



# Investor Presentation

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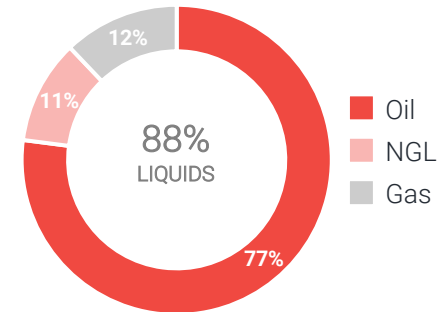
DECEMBER 2021



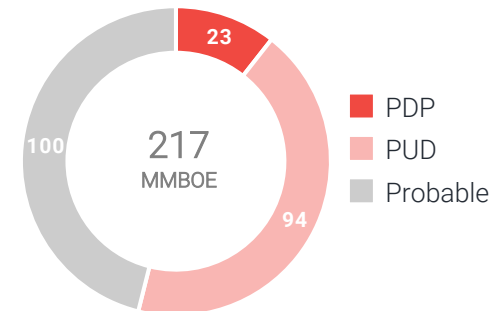
# Vesta Energy

- 12,200 boe/d production<sup>1</sup>
- 134 wells on-stream
- 275,000 net acres<sup>1</sup>
- 417 remaining 2P locations<sup>2,3</sup>
- 8.3x LMR<sup>4</sup>
- \$866mm in tax pools

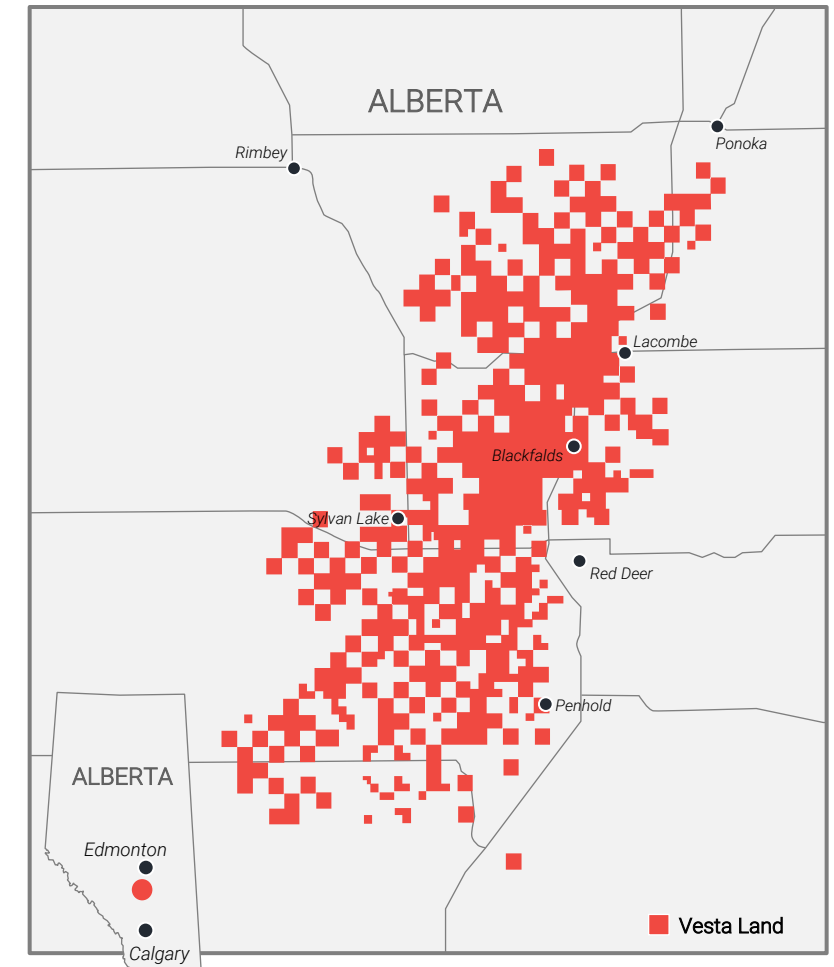
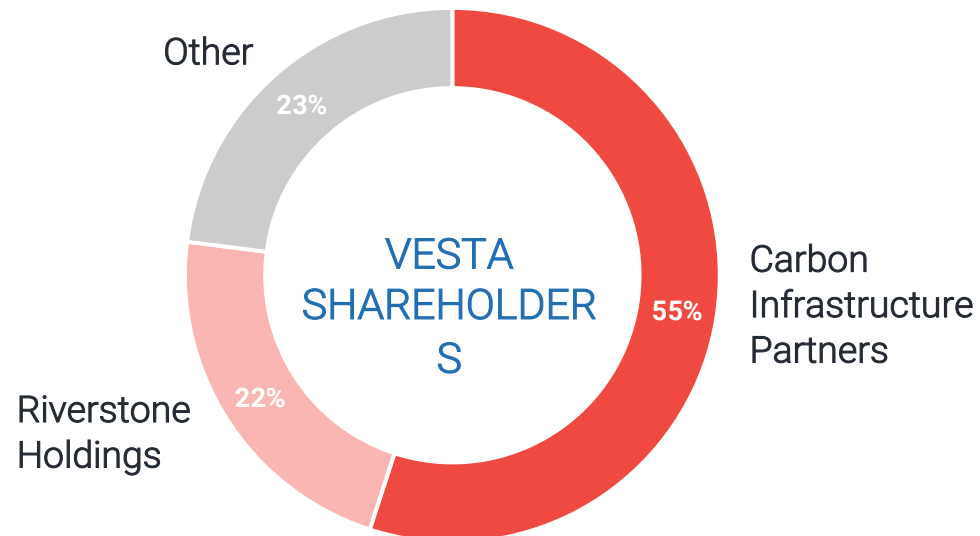
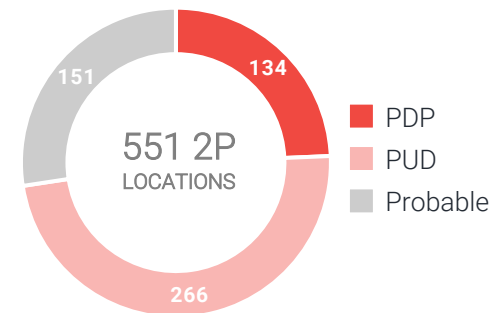
~88% liquids production drives strong netbacks<sup>5</sup>



Current 2P RLI of >55 years<sup>2</sup>



>20 years booked 2P drilling inventory<sup>2,3</sup>



**Large, strategic position in the core of the Duvernay**

1. Production and acreage are estimates based on the assumptions set forth under "Certain Assumptions" in the Disclaimer. See "Forward-Looking Statements" in the Disclaimer.  
2. Based on the reserves report prepared by GLJ Petroleum Consultants effective June 30, 2021.

