that carbon capture represents for each facility.
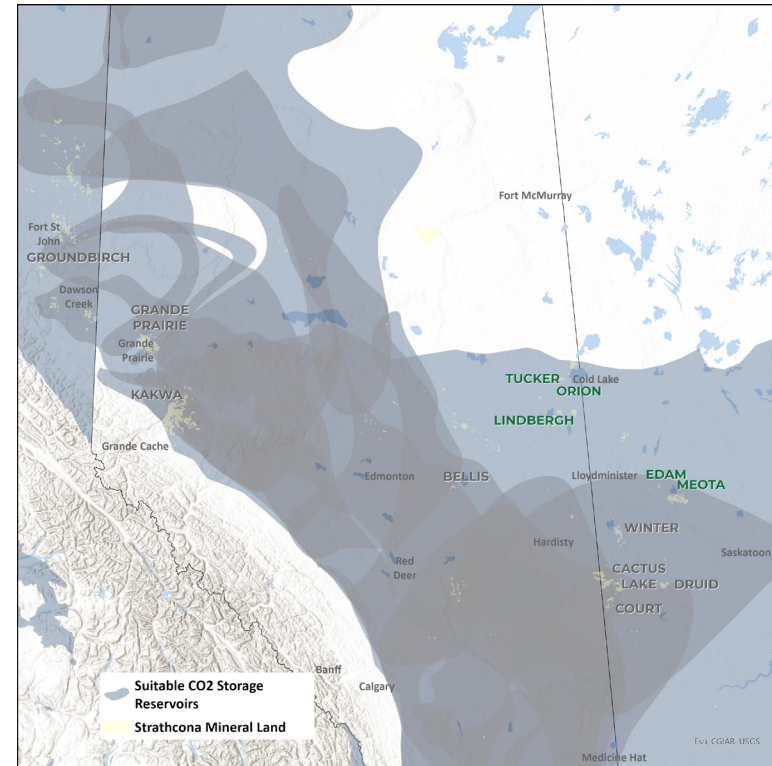
Below: Strathcona's Lindbergh asset near Cold Lake, Alta.

Post-Combustion Capture Commercial Demonstration Project

Strathcona's post-combustion capture commercial demonstration project, which is expected to capture and store an estimated 37,000 tonnes of CO$_2$e per year by applying a semi-closed-cycle flue-gas-recirculation technology and molecular sieve carbon capture to a gas turbine cogeneration system at our Lindbergh operation, was awarded $7 million from the 2023 Emissions Reduction Alberta's Industrial Transformation Challenge. Our project was the only oil and gas initiative selected.

5   Emission Reduction Alberta.

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Air Quality

Monitoring systems and technology pilots help reduce our air emissions, including volatile organic compounds, nitrogen oxides, carbon monoxide, sulphur oxides and particulate matter.

Sulphur Management Plans

Strathcona investigated technology to better manage sulphur release at our thermal sites. With increasing production and an approved regulatory sulphur limit, Strathcona has developed sulphur management plans for our Cold Lake Thermal assets.[6] Strathcona has incorporated liquid scavenging units at these assets to support compliance with sulphur recovery regulations.

Water Management

Water is a critical resource and a core component of our operations.

We monitor the impact of this precious resource across our asset base. Responsible water use is an environmental responsibility that impacts our surrounding communities. We manage water consumption by:

- consistently measuring, monitoring and reporting water metrics
- performing water studies to assess the sustainability and security of our water sources, including those required for future developments
- operating within all provincial water use regulations

Our environment team reports monthly on freshwater use, recycle ratios and water use. Providing regular water metrics allows the organization to be proactive with water management approaches. Variances in data, including changes or deviations from anticipated water chemistry, trigger further analysis and actions such as adjusting from a groundwater monitoring plan to a groundwater management plan. This supports operations as a risk mitigation measure to identify potential leaks or spills.

Tracking our recycle ratio is critical to assessing how efficiently we manage our water across assets and geographical regions. We work to recycle water and reduce freshwater consumption where possible. As our operations change and grow, we analyze our water strategy to find efficiencies and improvements. Improving water recycle ratios was an area of focus for the organization in 2023.

87%
Alberta Cold Lake Thermal Recycle Ratio

6   Specifically excludes the proposed Lindbergh power plant.

Left: Water monitoring near Strathcona's Cactus Lake facility in Saskatchewan.

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                                                                                      Spill Prevention

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Produced Water Recycling at Alberta and NEBC Assets

We continuously explore opportunities to use produced water instead of fresh water in our processes.

Lindbergh

At our Lindbergh facility, Strathcona is re-routing a portion of produced water and boiler feedwater to the once through steam generators in a program that has reliably reduced the volume of freshwater makeup from the North Saskatchewan River by 15 per cent. Work is underway to further increase recycle rates and offset river water consumption within the design specifications of the generators.

Kakwa

In late 2023, the Kakwa team erected two produced water storage rings at our 06-20 pad site and trucked in over 10,000 m³ of produced water that would have otherwise been remotely disposed of. In 2024, this water will be trialed during the hydraulic fracturing operations at the site.

Groundbirch

During completion operations at our Groundbirch asset, we modified our hydraulic fracturing to place the designed amount of proppant into the wells with a reduced need for fresh water. This adjustment allowed us to use a higher percentage of produced water necessitated by drought conditions and reduced our freshwater requirements (73 per cent produced water pumped versus a plan of 50 per cent).

Environmental Monitoring

We conduct environmental monitoring programs across all sites to ensure infrastructure and operations are not negatively impacting the surrounding environment, including wetlands and groundwater. Our thermal well pad monitoring network in Alberta detects chemicals in the water, with a focus on arsenic. Each groundwater well monitors a different aquifer for temperature, metal concentration and water level. We analyze data from these programs to identify potential impacts and take necessary action to minimize our environmental footprint.

Right: Environmental observation near Strathcona's Montney-based Kakwa facility in northwestern Alberta.

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Asset Integrity & Spill Prevention

Maintaining the integrity of our assets and infrastructure is critical to protecting the environment, surrounding communities and the safety and reputation of our operations.

Lifecycle Management

Our Asset Integrity Management System integrates process safety, design and quality assurance controls to guarantee the reliability, safety and durability of our assets. We protect the integrity of our assets through:

- proactive risk identification
- systematic planning
- implementation of stringent control measures

Our Pressure Equipment Integrity Management and Pipeline Integrity Management Systems outline our approach to ensuring the integrity and functionality of our assets throughout their lifecycle. These programs align with our operations and maintenance management strategies and comply with regulatory specifications.

