MEG Energy Announces 2025 Capital and Operational Guidance; Christina Lake Facility Expansion Project Approval

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All financial figures are in Canadian dollars ($ or C$) and all references to barrels are per barrel of bitumen sales unles
otherwise noted.

CALGARY, Nov. 25, 2024 - MEG Energy Corp. (TSX: MEG) ("MEG" or the "Corporation") today announced its 2025 ca
investment plan and operational guidance.

"We are excited to share our 2025 capital investment plans, which represent the foundation of a disciplined multi-year s
to build value at Christina Lake," said Darlene Gates, President and Chief Executive Officer. "MEG's Board of Directors
approved our Facility Expansion Project to increase production capacity by 25,000 barrels per day. Thanks to the qualit
resource and the expertise of our people, we are confident in our ability to execute this expansion within our operating
while continuing to return significant capital to investors through a sustainable dividend and share repurchases."

Highlights include:

- Approval of a multi-year Facility Expansion Project to raise Christina Lake production capacity by 25,000 bbls/day 135,000 bbls/day in 2027; details will be outlined in MEG's November 26, 2024 Business Update (event details at this Press Release);
- Annual production guidance of 95,000 to 105,000 bbls/d, which reflects a scheduled Q2 turnaround that will impa production by up to 8,000 bbls/d;
- Production expected to be achieved at an annualized steam oil ratio ("SOR") of approximately 2.26;
- Capital expenditures of $635 million, including $70 million for Turnaround and $130 million for the Facility Expans Project;
- Non-energy operating cost guidance of $5.30 to $5.80/bbl; and
- 100% of free cash flow distributed to shareholders through a sustainable dividend and share buybacks.

2025 Guidance

MEG is focused on executing safe and reliable operations at our Christina Lake asset. Our employees and contractors
committed to a strong performance culture underpinned by our comprehensive Operations Excellence Management Sy
drives reliable production and top tier SOR performance.

	2025 Guidance
Capital expenditures	$635 million
Production (average)	95,000 - 105,000 bbls/d
Non-energy operating costs	$5.30 - $5.80 per bbl

The 2025 annual production guidance includes major turnaround activities in Q2, with a full-year production impact of u
8,000 bbls/d. Production reflects the startup of two new well pads in 2025, with the first on-stream in Q3 and the secon
supporting the building of annualized capacity for future production.

On November 25, 2024, MEG's Board of Directors approved the final investment decision to proceed with a multi-year
Expansion Project to add 25,000 bbls/d of new productive capacity to our existing facility, with an estimated cost of $44
over the next three years. This project and the additional well capital to fill the expanded plant will be delivered at a high
economic capital efficiency under $25,000 per flowing barrel. Further details on this value enhancing project will be pro

MEG's Business Update on November 26, 2024. The Business Update presentation is available on MEG's website.

Sustaining capital in 2025 reflects planned turnaround activity, increased pad drilling, and investment in field infrastruct advance production from well delineated, high-quality, undeveloped areas of our asset. In addition, MEG will take the opportunity provided by the turnaround to add tie-ins for various aspects of the Facility Expansion Project, in advance o extending to 4-year turnaround cycles.

Following a disciplined multi-year de-leveraging program, MEG's strong balance sheet and robust operating performan provide a solid foundation to advance the Facility Expansion Project and fund the 2025 capital program. MEG retains th flexibility to adjust capital expenditures in response to changing market conditions, such as declining oil prices, widenin differentials and inflationary cost pressures.

2025 Capital Investment Summary

Category	2025 Guidance
Well Pads & Infrastructure	$420 million
Turnaround	$70 million
Corporate, Other	$ 15 million
Facility Expansion Project	$130 million
Total Capital	$635 million

MEG's total 2025 capital program is expected to be $635 million, with $130 million allocated to the Facility Expansion P $70 million to Turnaround, and the remaining $435 million to Well Pads & Infrastructure and Other. Turnaround activity ten-year regulatory requirements and facilitates the safe and efficient completion of Facility Expansion Project tie-ins. W conclusion of the 2025 turnaround, MEG will be in a position to implement four-year turnaround cycles, compared with historical practice of three-year cycles, on each Phase of its operation. Well Pads provides access to well delineated, high-quality resources and builds field capacity in advance of Facility Expansion Project requirements. Investment in fa field Infrastructure targets sub-surface production optimization, gas and water processing, and reliability improvements, including the completion of a new skim tank.

Non-Energy Operating Costs Per Barrel

MEG continues to deliver industry leading operating cost performance, with 2025 non-energy operating costs of $5.30-

Adjusted Funds Flow Sensitivity

MEG's production consists entirely of crude oil and Adjusted Funds Flow (AFF) is highly correlated with crude oil bench prices. The following table provides an annual sensitivity estimate to the most significant market variables.