3. Well counts adjusted for wells on-stream as of September 30, 2021.  
4. LMR = Liability Management Rating.  
5. Oil, NGLs and gas weighting based on Q3 2021 production.

# Revised 2021 Guidance

Production <sup>1</sup>	12.2 mboe/d
Capital Expenditures <sup>1</sup>	\$120-125mm
Adjusted EBITDA <sup>1,2,3</sup>	\$225-230mm
Free Cash Flow <sup>1,2,3</sup>	\$75-80mm
Year-end Net Debt <sup>1,2</sup>	\$340-345mm



## Meaningful free cash flow generation in 2021

1. Production, Capital, Adjusted EBITDA, Free Cash Flow, and Year-end Net Debt are 2021 estimates and are based on the assumptions set forth under "Certain Assumptions" in the Disclaimer. See "Forward-Looking Statements" in the Disclaimer.

2. Based on US\$68.76/bbl WTI, US\$3.81/mmbtu Henry Hub, 1.25 CAD/USD, -US\$3.87/bbl MSW to WTI basis.  
3. Excluding hedging impacts. See "Non-IFRS Financial Measures" in the Disclaimer.



2019 TO PRESENT

# What We've Done



- Developed and implemented governance processes and controls
- Improved landowner and regulatory relationships
- Created leading edge seismicity monitoring
- Focused on environmental and safety performance
- Weathered commodity price challenges through cost and capital program reductions
- Improved drilling and completion efficiency and costs
- Redefined development strategy, program, and well design



**Foundation in place to support future strategy**



## FUTURE STRATEGY

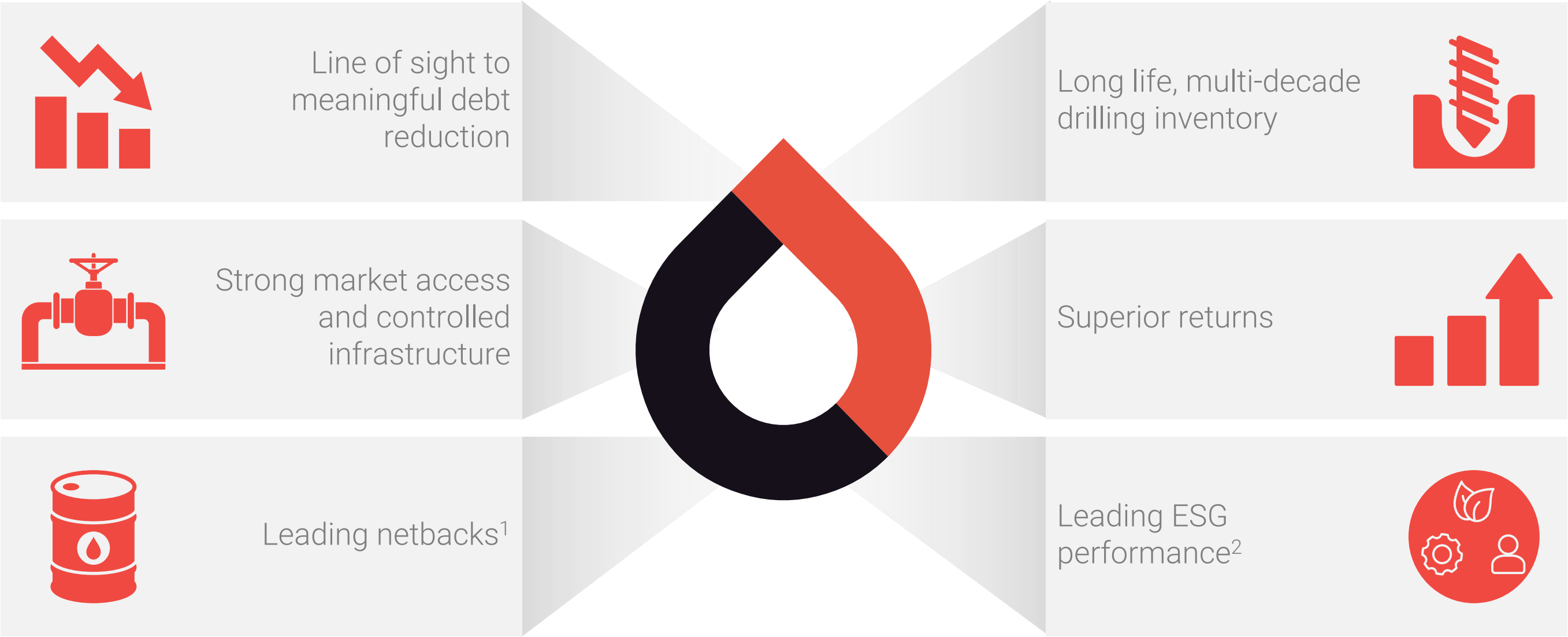
# What's Next



- Drive towards value creation and resiliency through disciplined capital investment
- Long-term strategy of sustainable free cash flow generation under multiple price forecasts
- Improve balance sheet while growing at a measured pace
- Constant improvement through measurable innovation, learning, and feedback
- Continued cost reduction to maintain resiliency through low price environment
- Regular public communication and accountability
- Long-term planning focus: 5-year plan with specific locations identified