We use Integrity Data Management Systems to monitor the reliability, operability and lifecycle maintenance of each asset. Acquired and new assets are integrated into our systems, receiving reactive or proactive maintenance assignments based on their lifecycle stage.

Continuous monitoring, analysis and execution, along with robust quality assurance practices, maintain optimal asset performance, mitigate risk and uphold the highest safety and operational standards.

Asset Integrity
Management Systems

Integrity Data Management Systems

Pressure Equipment Integrity Management System

Pipeline Integrity Management System
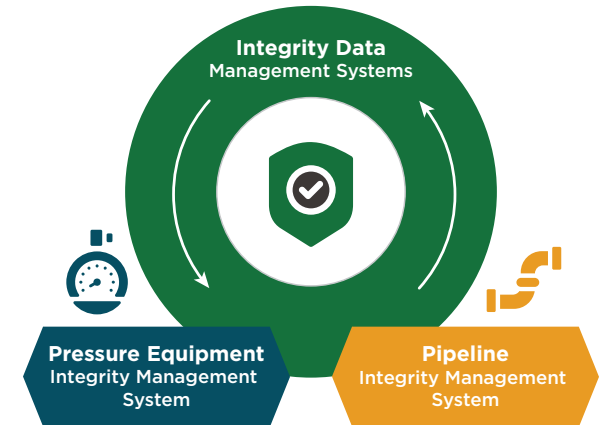
Asset Management at Strathcona

Lifecycle Management

Robust Measurement

Proactive Spill Mitigation

Right: Transport pipelines at Strathcona's Orion asset near Cold Lake, Alta.

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Robust Measurement

Thorough measurement processes help detect inconsistencies in our operations, allowing us to act proactively and respond quickly to unplanned releases. In line with the Enhanced Production Audit Program, in-house inspections and direct measurements of fluid are reported monthly to the Alberta and Saskatchewan Energy Regulators. Sites in British Columbia are treated with the same rigour.

Proactive Spill Mitigation

The goals of proactive spill mitigations are to minimize environmental releases, maintain safe operations and maximize asset lifespan. To maintain vigilance, spill frequency and volumes are tracked and linked to the employee and executive compensation program. Thanks to preventive measures and inspections, Strathcona maintained release volumes below the threshold in 2023.

Saskatchewan Pipeline Validation

Strathcona completed a thorough validation of all its legacy pipelines, licensing 2,775 lines to meet new legislation. The validation exercise documented a myriad of historical changes with over 580,000 total pipeline attributes now captured in our pipeline integrity software to increase the effectiveness of our computational risk assessments for each pipeline. The assessments ensure all pipelines have implemented mitigation strategies to reduce residual risk to as low as reasonably practicable.

Left: Employee overlooking pipelines at Strathcona's thermal operations near Meota, Sask.

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Land & Reclamation

Reducing disturbances and minimizing the impact of our operations on the surrounding environment are considered through each stage of design and development.

Asset Retirement & Closure

Our commitment to responsible operations includes asset lifecycle management and restoring lands to their original capability. We strive to meet or exceed all requirements and regulations, which vary across our operating areas, especially as they relate to well abandonment and site closure. The table below breaks down 2023 asset retirement and closure activities:

2023	Abandonment (Subsurface)	Decommissioning (Pipelines & Facilities)	Reclamation (Surface)
BC	22	4	61
AB	15	19	27
SK	49	26	19
Total	86	49	107

Our Asset Retirement Obligation program assesses the regulatory and financial responsibilities associated with well abandonments and site closures and correlates them to the valuation of Strathcona. In 2023, Strathcona spent more than $35 million in site closure and remediation activities, which exceeds all required regulatory spending.

In 2024, we have allocated C$35 million to reclaim and restore sites no longer in use.

15,540
trees planted in 2023

645
hectares of land reclaimed in 2023

Right: Land reclamation activities near Strathcona's facilities in northeastern British Columbia.

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Biodiversity

Wildlife and biodiversity management are considered throughout all stages of project development.

To avoid impacting high-value biodiversity areas, we:

- apply appropriate environmental setbacks
- ensure connected habitats remain intact
- manage activity volume during sensitive wildlife periods

We encounter wildlife at our sites often. We have designed site-specific monitoring programs that respect and support animal movement. Safe travel passages offer wildlife routes to travel through our sites undisturbed. Remote cameras monitor wildlife movements and offer insight into diversity, behaviour, habitats and use patterns near our operations.

Saskatchewan Breakwater Rehabilitation Project

Strathcona contributed $50,000 to this initiative in 2023 and will contribute $150,000 in total funding. This will assist in restoring and rehabilitating the flow of water between Jackfish and Murray Lake, key water bodies near North Battleford, Sask. This rehabilitation initiative offers flood mitigation, protection of fish spawning areas and ecological education opportunities. We are joined by several regional municipalities, the provincial government and many Indigenous and corporate partners in support of this project.

Below: Images captured by Strathcona's wildlife camera near Cold Lake, Alta.
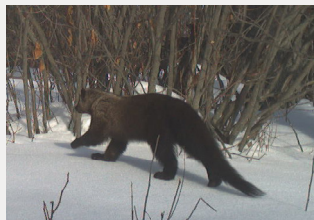
Our People

We pride ourselves on fostering a diverse and empowered workforce and maintaining positive involvement in the communities where we live and work.

People & Culture

Values & Culture

Our values define who we are today and who we aspire to be. To support our values and to continue building a rich company culture, a culture ambition committee was established. This committee was tasked with defining our culture and encapsulating it in workplace culture statements.

One Strathcona Team

We work together in a way that emphasizes safety, respect, transparency and open communication.

Trust

We cultivate a supportive, caring and inclusive environment with trust as the foundation for all relationships.

Agility

We encourage creative solutions and empower people to quickly adapt to our dynamic industry.

Accountability

We deliver on our commitments, celebrate our successes and support each other's growth.

Culture Ambition

Small company feel, big company opportunities. That's how we operate at Strathcona. Here's how we live that motto every day:

Sleeves Up

No role too big, no job too small. Everyone contributes.

Keep It Real

Attitude is everything. Character and integrity matter.

Embrace The Best

Value the perspectives of others.

Create Our Legacy

Celebrate wins. Learn from losses, then move forward. Never stop evolving.

International Women's Day

To recognize and celebrate the amazing women who work at Strathcona, during the week of International Women's Day, we provided a platform for our inspiring female employees to tell their stories.

From escaping civil war to excelling in male-dominated fields and balancing motherhood with being a high-performing employee, these women contribute to our success, and Strathcona is proud of them all.