Variable	Range	2025 AFF Sensitivity[1,2] (Cdn$)
WCS Differential (US$/bbl)	+/- US$1.00/bbl	+/- $46mm
WTI (US$/bbl)	+/- US$1.00/bbl	+/- $32mm
Bitumen Production (US$/bbl)	+/- 1,000 bbls/d	+/- $16mm
Condensate (US$/bbl)	+/- US$1.00/bbl	+/- $14mm
Exchange Rate (US$/bbl)	+/- $0.01	+/- $10mm
Non-Energy Opex (C$/bbl)	+/- US$0.25/bbl	+/- $6mm
AECO Gas[3] (C$/GJ)	+/- C$0.50/GJ	+/- $5mm

1. Each sensitivity is independent of changes to other variables.

2. Assumes mid-point of 2025 production guidance, US$70.00/bbl WTI, ~US$13.00/bbl Edmonton/PADD II WTI:WCS discount, C$1.35/US$ F/X rate, condensate purchased at 100% of WTI, and one bbl of bitumen per 1.42 bbls of blend sales
(1.42 blend ratio).

3. Assumes 1.3 GJ/bbl of bitumen, 64% of 150 MW of power generation sold externally and a 25.0 heat rate (every $0.50/GJ change in AECO natural gas price changes the power price by C$12.50/MWh).
MEG has capacity to ship 100,000 bbls/d of Access Western Blend (AWB) sales, on a pre-apportionment basis, to the U.S. Gulf Coast market via its committed capacity on the Flanagan South and Seaway Pipeline systems. In addition, MEG has 20,000 bbls/d of contracted capacity on the TMX pipeline system to the Canadian West Coast. Over 80% of MEG's blend sales have tidewater access, positioning the company with broader market reach, improved realized prices, and reduced WCS differential volatility.

At September 30, 2024, MEG had approximately $3.9 billion of available Canadian tax pools, including $2.5 billion of non-capital losses which are immediately deductible. Those tax pools are estimated to shelter cash taxes until 2027 under a US $70/bbl WTI oil price assumption.

Capital Allocation Strategy

MEG will return 100% of free cash flow to shareholders in 2025, reinforcing our long-term commitment to shareholder capital returns. Since January 1, 2022, the Corporation has repurchased and cancelled 54.8 million shares, reducing the outstanding share count by approximately 17.9% from year end 2021 and returning $1,239 million to shareholders.

Pathways Alliance

MEG, along with its Pathways Alliance peers, continues to progress pre-work on this foundational carbon capture and storage project, which will transport CO2 via pipeline from multiple oil sands facilities to be stored permanently underground in the Cold Lake region of Alberta. Pathways Alliance continues to work collaboratively with both the federal and Alberta Governments on the necessary policy and co-financing frameworks required to move the project forward.

Non-GAAP Measures and Other Financial Measures

Certain financial measures in this news release including non-energy operating costs (in total, and per bbl), free cash flow, net debt and adjusted funds flow are non-GAAP financial measures or ratios, supplementary financial measures or ratios and capital management measures. These measures are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. These non-GAAP and other financial measures should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS.

For further details, please refer to Section 12 of the Corporation's MD&A for the quarter ended September 30, 2024, which is available on the Corporation's website at www.megenergy.com and is also available on the SEDAR+ website at www.sedarplus.ca.

2025 Capital and Operating Budget and Business Update Webcast

Tuesday, November 26, 2024 8:30am ET / 6:30am MT

Webcast Link: https://app.webinar.net/O0zQdogdK42

Q&A Dial-in Numbers: Toll Free: 1-888-510-2154

International: 1-437-900-0527

Business Update Presentation: A copy of the presentation deck is available on our website at https://www.megenergy.com/investors/presentations-events/

Replay: For those unable to join the webcast, an archived version will be available within 24 hours at https://www.megenergy.com/investors/presentations-events/

Forward-Looking Information

Certain statements contained in this news release may constitute forward-looking statements within the meaning of applicable Canadian securities laws. These statements relate to future events or MEG's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "dependent", "ability", "plan", "intend", "target", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are often, but not always, identified by such words. These 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 statements. In particular, and without limiting the foregoing, this news release contains forward looking statements with respect to: the Corporation's 2025 capital investment plan and operational guidance, including annual production guidance of 95,000 - 105,000 bbls/d, steam oil ratio of approximately 2.26, and non-energy operating cost guidance of $5.30-5.80 per barrel; the planned timing for startup of new well pads in 2025; the Corporation's plans to expand Christina Lake production capacity by 25,000 bbls/d to 135,000 bbls/d in 2027 via its multi-year planned Facility Expansion Project, which is expected to be delivered at a capital efficiency under $25k per flowing barrel; the Corporation's focus on operational excellence and safety leadership and its expectation that this focus will drive reliable production and top-tier SOR performance; the Corporation's anticipated capital investment for 2025 of $635 million and the components thereof; the Corporation's plans to return 100% of free cash flow to shareholders in 2025; MEG's expectation that it will be in a position to implement four year turnaround cycles on each phase of its operations at the conclusion of its 2025 turnaround; MEG's adjusted funds flow sensitivities; the Corporation's belief that its quarterly base dividend is sustainable; the Corporation's view that its available Canadian tax pools will shelter its cash taxes until mid-2027 under a US$70/bbl WTI price assumption; and the Corporation's statements regarding the Pathways Alliance objectives and progress.