**Committed to deliver what we promise**

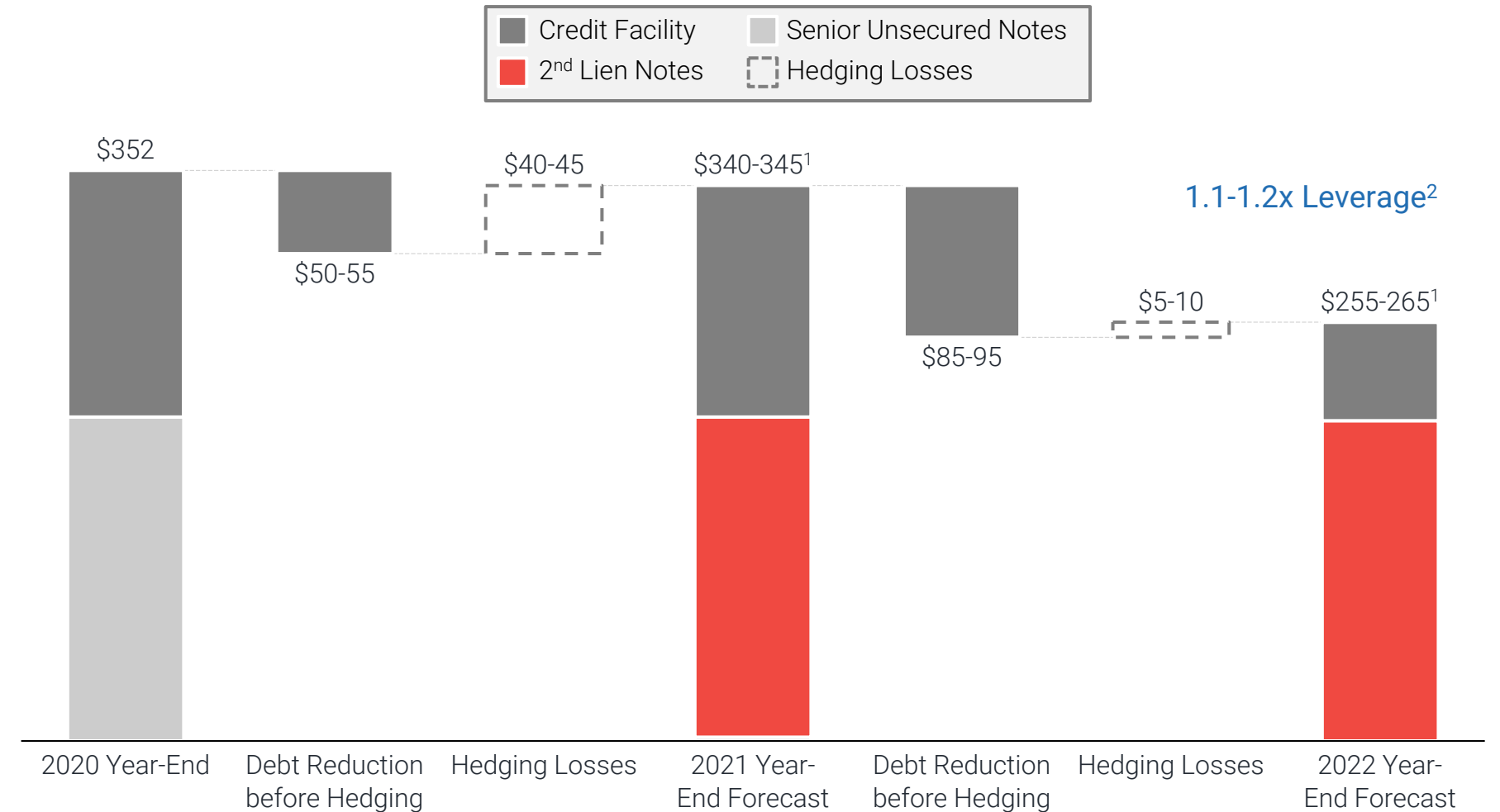
# Why Vesta?



1. Relative to peers. Peers include: Baytex Energy Corp., Bonterra Energy Corp., Cardinal Energy Ltd., Headwater Exploration Inc., Obsidian Energy Ltd., Surge Energy Inc., and Tamarack Valley Energy Ltd.  
2. Relative to peers. Peers include: Baytex Energy Corp., Crescent Point Energy Corp., Crew Energy Inc., Enerplus Corp., NuVista Energy Ltd., Tamarack Valley Energy Ltd., Tourmaline Oil Corp., Whitecap Resources Inc.



# Line of Sight to Meaningful Debt Reduction



**Focus on debt reduction resulting in two-year decrease of up to ~\$100mm**

1. 2021 based on US\$68.76/bbl WTI, US\$3.81/mmbtu Henry Hub, 1.25 CAD/USD. 2022 based on US\$70.00/bbl WTI, US\$4.38/mmbtu Henry Hub, 1.27 CAD/USD; -US\$5.00/bbl MSW to WTI basis.

2. Net debt to adjusted trailing twelve-month EBITDA excluding hedging impacts. See "Non-IFRS Financial Measures" in the Disclaimer.



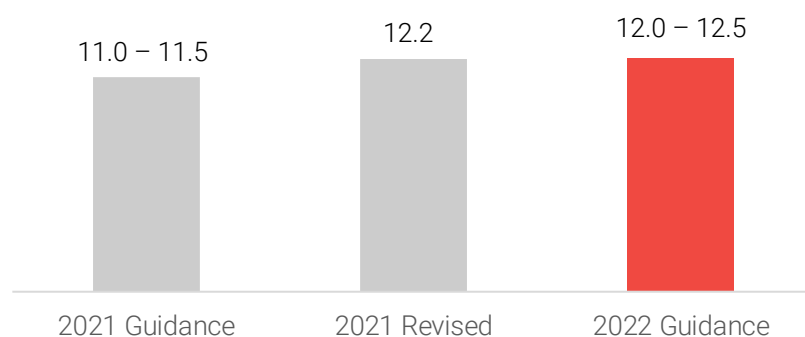


## 2021 & 2022 GUIDANCE



# Line of Sight to Meaningful Debt Reduction

### Production (mboe/d)



### Adjusted EBITDA & Free Cash Flow<sup>1,2</sup> (\$mm)



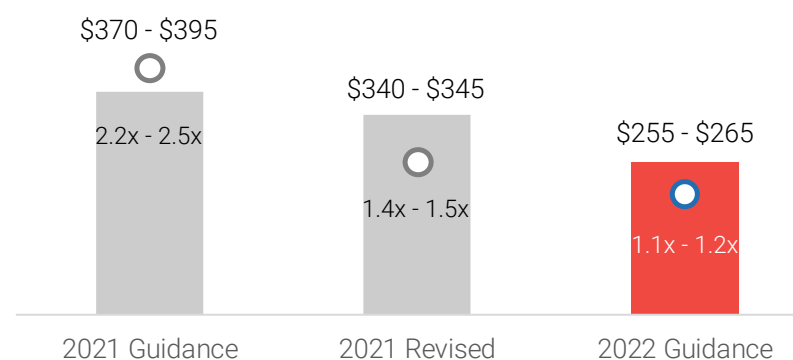
### Hedging Summary

	2022	H1 2023
WTI	4,438 bbl at US\$68/bbl	1,750 bbl at US\$68/bbl
MSW Basis	3,500 bbl at US\$4.64/bbl	n.a.

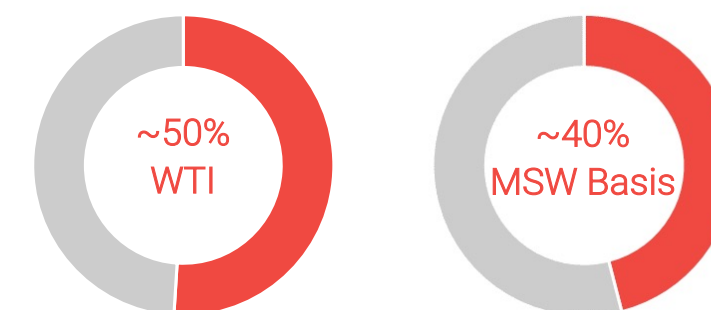
### Capital Expenditures (\$mm)



### Net Debt & Leverage<sup>1,2,3</sup>



### 2022 Production Hedged:



**Improved production on lower capital spending drives meaningful deleveraging**

1. 2021 Guidance based on US\$57.95/bbl WTI, US\$2.74/mmbtu Henry Hub, 1.26 CAD/USD; -US\$4.07/bbl MSW to WTI. 2021 Revised based on US\$68.76/bbl WTI, US\$3.81/mmbtu Henry Hub, 1.25 CAD/USD; -US\$3.87/bbl MSW to WTI basis. 2022 Guidance based on US\$70.00/bbl WTI, US\$4.38/mmbtu Henry Hub, 1.27 CAD/USD; -US\$5.00/bbl MSW to WTI basis.