Below: Becky Osman, Records Analyst with Strathcona's Mineral Land team.

Growth & Development

Strathcona empowers our employees by fostering an environment that encourages professional development. We work with our employees to offer tailored training, education and professional development plans that progress their careers.

Leadership Development

Our leadership coaching program includes one-on-one coaching to build leadership skills in our top performers. This year the program expanded to include monthly leadership training sessions with topics such as building a culture of trust and psychological safety, leading change, communicating with intent, feedback essentials, leading with accountability, mastering difficult conversations, and building and sustaining high-performance teams.

Core Strengths

Core Strengths helps us understand what motivates us when things are going well, and during times of conflict. It also helps us understand our strengths and how they can be overdone and perceived as weaknesses so we can better understand ourselves and work more effectively with others.

Leadership Offsite

To build strong teams at all levels of the organization, trust, communication and cohesion must be present at the management level. In 2023, we hosted our first leadership offsite, which focused on team building and leadership development.

A Core Strengths workshop was facilitated to teach our leaders how to understand the unique motivations, values and strengths of their team members, so they can tailor their leadership approach to the needs of each individual and develop more engaged and productive teams. Core Strengths training was extended to all levels of team members in 2023 and will continue to be rolled out in 2024.

Below Left: Strathcona management team at leadership offsite in Banff, Alta.
Below Right: Chad Benson, Montney Development Manager and Emil Kothari, Business Development and Sustainability Manager at Strathcona's Calgary offices.

Community Investment

As part of our commitment to being a good neighbour, we seek to maintain a positive, supportive presence in the communities where we operate.

Focused on three priority giving areas, sport and performing arts, community, and education, our intention with every dollar donated and each hour volunteered is to remove barriers and create opportunities for all.

2023 Community Investment at a Glance

$566K
total 2023 community investments

$168K
raised in partnership with our valued vendors

Employee Matching & Volunteering

307
donors and volunteers

125
causes supported

38%
of employees participated in the Boost Program

Employee Giving & Volunteer Program Highlights

$67,984
in employee donations

$66,608
in donation matches and volunteer rewards

$270
average donation per donor

Volunteer Highlights

18
team volunteer events

121
individual volunteers

2,520
individual volunteer hours

625
team volunteer hours

3,145
total volunteer hours

Community
$180K
to 59 organizations

Sports & Performing Arts
$211K
to 28 organizations

Education
$109K
to 11 organizations and 12 scholarships

Our Approach   Our Responsibility   Our People   **Our Business**   Data & Disclosures

▶ **Business Ethics & Integrity**   ▷ Corporate Responsibility   ▷ Risk Management   ▷ Cybersecurity   ▷ Indigenous Relations   ▷ Supply Chain Management

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Our Business

Ethical and responsible conduct that creates long-term value and builds trust with stakeholders is fundamental to our business activities.

Business Ethics & Integrity

Acting with integrity is central to how we operate at Strathcona.

Our Code of Conduct sets out rules, standards and behaviours that anyone representing us is expected to follow. The Code of Conduct and its supporting policies outline appropriate practices related to conflict of interest, fair dealing, competition, records accuracy, reporting of unethical behaviour and other business controls.

Other foundational policies include:

- insider trading
- delegation of authority
- drug and alcohol
- privacy
- health, safety and environment
- investigation of complaints
- respectful workplace
- counterparty credit risk
- use of technology
- share ownership

All team members review and acknowledge company policies upon joining the organization. Ethical concerns can be raised with a Strathcona leader, our Human Resources team or confidentially via an anonymous integrity hotline, which is also available to members of the public. All reports are taken seriously and are investigated.

Right: Lyza McLean, Senior Surface Land Co-ordinator and Norman Christopher-Knight, Team Lead Infrastructure Services at Strathcona's head office in Calgary.

Extractive Sector Transparency Measures Act

In line with the Extractive Sector Transparency Measures Act (Canada), Strathcona publicly discloses to Natural Resources Canada payments made to governments in Canada. Past disclosures, including in respect of our legacy companies, can be found on our website.

Anonymous integrity hotline
www.strathconaresources.com/contact-us

Our Approach   Our Responsibility   Our People   **Our Business**   Data & Disclosures

▶ Business Ethics & Integrity   ▶ **Corporate Responsibility**   ▶ Risk Management   ▶ Cybersecurity   ▶ Indigenous Relations   ▶ Supply Chain Management

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Corporate Responsibility

Our governance structure allows our Board of Directors, its committees and the Executive Leadership Team to appropriately govern and oversee business plans, risk management and sustainability-related matters.

Strathcona Board committees include:

- Audit Committee
- Compensation Committee
- Nominating Committee
- Reserves Committee

Board composition, mandates and position descriptions are available on our **website** along with various other policies and foundational corporate documents.

Our Board and Executive Leadership Team meet quarterly to review operations, evaluate opportunities and risks, determine strategic direction and progress sustainability strategies. Insight into emissions data, policy and regulatory changes, technical innovations and emissions-related funding opportunities is provided at a regular cadence to inform sustainability discussions. Sustainability considerations are integrated into business planning related to capital expenditures, acquisition evaluation, policy development, budgeting processes and performance objective determination.

Below: Strathcona's Executive Leadership Team.

Governance Structure

Group	Roles	Supports
Board of Directors	Review operations, evaluate opportunities and risks, determine strategic direction and progress sustainability strategies	Monthly sustainability key performance indicator report[7]
Leadership Team	Manage identified risks and opportunities while exploring ways to reduce exposure and increase resilience	Weekly meetings with majority shareholder
Specialized Internal Groups & Committees	Continuously discuss sustainability factors and risks and escalate concerning trends	Indigenous Relations Steering Committee, Health & Safety Committees

Compensation Structure

Strathcona links the compensation of employees and the Executive Leadership Team to specific sustainability metrics, reinforcing its importance to our operations.

25%
of incentive compensation is tied to health, safety and environment performance

7   Utilizing the monthly sustainability key performance indicator report, the Board and Executive Leadership Team track Strathcona's progress throughout the year and pinpoint sustainability areas that require additional focus. Such monthly reports also permit the Board and the Executive Leadership Team to oversee Strathcona's progress against its sustainability goals and targets.

Our Approach   Our Responsibility   Our People   **Our Business**   Data & Disclosures

▶ Business Ethics   ▶ Corporate   ▶ **Risk Management**   ▶ **Cybersecurity**   ▶ Indigenous   ▶ Supply Chain
& Integrity   Responsibility   Relations   Management

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Risk Management

Strathcona's employees and Executive Leadership Team are responsible for identifying, assessing and managing enterprise risks. Identified risks are communicated to the Board. The Board is responsible for oversight of risk management.