Forward-looking information contained in this news release is based on management's expectations and assumptions regarding, among other things: future crude oil, bitumen blend, natural gas, electricity, condensate and other diluent prices, differentials, the level of apportionment on the Enbridge mainline system, foreign exchange rates and interest rates; the recoverability of MEG's reserves and contingent resources; MEG's ability to produce and market production of bitumen blend successfully to customers; future growth, results of operations and production levels; future capital and other expenditures; revenues, expenses and cash flow; operating costs; reliability; continued liquidity and runway to sustain operations through a prolonged market downturn; MEG's ability to reduce or increase production to desired levels, including without negative impacts to its assets; anticipated reductions in operating costs as a result of optimization and scalability of certain operations; anticipated sources of funding for operations and capital investments; plans for and results of drilling activity; the regulatory framework governing royalties, land use, taxes and environmental matters, including federal and provincial climate change policies, in which MEG conducts and will conduct its business; the availability of government support to industry to assist in the Corporation's ongoing work to reduce GHG emissions intensity; and business prospects and opportunities. By its nature, such forward-looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated.

These risks and uncertainties include, but are not limited to, risks and uncertainties related to: the oil and gas industry, for example, the securing of adequate access to markets and transportation infrastructure (including pipelines and rail) and the commitments therein; the availability of capacity on the electricity transmission grid; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to production, costs and revenues; health, safety and environmental risks, including public health crises, such as the COVID-19 pandemic, and any related actions taken by governments and businesses; legislative and regulatory changes to, amongst other things, tax, land use, royalty and environmental laws and production curtailment, which changes could occur in a manner that adversely affect MEG's operations; the cost of compliance with current and future environmental laws, including climate change laws; risks relating to increased activism and public opposition to fossil fuels and oil sands; the inability to access government support to assist in efforts to progress the Pathways Alliance foundational carbon capture and storage project; assumptions regarding and the volatility of commodity prices, interest rates and foreign exchange rates; commodity price, interest rate and foreign exchange rate swap contracts and/or derivative financial instruments that MEG may enter into from time to time to manage its risk related to such prices and rates; timing of completion, commissioning, and start-up, of MEG's turnarounds; the operational risks and delays in the development, exploration, production, and the capacities and performance associated with MEG's projects; MEG's ability to reduce or increase production to desired levels, including without negative impacts to its assets; MEG's ability to finance capital expenditures; MEG's ability to maintain sufficient liquidity to sustain operations through a prolonged market downturn; changes in credit ratings applicable to MEG or any of its securities; the potential for a temporary suspension of operations impacted by an outbreak of COVID-19; actions taken by OPEC+ in relation to supply management; the impact of the Russian invasion of Ukraine and associated sanctions on commodity prices; the availability and cost of labour and goods and services required in the Corporation's operations, including inflationary pressures; supply chain issues including transportation delays and delays in the receipt of goods and services necessary to implement the Corporation's capital program, including but not limited to its Facility Expansion Project; the cost and availability of equipment necessary to our operations; and changes in general economic, market and business conditions.

Although MEG believes that the assumptions used in such forward-looking information are reasonable, there can be no assurance that such assumptions will be correct. Accordingly, readers are cautioned that the actual results achieved may vary from the forward-looking information provided herein and that the variations may be material. Readers are also cautioned that the foregoing list of assumptions, risks and factors is not exhaustive.

Further information regarding the assumptions and risks inherent in the making of forward-looking statements can be found in MEG's most recently filed Annual Information Form ("AIF"), along with MEG's other public disclosure documents. Copies of the AIF and MEG's other public disclosure documents are available through the Company's website at www.megenergy.com/investors and through the SEDAR+ website at www.sedarplus.ca.

The forward-looking information included in this news release is expressly qualified in its entirety by the foregoing cautionary statements. Unless otherwise stated, the forward-looking information included in this news release is made as of the date of this news release and MEG assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about MEG's prospective results of operations including, without limitation, the Corporation's capital expenditures, production, non-energy operating costs, general and administrative costs and transportation costs, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. MEG's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits MEG will derive therefrom. MEG has included the FOFI in order to provide readers with a more complete perspective on MEG's future operations and such information may not be appropriate for other purposes. MEG disclaims any intention or obligation to update or revise any FOFI statements, whether as a result of new information, future events or otherwise, except as required by law.

About MEG

MEG is an energy company focused on in situ thermal oil production in the southern Athabasca oil region of Alberta, Canada. MEG is actively developing innovative enhanced oil recovery projects that utilize steam-assisted gravity drainage extraction methods to improve the economic recovery of oil. MEG transports and sells thermal oil (AWB) to customers throughout North America and internationally. MEG is a member of the Pathways Alliance, a group of Canada's largest oil sands producers. MEG's common shares are listed on the Toronto Stock Exchange under the symbol "MEG" (TSX: MEG).

For further information, please contact:

Investor Relations
T 403.767.0515
E invest@megenergy.com

Media Relations
T 403.775.1131
E media@megenergy.com

SOURCE MEG Energy Corp.