2. See "Non-IFRS Financial Measures" in the Disclaimer. Excludes hedging impacts.

3. Leverage is Net Debt to Adjusted trailing twelve-month EBITDA excluding hedging impacts. See "Non-IFRS Financial Measures" in the Disclaimer.





# Line of Sight to Meaningful Debt Reduction

## Medium-Term Targets<sup>1</sup>

Annual Average Capital Spend

~\$150mm to ~\$155mm

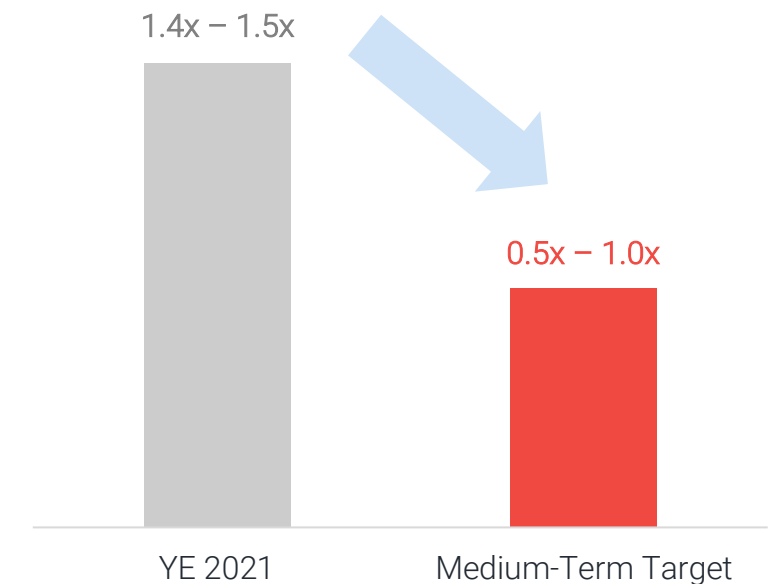
Annual Production Growth

~7% to 10%

Leverage<sup>2,3</sup>  
(Net Debt to Adjusted EBITDA)

0.5x to 1.0x

## Material leverage reduction



**Scalable development plan that generates growth within cash flow**

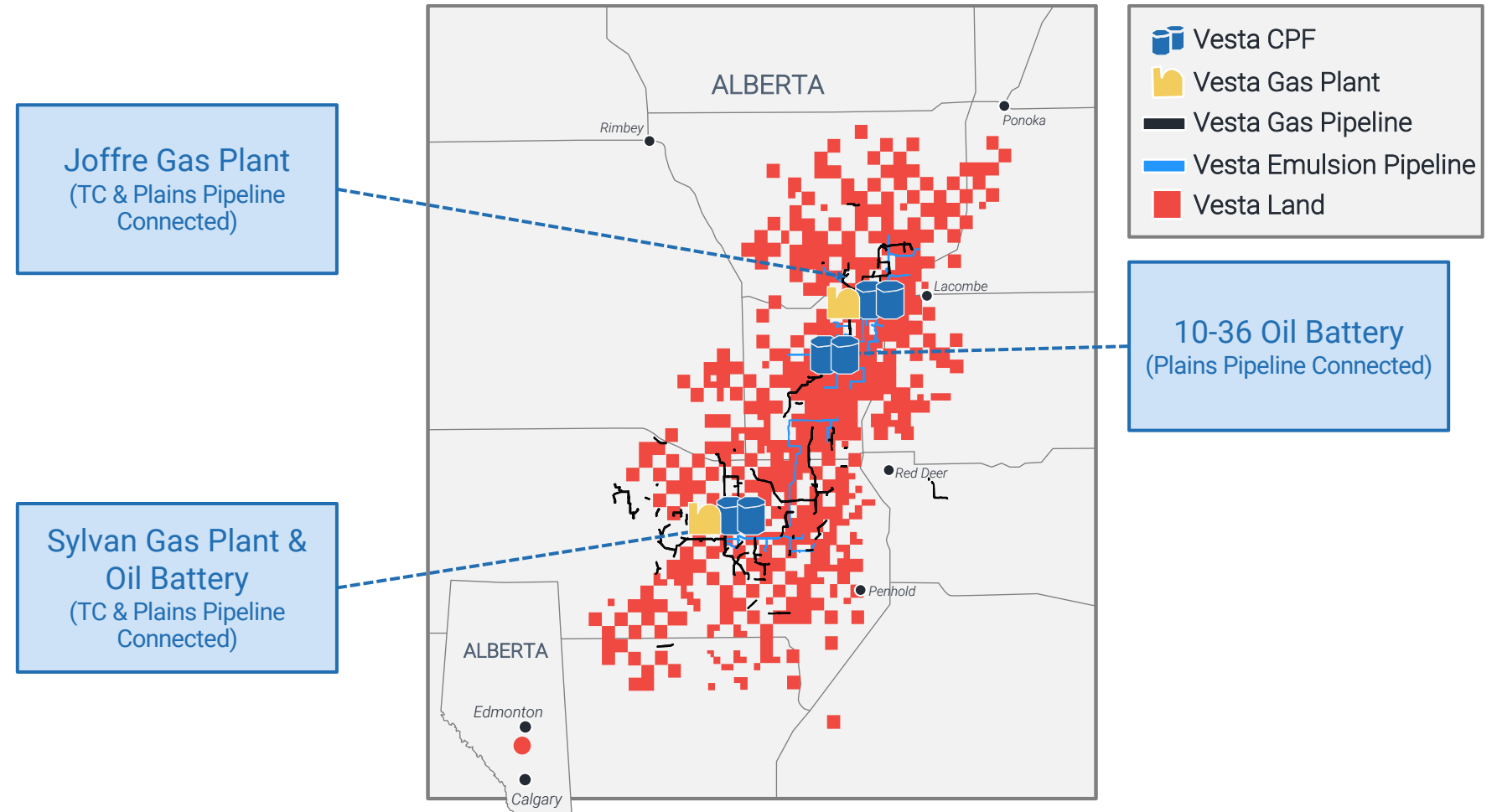
1. Medium-term plan reflects management's preliminary targets which remain subject to board approval. See "Forward-Looking Statements" and "Certain Assumptions" in the Disclaimer.