Consideration of risk factors is an essential part of all business processes at Strathcona, including long-range planning, strategy development and budget cycles as well as acquisition and divestiture activities. Our risk-management process also works to identify and prioritize opportunities.

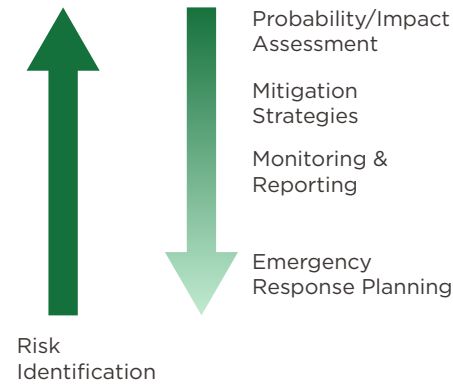Some principal risks and opportunities we monitor and integrate into our planning include:

- changes in market demand
- geopolitical conditions
- supply chain continuity
- inclement weather impacts
- environmental and regulatory exceedance potential
- carbon tax implications
- policy and regulatory changes
- safety events, records and performance
- asset retirement obligations
- availability of technology solutions
- cybersecurity
- debt service obligations

All identified risks and their impacts to our business and stakeholders are thoroughly reviewed. Where possible, we quantify risks in a monetary sense. More qualitative risks are evaluated in terms of impact on overall business resilience.

Proactively Manage Risk

Probability/Impact Assessment

Mitigation Strategies

Monitoring & Reporting

Emergency Response Planning

Risk Identification

Expanded Opportunities

Execution

Integration

First-mover Strategy

Opportunity Identification

For more information on emissions-related risks and mitigation strategies, view the Emission Reduction section above.

Cybersecurity

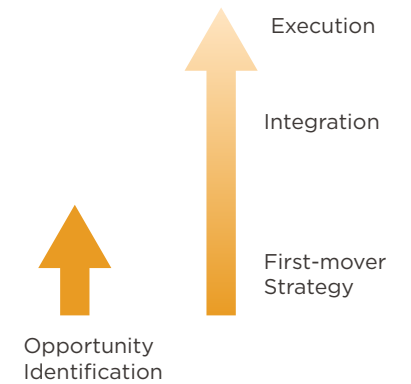As we progress with digitalization and automation, computer systems can become environments that pose an operational risk. Strathcona has a comprehensive enterprise-wide cybersecurity program and incident response plan with several technical security measures to provide added levels of protection for our information assets, including periodic external assessments and cybersecurity training for employees.

Our Approach   Our Responsibility   Our People   **Our Business**   Data & Disclosures

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▶ Business Ethics   ▶ Corporate   ▶ Risk Management   ▶ Cybersecurity   ▶ Indigenous   ▶ Supply Chain
   & Integrity   Responsibility   Relations   Management

Indigenous Relations

We believe that responsible energy development considers both the long- and short-term impacts and opportunities that operations can have on local Indigenous communities.

Inclusion and Engagement

We understand that not every community's needs and ambitions are the same, which is why we work closely with each Indigenous community near our operations to support their unique needs. We strive to build mutually beneficial relationships through meaningful consultation; procurement opportunities; education, training and employment opportunities; and community investment and engagement.

$100K
invested in Indigenous community opportunities

Indigenous-led Cultural Awareness Program

In 2023, we rolled out our Indigenous-led Cultural Awareness Program, which is built on three pillars: learning, celebrating and honouring. The goal of the program is to create a common understanding of the interconnection between Indigenous culture and resource development and to help Strathcona team members understand their role in reconciliation.

Learning: Indigenous-led Cultural Awareness training video

A one-hour Indigenous Cultural Awareness virtual training video by Holly Fortier of Ft. McKay First Nation was launched company wide. The training provides employees with an Indigenous-led perspective on Canada's history and the impacts of colonization and residential schools to foster an inclusive work environment for our Indigenous employees.

"When we talk about culture and diversity, we often look at other people through the lens of what we've learned in our neighbourhoods, homes and through the media. But if we take the time to look at other people through their story, your lens will adjust." **— Holly Fortier**

Contributed to **40** cultural events and celebrations.

Left: Len Moriarity, Manager Surface Land & Stakeholder Relations with Charlie MacDonald, member of the James Gang Drummers of the Aseniwuche Winewak Nation located near Grande Cache, Alta.

Our Approach   Our Responsibility   Our People   **Our Business**   Data & Disclosures

▶ Business Ethics   ▶ Corporate   ▶ Risk Management   ▶ Cybersecurity   ▶ **Indigenous**   ▶ Supply Chain
  & Integrity   Responsibility   **Relations**   Management

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Celebrating: National Indigenous Peoples Day

To commemorate National Indigenous Peoples Day, Strathcona hosted a drumming ceremony with the James Gang Drummers of Aseniwuche Winewak Nation. The ceremony celebrated Canada's First People and allowed our employees to learn about and appreciate their rich and diverse cultures.

Honouring: National Day for Truth and Reconciliation

In recognition of Canada's National Day for Truth and Reconciliation, Strathcona provided employees with important educational resources and local event suggestions throughout our operating areas to help further awareness of the history and challenges faced by residential school survivors and their families. In 2024, Strathcona will recognize National Day for Truth and Reconciliation Sept. 30 as a statutory holiday.

Local & Indigenous Inclusion

Building mutually beneficial long-term relationships with local firms in the regions where we operate is important to us. Wherever possible, we prioritize procuring goods and services from safe, cost-competitive local businesses, including Indigenous communities.

Below Left: Ashley Ward, Communications Manager and Sanja Sinik, Senior Facilities Engineering Technologist participate in a smudging ceremony on Indigenous Peoples Day.
Below middle: James Gang Drummer members Robert Wanyandie and Leon Aginas perform on Indigenous Peoples Day.
Below right: Strathcona's President & CEO Rob Morgan participates in a round dance alongside other employees on Indigenous Peoples Day.

To support local and Indigenous contractor inclusion, we are developing a standard to guide engagement with local communities for contracting needs and we expect to introduce it in 2024.

Workforce Inclusion

We are implementing a Workforce Inclusion Plan that supports Indigenous community members in their career ambitions through scholarships and work experience opportunities.

As this program progresses, we will work closely with communities to help build the capacities of local Indigenous communities to participate in opportunities associated with our operations.

Through future partnerships with post-secondary institutions and Tribal Chiefs Employment & Training Services Association, Strathcona will provide hands-on experience at our facilities so community members can meet educational requirements.