2. Based on commodity price forward curves from November 29, 2021. See appendix for detail.  
3. Excluding hedging impacts. See "Non-IFRS Financial Measures" in the Disclaimer.



# Strong Market Access and Controlled Infrastructure

- 100% working interest in oil and gas gathering and processing facilities
- Scalable to support medium-term development plan with modest additional capital investment
- Water access and infrastructure in place to support over 30 wells per year
- Pipeline connected to Edmonton oil hub via Plains Rangeland System – excess basin egress for foreseeable future
- Pipeline connected to TC Energy Mainline
- Minimal long-term take-or-pay commitments

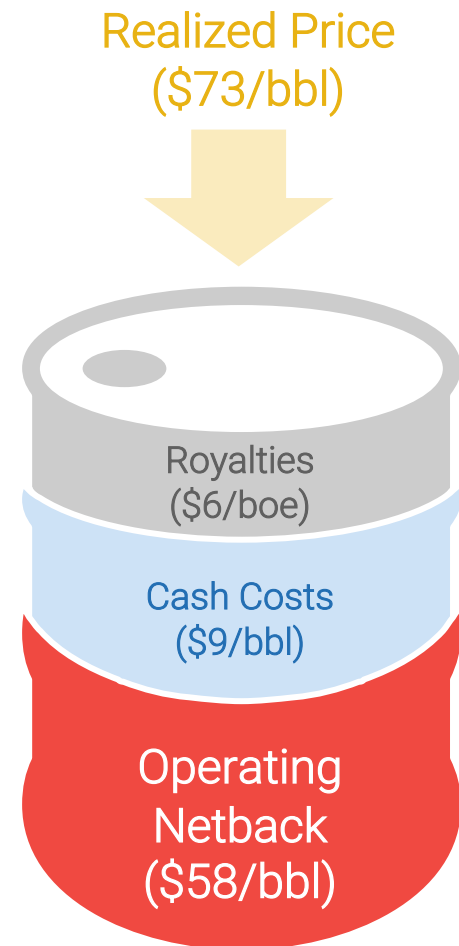


**Control and minimal commitments provide flexibility to maximize value**

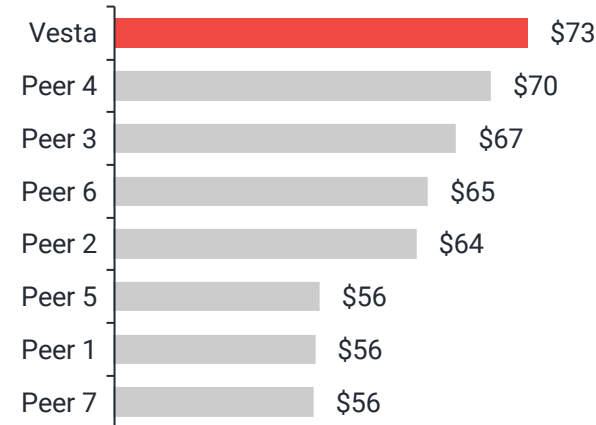


# Q3 2021 ACTUAL REPORTING

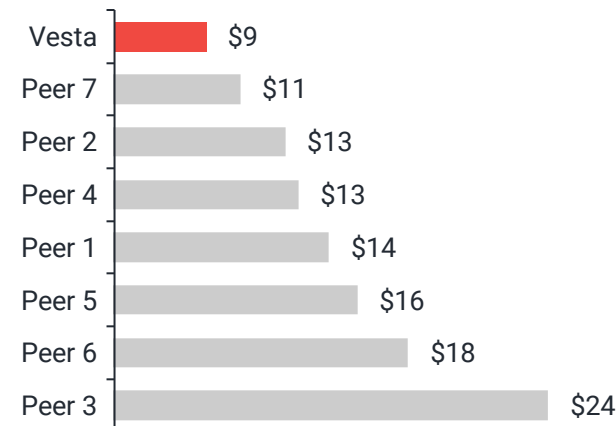
## Leading Netbacks



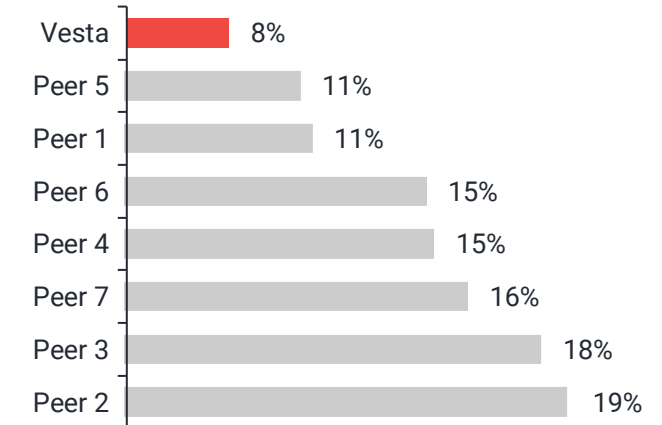
### Realized Pricing<sup>1</sup> (\$/boe)



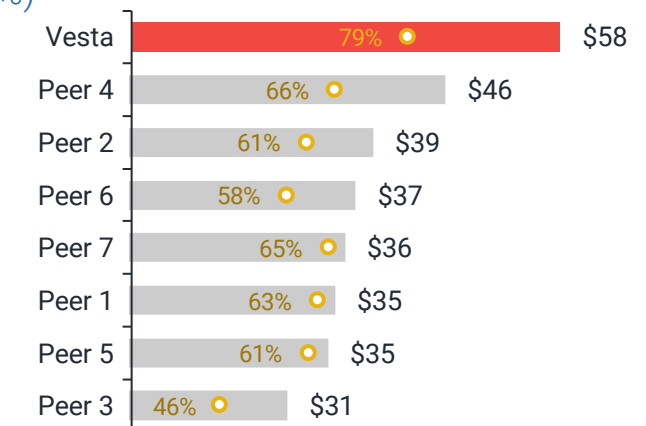
### Cash Costs<sup>2</sup> (\$/boe)



### Royalty Rate (%)



### Operating Netback<sup>3,4</sup> (\$/boe) & Margin<sup>3,4</sup> (%)



**Vesta leads its peers in cost control and netback generation**

Source: BMO Capital Markets.

Note: Peers include Baytex Energy Corp., Bonterra Energy Corp., Cardinal Energy Ltd., Headwater Exploration Inc., Obsidian Energy Ltd., Surge Energy Inc., and Tamarack Valley Energy Ltd.

1. Realized pricing excludes hedging impacts.

2. Cash costs include operating and transportation expense.

3. Operating margin calculated as operating netback (excl. hedging) divided by latest reported quarter realized price (excl. hedging).

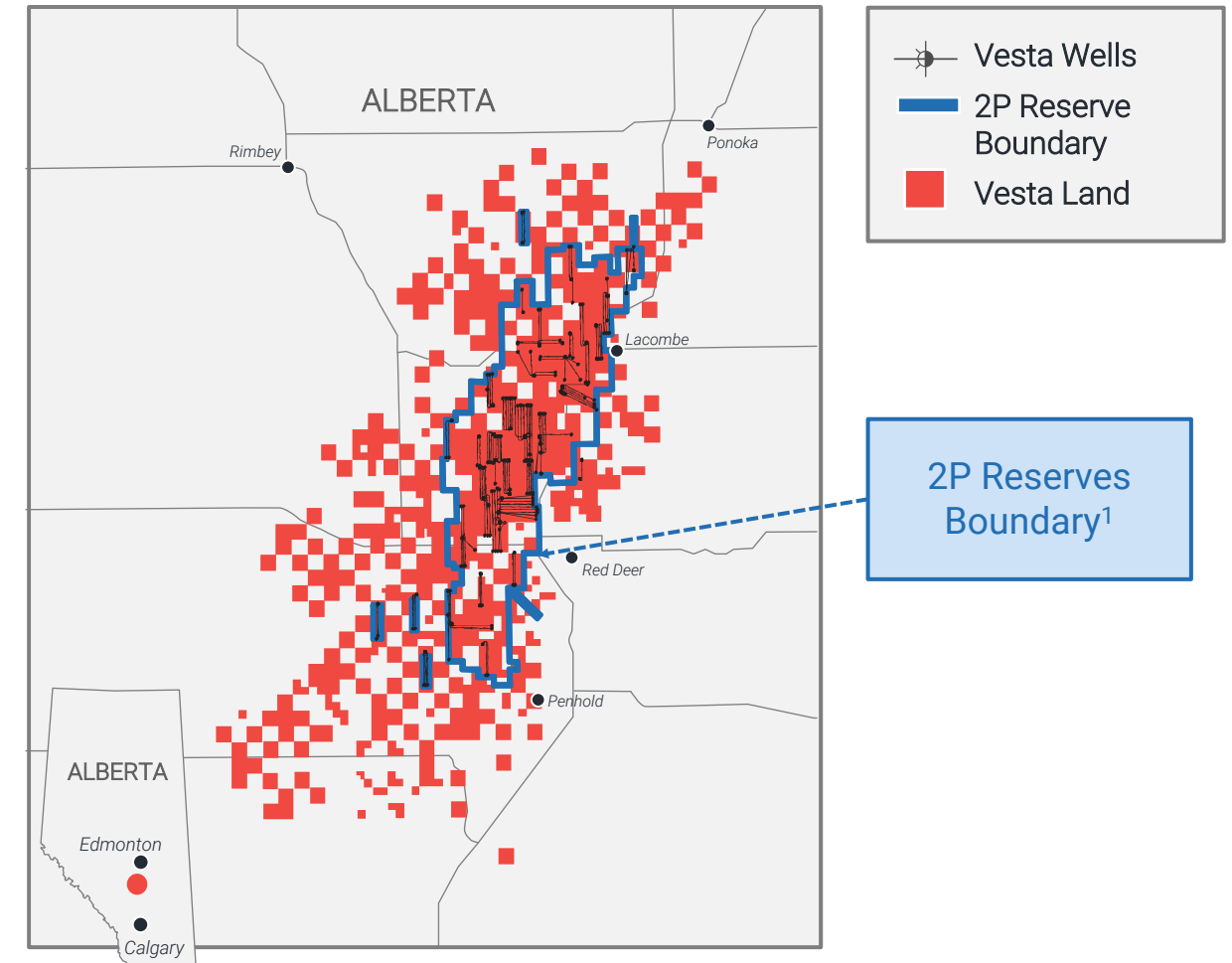
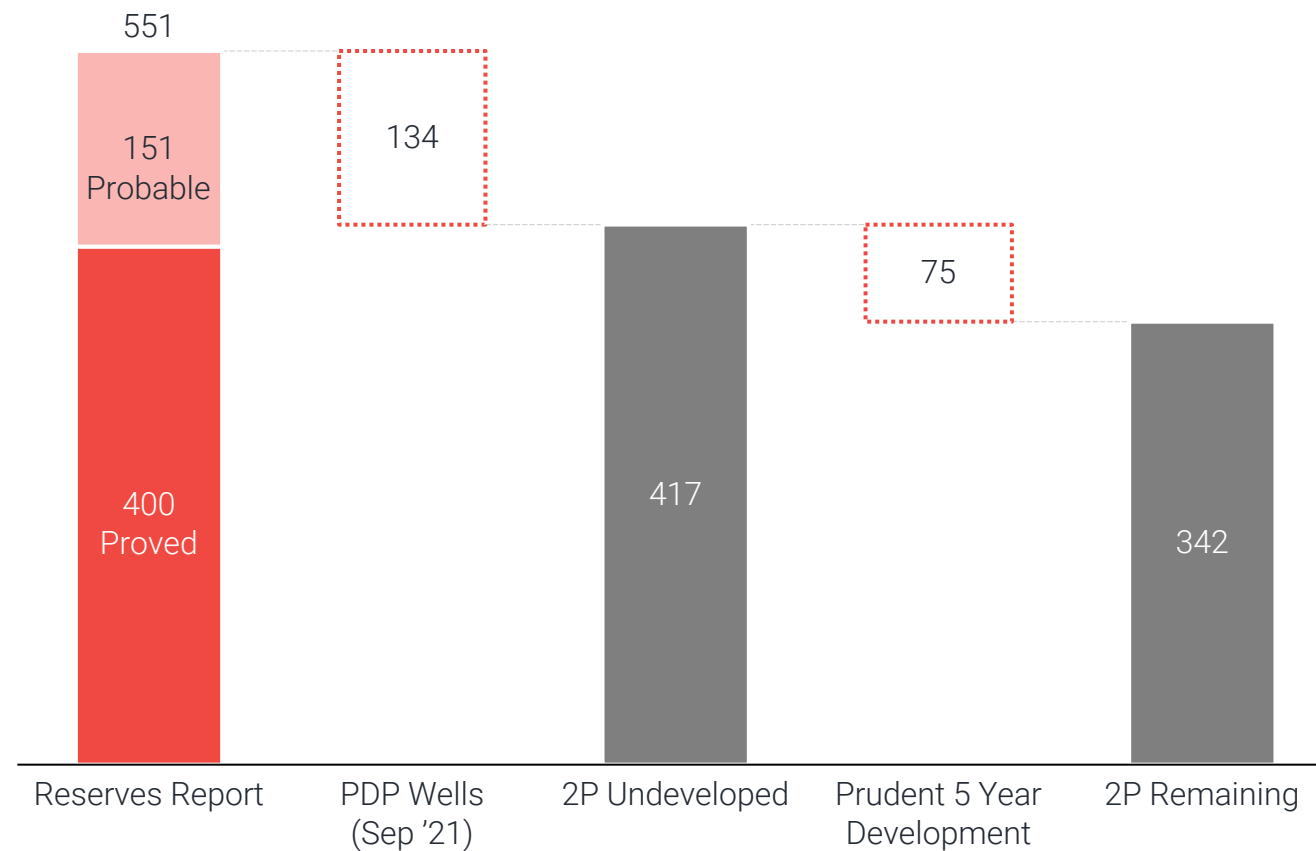
4. See "Non-IFRS Financial Measures" in the Disclaimer. Excludes hedging impacts.