$60,000
in Momentum Scholarships awarded to **12 Indigenous students** to support their goals

Our Approach   Our Responsibility   Our People   **Our Business**   Data & Disclosures

▶ Business Ethics & Integrity   ▶ Corporate Responsibility   ▶ Risk Management   ▶ Cybersecurity   ▶ Indigenous Relations   ▶ **Supply Chain Management**

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Supply Chain Management

Supply chain management plays a critical role in supporting our operations. We work to partner with contractors and suppliers who share our commitment to sustainability.

We require vendors working with Strathcona to have robust health and safety programs. In alignment with our sustainability-conscious sourcing strategies, work is underway to request that our partners disclose sustainability metrics like emissions and water use in a tracking system.

In 2023, Strathcona began a review of our top-spend vendors to ensure no unethical practices equating to modern slavery are evident in the design, development and delivery of products or services to Strathcona.

Preventing Modern Slavery

Modern slavery is the exploitation of people for personal or commercial gain. Strathcona opposes exploitative practices at our operations and as part of our supply chain. Through our supply chain processes, we monitor the provision of services and supplies from vulnerable populations and high-risk sectors and geographies for concerns relating to unethical or exploitative practices. If unethical or exploitative methods are uncovered, we seek measures to support remedying the situation for the betterment of everyone involved. If demonstrable improvements are not made within a reasonable timeframe, we consider several options, including terminating the relationship and contract.

See our *Modern Slavery Act* (Canada) compliance report **here**.

Left: Strathcona employees Dave Mills, Colin Fitzgerald, Kyle Jones and Al Grabas at a drilling rig near Strathcona's Kakwa facility in northeastern Alberta.

About This Report

Our third annual Sustainability Report provides an updated view of Strathcona and our sustainability efforts. Driving accountability in our journey helps align business strategy with advancing global sustainability efforts.

Mention of "Strathcona," "the organization," "the business," "we," "our," etc. in this report refers to Strathcona Resources Ltd. This report covers the performance of Strathcona, including all data where Strathcona is the operator for the year ending Dec. 31, 2023, and based on information available as of June 26, 2024. Where available, we have included qualitative data from previous years to indicate performance trends, improvements and challenges. Unless otherwise stated, financial data is reported in Canadian dollars.

This report has been prepared with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and guidance from the Sustainability Accounting Standards Board (SASB). We recognize the necessity of adhering to TCFD and SASB guidelines and strive for greater alignment in future reports. We are committed to reviewing other frameworks and making ongoing improvements.

High-quality data is essential for clear, effective and transparent disclosures. In 2023, we continued to standardize our data procedures across legacy companies and Strathcona to ensure consistency. Ongoing efforts to strengthen data management processes to improve the quality and granularity of our data continue. All data is subject to internal accuracy review, and a significant portion of our emissions data has undergone third-party verification. Should significant discrepancies affecting the data presented in this report be discovered, the report will be appropriately amended, and changes disclosed.

This report contains forward-looking statements. See "Forward-Looking Statements" for a list of assumptions and risks associated with such statements. For further information about disclosure of oil and gas information in this report see "Presentation of Oil and Gas Information."

Presentation of Oil and Gas Information

This report contains references to barrels of oil (BOE) equivalent. All BOE conversions are derived by converting gas to oil at the ratio of six thousand cubic feet (Mcf) of natural gas to one barrel (bbl) of crude oil. The value of BOE may be misleading, particularly if used in isolation. A BOE conversion rate of 1 bbl:6 Mcf 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 of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 bbl:6 Mcf, utilizing a conversion ratio of 1 bbl:6 Mcf may be misleading as an indication of value.

All references to "liquids" in this report include bitumen, heavy crude oil, light oil and condensate and other natural gas liquids on a combined basis.

Information about Strathcona's proved reserves in this report has been prepared and presented in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities,* as of the dates specified. Under Canadian disclosure requirements and industry practice, oil and gas sales and production volumes are presented on a gross basis before the deduction of royalties.

Materiality Review

Strathcona's 2023 materiality review was conducted with input from key area representatives, subject matter experts, Executive Leadership Team members and individuals with advanced knowledge of stakeholder values and concerns. Through the materiality process, participants indicated the topics with the highest perceived impact to our business and importance to stakeholders.

Abbreviations

Terms/Abbreviations	Definition
Board	The Board of Directors of Strathcona
bbl	Barrel
BOE	Barrels of Oil Equivalent
BOE/d	Barrels of Oil Equivalent per Day
CO_2	Carbon Dioxide
CCS	Carbon Capture and Storage/Sequestration
GHG	Greenhouse Gas
$MTCO_2$	Megatonnes of carbon dioxide
SAGD	Steam assisted gravity drainage
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate-Related Financial Disclosures
tCO_2/BOE	Tonnes of CO_2 per barrel of oil equivalent

Right: Wade Wallen, Stakeholder Relations Advisor and Mike Hildebrandt, Operator Montney North at Strathcona's natural gas assets near Grande Prairie.

Performance Summary

Annual Data Table

	Units	2018 Cona	2019 Cona	2020 Cona [(1)]	Strath [(2)]	2021 Strathcona [(3)]	OSUM [(4)]	2022 Strathcona [(5)]	2023 Strathcona [(6)]
ECONOMIC									
Petroleum and natural gas sales	$ Thousands	327,500	343,600	538,800	114,600	1,572,300	247,400	4,343,400	4,748,300
Royalties	$ Thousands	25,500	35,100	24,500	1,000	147,700	11,900	666,800	556,900
Operating, Blending, Transportation	$ Thousands	197,300	166,400	367,200	50,700	699,700	142,300	1,936,300	2,337,500
Funds from operations	$ Thousands	21,200	84,600	79,400	80,500	359,400	18,800	1,233,900	1,562,200
Capital expenditures	$ Thousands	48,800	33,900	100,800	42,400	282,500	8,300	620,900	1,028,400
Net acquisitions (dispositions) [(7)]	$ Thousands	(57,700)	(2,000)	1,234,500	0	943,600	0	5,054,900	878,300
Decommissioning costs [(8)]	$ Thousands	800	2,100	39,100	600	23,800	0	28,200	38,200
STAKEHOLDER ECONOMIC BENEFITS									
Employee payroll and benefits	$ Thousands	26,300	22,900	47,100	3,100	69,900	6,700	127,200	182,000
Contract Labour	$ Thousands	2,000	2,000	4,200	2,200	9,000	300	16,200	18,800
Consultants	$ Thousands	1,400	1,400	1,800	300	3,200	300	6,600	6,900
Community Investment	$ Thousands	NPT	NPT	NPT	NPT	NPT	NPT	300	566
PRODUCTION									
Average BOE/day	BOE/day	15,823	13,780	37,997	22,355	68,278	17,409	114,404	155,459
ENVIRONMENT									
EMISSIONS [(9)]									
Direct GHG Emissions	CO_2e tonnes	159,209	149,145	578,903	71,322	1,023,366	223,366	2,315,306	3,434,357
Indirect GHG Emissions	CO_2e tonnes	NPT	NPT	82,192	111	141,500	38,752	285,315	371,026
Total GHG Emissions	CO_2e tonnes	159,209	149,145	661,095	71,433	1,164,866	262,118	2,600,621	3,805,383

	Units	2018 Cona	2019 Cona	2020 Cona [1]	Strath [2]	Strathcona [3]	OSUM [4]	Strathcona [5]	Strathcona [6]
						2021		2022	2023
Total GHG Intensity	CO_2e tonnes/BOE	0.028	0.030	0.037	0.014	0.047	0.078	0.062	0.067
Flared gas	e^3m^3	1,666	1,393	4,397	2,087	9,113	1,190	19,423	23,214
Vented gas	e^3m^3	1,293	1,158	1,007	312	30,545	0	4,873	7,058
Sulfur dioxide (SO_2)	tonnes/yr	NPT	51	921	89	1,553	276	3,199	3,808
Sulfur dioxide (SO_2) intensity	tonnes/BOE	NPT	0.00001	0.00007	0.00001	0.00006	0.00005	0.00008	0.00007
Methane [10]	CO_2e tonnes/yr	41,175	20,126	94,533	27,311	76,172	2,791	119,970	132,754
Methane intensity	CO_2e tonnes/BOE	0.0071	0.0040	0.0068	0.0033	0.0031	0.0005	0.0029	0.0023
Carbon Monoxide	tonnes/yr	1,317	1,112	1,383	126	2,098	149	3,981	4,235
Nitrogen oxide (NO_x)	tonnes/yr	868	743	1,245	186	1,872	1	3,291	4,080
PM 2.5	tonnes/yr	5	4	11	5	18	5	85	159
VOCs	tonnes/yr	91	144	2,421	254	919	0	1,005	1,268
WATER									
Fresh water use	m^3	672,722	729,051	785,091	191,866	1,238,442	14,601	5,116,046	13,583,768
Non-fresh water used	m^3	38,304,987	28,040,148	23,817,846	253,477	30,527,988	1,423,428	48,587,617	57,640,567
Fresh water intensity	m^3/BOE	0.116	0.145	0.057	0.024	0.050	0.002	0.123	0.239
Fresh water use as % of total water use	%	1.76%	2.60%	3.30%	75.7%	4.06%	1.03%	10.5%	23.6%
Recycle Ratio [11]	%	99.0%	99.0%	93.2%	NPT	96.0%	94.2%	91.2%	82.5%
SPILLS AND LEAKS									
Number of reportable spills	count	28	24	23	3	23	1	32	29
Total volume of reportable spills	m^3	1,151	405	1,040	10	436	70	584	302
Spill intensity	m^3 spilled/1,000 bbls handled	0.20	0.08	0.05	0.00	0.02	0.01	0.01	0.01

	Units	2018 Cona	2019 Cona	2020 Cona [1]	Strath [2]	2021 Strathcona [3]	OSUM [4]	2022 Strathcona [5]	2023 Strathcona [6]
RECLAMATION									
Number of producing wells	gross	1,184	1,095	1,186	143	1,319	90	2,833	2,989
Number of non-producing wells	gross	969	1,025	1,526	79	1,649	53	2,629	2,657
Number of abandoned wells	gross	523	560	1,830	12	1,924	81	1,481	1,626
Total wells	gross	2,676	2,680	4,542	234	4,892	224	6,943	7,272
Wells abandoned	count	6	37	46	0	79	0	110	86
Leases reclaimed	count	3	34	NPT	NPT	NPT	NPT	77	127
Certificates received	count	6	4	NPT	NPT	NPT	NPT	24	14
WASTE									
Liquid Waste	m3	270	1,304	170,492	9,970	295,539	34,930	207,848	199,301
Solid Waste	tonnes	8,550	6,187	37,028	9,020	67,128	3,568	1,580	1,500
DOW Waste	tonnes	0	0	64	0	127	409	1,034	1,263
Non-DOW Waste	tonnes	8,550	6,187	36,963	9,020	67,001	3,159	546	237
HEALTH AND SAFETY									
Recordable injury frequency – Employees	TRIF	1.59	0.00	0	0	1.36	0	0	0.48
Recordable injury frequency – Contractors	TRIF	1.31	0.26	0.44	0	0.80	0	0.46	0.47
Recordable injury frequency – Employees and Contractors	TRIF	1.38	0.19	0.34	0	0.88	0	0.41	0.47
Fatalities	count	0	0	0	0	0	0	0	0
SOCIAL									
WORKFORCE PROFILE									
Employee Head Count		136	118	215	NPT	307	63	626	727
Full time	count	133	115	209	NPT	302	62	620	723
Part time	count	3	3	6	NPT	5	1	6	4

	Units	2018 Cona	2019 Cona	2020 Cona [1]	Strath [2]	2021 Strathcona [3]	OSUM [4]	2022 Strathcona [5]	2023 Strathcona [6]
EMPLOYEES BY LOCATION									
Field	count	87	76	115	NPT	165	44	368	418
Office	count	49	39	100	NPT	142	18	251	309
DIVERSITY									
HEAD OFFICE EMPLOYEES									
Gender									
Total female	%	NPT	NPT	44	33	37	25	37	39
Total male	%	NPT	NPT	56	67	63	75	63	61
Management Roles									
Total female	%	NPT	NPT	22	20	29	25	31	25
Total male	%	NPT	NPT	78	80	71	75	69	75
BOARD OF DIRECTORS									
Gender									
Total female	count	0	0	0	0	0	0	0	1
Total male	count	4	4	6	6	6	6	5	8
Age									
Under 30	count	0	0	0	0	0	0	0	0
30-50	count	0	0	1	1	1	0	1	1
Over 50	count	4	4	5	5	5	6	4	8

(1) Cona acquired Pengrowth January 7, 2020 and amalgamated with Strath August 14, 2020. For simplicity, reported Cona numbers include Pengrowth for the whole year. Strath is included post-August 14, 2020.