# Long Life, Multi-Decade Drilling Inventory

## Well Locations<sup>1</sup>



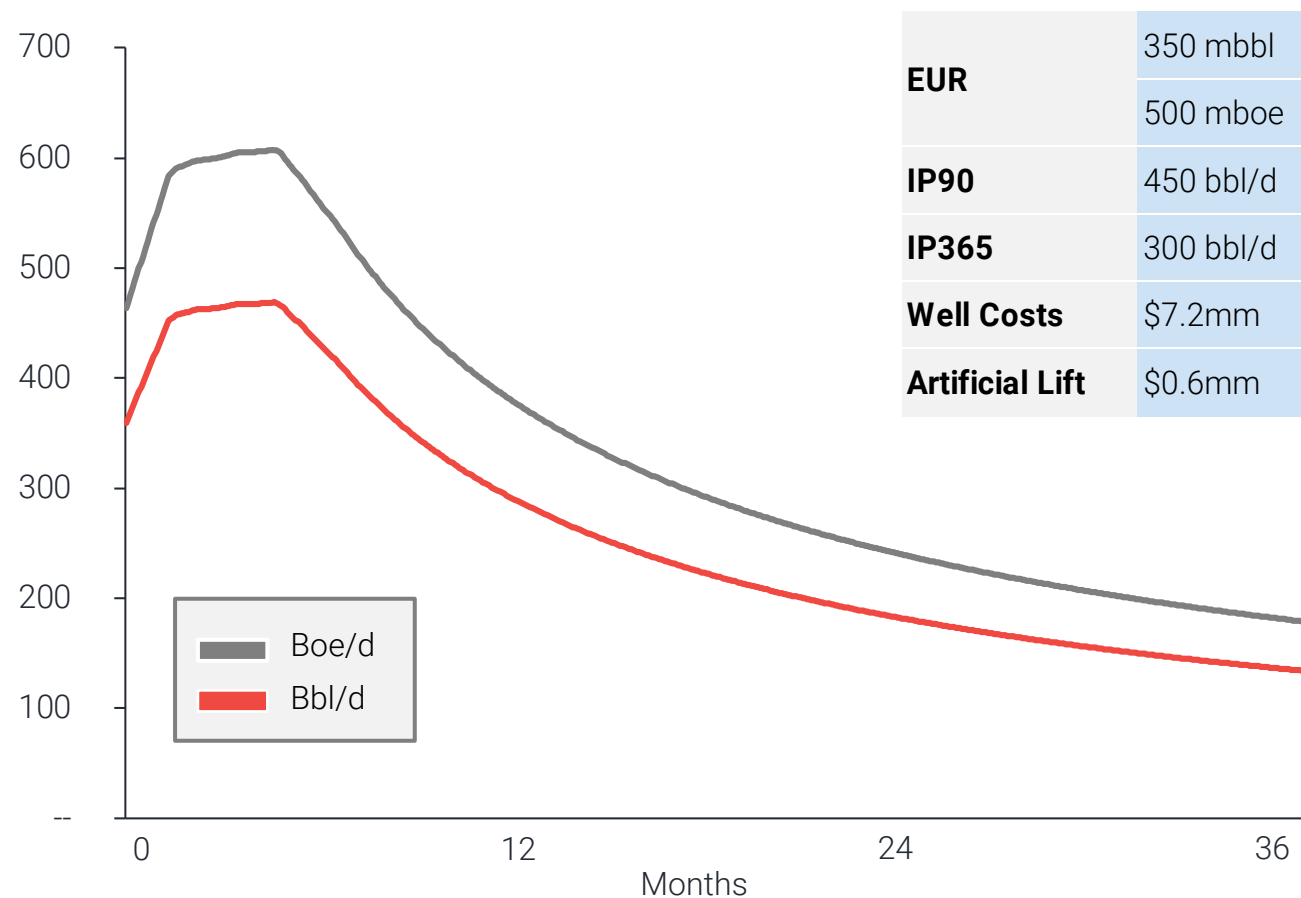
## 2P reserve locations support scalable drilling program and decades of development activity

1. Based on reserves report prepared by GLJ Petroleum Consultants effective June 30, 2021. Well counts adjusted for wells onstream as of September 30, 2021. The 551 2P well locations are based on the reserves report prepared by GLJ Petroleum Consultants effective June 30, 2021 with PDP Wells adjusted for wells brought onstream as of September 30, 2021. 2P Undeveloped and 2P Remaining well locations meet the standard for 2P well locations per NI-51-101 as of June 30, 2021 (i.e., development of the associated reserves within five years), but may not meet this standard at a particular time in the future.