(2) Strath and Cona amalgamated August 14, 2020. Strath numbers are amounts before August. 14, 2020

(3) Strathcona acquired OSUM on June 11, 2021, reported numbers by Strathcona include OSUM post June 11, 2021.

(4) 2021 data is inclusive of Strathcona's combined business as at December 31, 2021. Values are calculated as the combined annual figures including OSUM. Therefore, data from the OSUM acquisition before its acquisition is excluded from the calculation.

(5) 2022 data is inclusive of Strathcona's combined business as at December 31, 2022. Values are calculated as combined annual figures including Strathcona, Caltex, Stickney, and Serafina. Strathcona acquired Caltex and Stickney on March 11, 2022, and the acquisition of Serafina closed August 29, 2022. Therefore, data from Caltex, Stickney, and Serafina before their respective acquisitions is excluded from the calculation. Data is undergoing third party verification and may be subject to change.

(6) 2023 data is inclusive of Strathcona's combined business as at December 31, 2023. Values are calculated as combined annual figures including Strathcona and Pipestone Energy Corp. Pipestone was acquired by Strathcona October 3, 2023. Therefore, data from Pipestone before its acquisition is excluded from the calculation. Data is undergoing third party verification and may be subject to change.

(7) Represents the book value of property, plant, and equipment ("PP&E") acquired and / or disposed of. Business combinations are accounted for under IFRS 3 – Business Combinations using the acquistion method of accounting, whereby the net identifiable assets acquired are recorded at fair value.

(8) Includes amount granted to the Company through the Site Rehabilitation Program (Alberta), Dormant Sites Reclamation Program (British Columbia) and the Accelerated Site / Closure Program (Saskatchewan).

(9) 2023 data is calculated using an emissions management software (Emissions Manager) using 5th assessment factors for methane and N_2O.

(10)   For methane emissions from combustion, all Strathcona Thermal properties utilize the Industrial methane emission factor of 0.03722 kg/e³m³.

(11) Recycle Ratio for Cona in 2018 & 2019 includes SK water and polymer floods; 2020 and later includes in situ operations.

NPT: Not previously tracked

Emissions and HSE Performance

	2023												
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
PRODUCTION													
BOE/DAY (NET) [1]	146,110	145,566	140,933	146,435	147,202	139,178	143,667	148,032	150,923	177,967	185,403	196,585	155,752
ENERGY CONSUMPTION													
Natural Gas Energy Consumption (GJ) [2]	4,939,548	4,589,556	4,972,608	5,006,094	4,978,366	4,473,963	5,025,230	5,081,656	4,728,300	4,979,554	4,885,975	5,602,133	59,262,983
Electricity Use (MWh)	53,179	54,367	62,712	55,074	56,375	47,371	51,856	56,428	55,320	57,048	56,685	56,062	662,478
GHG EMISSIONS													
Direct GHG Emissions (CO_2e tonnes) [3]	280,100	240,479	280,673	282,370	280,637	253,968	283,857	268,902	273,370	291,087	286,577	308,521	3,330,541
Indirect GHG Emissions (CO_2e tonnes) [4]	30,284	31,019	35,498	30,928	31,669	26,423	28,863	31,460	30,829	31,685	31,533	30,835	371,026
Total GHG Emissions (CO_2e tonnes) [5]	310,384	271,498	316,171	313,298	312,306	280,391	312,720	300,362	304,199	322,772	318,110	339,356	3,701,566
Total GHG Intensity (CO_2e tonnes/BOE)	0.069	0.067	0.072	0.071	0.068	0.067	0.070	0.065	0.067	0.059	0.057	0.056	0.065
AIR EMISSIONS													
Methane (CO_2e tonnes)	12,287	11,429	10,863	10,453	10,573	11,007	11,542	12,089	10,147	14,095	11,422	12,377	138,284
Methane intensity (CO_2e tonnes/boe)	0.0027	0.0028	0.0025	0.0024	0.0023	0.0026	0.0026	0.0026	0.0022	0.0026	0.0021	0.00203	0.0024
WATER USE													
Fresh water use (m³) [6]	1,132,760	1,022,094	1,139,919	1,080,049	1,296,382	1,140,526	1,148,737	1,020,125	928,538	1,414,624	1,229,381	1,030,633	13,583,768
Fresh water use intensity (m³/boe)	0.25	0.25	0.26	0.25	0.28	0.27	0.26	0.22	0.21	0.26	0.22	0.17	9.77
Fresh water use as % of total water [7]	23.4	22.9	23.4	22.9	31.9	27.0	23.2	20.3	18.7	28.6	22.5	20.3	23.6
Thermal recycle ratio (%) [8]	87.9	86.2	87.6	89.3	86.0	88.9	88.9	88.0	87.0	83.4	85.2	86.3	87.0
Operations recycle ratio (%) [9]	84.9	85.2	84.7	84.8	79.6	80.7	76.9	77.8	85.5	83.2	82.0	85.0	82.5

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
2023													
SPILLS													
Number of reportable spills (count) [10]	3	3	3	2	2	6	2	2	4	1	1	0	29
Total spill volume (m^3) [11]	10.9	100	5.1	4.2	1	34	11	41	83	9	3	0	302
HEALTH AND SAFETY													
Recordable injury frequency – Employee (#/200,000 hrs) [12]	0.20	0.19	0.18	0.35	0.34	0.49	0.48	0.62	0.61	0.76	0.75	0.75	0.48
Recordable injury frequency – Contractor (#/200,000 hrs)	0.45	0.53	0.48	0.44	0.41	0.41	0.44	0.49	0.49	0.54	0.51	0.41	0.47
Recordable injury frequency – Employee and Contractor (#/200,000 hrs)	0.41	0.48	0.44	0.43	0.40	0.42	0.44	0.51	0.51	0.57	0.55	0.46	0.47
Fatalities	0	0	0	0	0	0	0	0	0	0	0	0	0

(1)   Production is reported as corporate production (vs sales volumes).

(2)   Natural Gas Consumption (GJ) is a measure of the total natural gas combusted to support production and operational requirements; displayed as energy in gigajoules.

(3) CO_2e, or CO_2 equivalent, is a standardized measure of greenhouse gas emissions that accounts for the Global Warming Potential (GWP) from emitted sources. Example: CO_2 has a GWP = 1; Methane has a GWP = 25.

(4)   Indirect Emissions reported are emissions resulting from the generation of purchased electricity from the grid. This is calculated using specific grid factors to account for the variation of methods of electricity generation by province (e.g. coal, natural gas, hydro).

(5)   Total GHG Emissions is the sum of Direct emissions (which includes methane emissions) and Indirect emissions.

(6)   Fresh water use is defined as fresh water diverted from groundwater wells and surface water sources for operational use including: steam generation, drilling and completions operations, reservoir pressure maintenance.

(7)   Total water is defined as all water produced and freshwater used.

(8)   Thermal recycle ratio is the percentage of production water recycled to support steam generation. In January and February, this metric reports water recycle for Lindbergh and Orion only. From March onwards, this metric includes Tucker and represents the average of AB oil sands assets.

(10)   Reportable spills are spills that must be reported to the provincial regulator in the appropriate jurisdiction. For produced liquids in Saskatchewan and Alberta 2m3 or greater (on site). In BC, 100L or greater (on site). All spills off site are required to be reported.

(11)   Total spill volume is the total volume released from reportable and non-reportable spills.

(12)   A Recordable injury is an injury that requires more than simple first aid. All injury metrics are reported on a 12-month rolling average basis.

Forward-Looking Statements

This report contains certain forward-looking information and statements ("forward-looking information") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "guidance", "ongoing", "may", "will", "project", "plans", "budget", "strategy" and similar expressions are intended to identify forward-looking information. In particular, but without limiting the foregoing, this report contains forward-looking information pertaining to the following: our 2024 production guidance; our 2024 environmental, social and governance (ESG) and climate-change related initiatives, including Strathcona's material topics and 2024 sustainability goals and targets; expected reduction in grid-power consumption of Orion and the quantum and timing thereof; the establishment of a water management framework for high-risk regions and the timing thereof; 2024 targets in respect of spill intensity reduction, Board independence, community investment spending and investment in reclamation and site closure activities; completion of our ESG-related projects and the timing and anticipated benefits thereof, including in respect of the implementation of emissions reduction technology at Orion and the operation of water management programs at Lindbergh, Kawka and Groundbirch; expectations in respect of our carbon capture and sequestration opportunities and initiatives; our ability to respond quickly in the event of an unplanned release; our continued implementation of leadership training for Strathcona personnel at all levels; ESG-related goals for workplace, health and safety and the timing and anticipated benefits thereof; the ability of Strathcona to perform in alignment with ESG-related policies and guidelines and stakeholder expectations; ongoing and future projects of Strathcona; Strathcona's plans with respect to continued Indigenous engagement and the establishment of an Indigenous contract sourcing standard; allocation of future budgets to ESG-related preventive measures; expected benefits associated with the implementation of new technology, including the reduction in GHG emissions, and the anticipated timing thereof; and investment goals and growth of our Indigenous Scholarship program.

The forward-looking information contained in this report reflects several material factors and expectations and assumptions of Strathcona including, without limitation: our ability to achieve our ESG initiatives, goals and targets within anticipated timeframes; the commercial viability and scalability of emission reduction strategies and related technology and products; our ability to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results,

capital efficiencies and cost-savings; the longevity and efficiency or certain assets; our ability to access sufficient capital; the continuance of current industry conditions; continuing collaboration with the government; the accuracy of third-party data upon which we rely; our ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the performance of assets and equipment; applicable laws, government policies and guidelines, including laws, policies and guidelines relating to ESG and climate change; the receipt, in a timely manner, of regulatory and partner approvals, as applicable; the sufficiency of budgeted capital expenditures in carrying out planned activities; our ability to generate sufficient free cash flow to meet current and future capital expenditure obligations and free cash flow surpluses; accuracy of underlying data and estimates; commodity prices, inflation and interest and foreign exchange rates; the efficacy of our heading program to protect our capital; our ability to implement capital projects or stages thereof in a successful and timely manner.

The forward-looking information included in this report is not a guarantee of future performance and should not be unduly relied upon. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information including, without limitation:

- Failure to pursue, develop or execute our ESG and climate-change-related initiatives, including as a result of lack of technological advances, regulatory support, co-operation of relevant counterparties and strategic partners, or failure to secure adequate capital resources;
- Failure to achieve expected results of our current and future ESG initiatives, including within anticipated timeframes;
- Failure to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results, including the commercial viability and scalability of emission reduction strategies and related technology and products;
- Changes in general economic, market and business conditions, such as commodity prices, interest rates, inflation and currency exchange rates, and market volatility;

- Changes in the demand for or supply of Strathcona's production;
- The ongoing Russia/Ukraine conflict, the conflict in the Middle East and other heightened geopolitical risks and the ability of Strathcona to carry on operations as contemplated in light of the foregoing;
- Changes to laws and government policies that could impact Strathcona's business, including with respect to carbon offset credit programs and / or implementation of freshwater limits, resulting in increased operating and compliance costs;
- Failure to comply or respond appropriately to new regulatory laws, policies or standards;
- Failure to prevent or effectively mitigate future oil and gas spills or leaks and associated liability;
- Failure to prevent or effectively mitigate material disturbances to biodiversity and associated liability;
- Risks of climate change and ESG-related litigation;
- Risks associated with the development and execution of implementing strategies to meet climate and GHG emissions initiatives and targets;
- Risks associated with climate change and our assumptions relating thereto, including the impact of weather events on our facilities and operations, and transitional risks, including costs associated with regulatory reporting and compliance;
- The risk that projects and initiatives intended to achieve cash flow growth and/or reductions in operating costs may not achieve the expected results in the time anticipated or at all;
- Material differences in regulatory review and reporting by third parties from Strathcona's internal review;

- Uncertainties associated with estimating oil and natural gas reserves;
- The effectiveness of our risk management program;
- Increased debt levels or debt service requirements;
- Lack of capital financing for oil and gas companies, including as a result of increased societal expectations regarding, and focus on, ESG and climate-change-related initiatives;
- Risks inherent in the operation of our business, including occurrences of cybersecurity failure and cyberattacks;
- Health and safety risks associated with our assets and operations of our business, including to the environment and our employees;
- Our ability to successfully complete growth and development plans, including by way of additional corporate acquisitions; and
- Certain other risks detailed in Strathcona's Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2023, which are available at www.sedarplus.ca.

In addition, there are risks that the effect of actions taken by us in implementing targets, commitments and ambitions for ESG focus areas may have a negative impact on our existing business, growth plans and future results from operations. Further, investors and stakeholders increasingly compare companies based on ESG-related performance, including climate-related performance. Failure to achieve our ESG targets and ambitions, or a perception among key stakeholders that our ESG targets and ambitions are insufficient or unattainable, may adversely affect our reputation and our ability to attract capital and insurance coverage.

Strathcona does not assume any obligation to publicly update or revise such forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable laws. Any forward-looking information contained herein is expressly qualified by this cautionary statement.