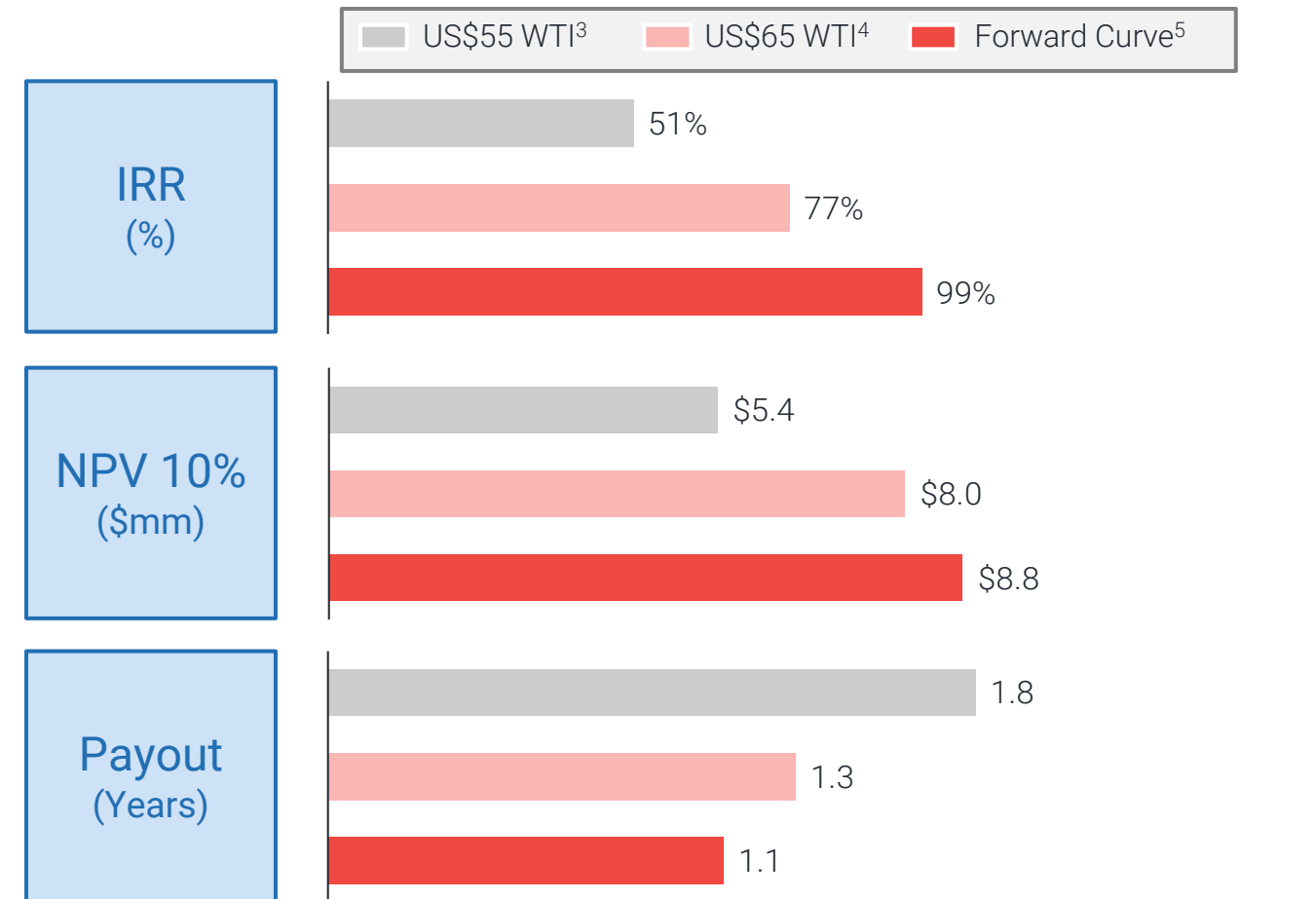


# Long Life, Multi-Decade Drilling Inventory

Type Curve<sup>1,2</sup>



Single Well Economics<sup>2</sup>



**Type curve generates strong returns with less than two-year payouts**

1. Average 3,600m lateral lengths and 67 stage completions.

2. See "Oil and Gas Measures and Metrics" in the Disclaimer.

3. US\$55 WTI assumes -US\$4.75/bbl MSW to WTI basis, 1.25 CAD/USD, US\$2.50/mmbtu Henry Hub, -US\$0.60/mmbtu AECO to Henry Hub basis, 47% of WTI NGL pricing.

4. US\$65 WTI assumes -US\$4.75/bbl MSW to WTI basis, 1.25 CAD/USD, US\$3.00/mmbtu Henry Hub, -US\$0.70/mmbtu AECO to Henry Hub basis, 52% of WTI NGL pricing.

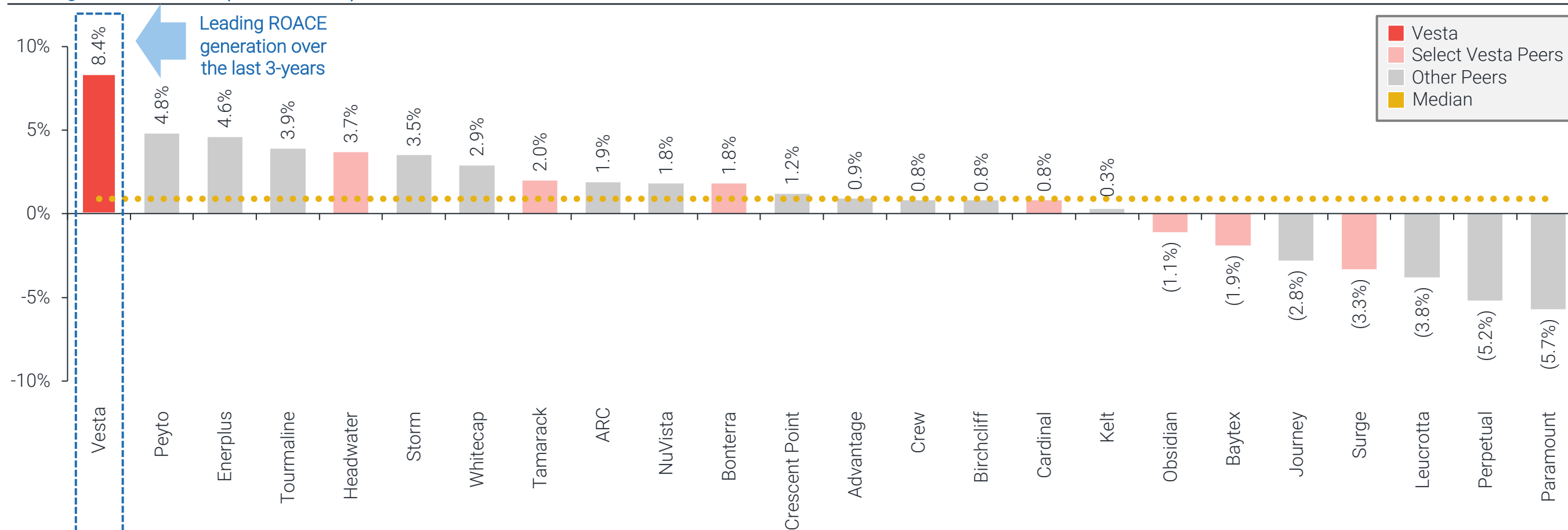
5. Based on commodity price forward curves from November 29, 2021. See appendix for detail.



# Superior Returns



Trailing 3-Year ROACE (2018 – 2020)<sup>1,2</sup>



**Compelling returns underpinned by strong historical performance**

Source: BMO Capital Markets.

1. Select public Canadian peers. Oil sands, integrated, and material non-North American asset operators excluded.

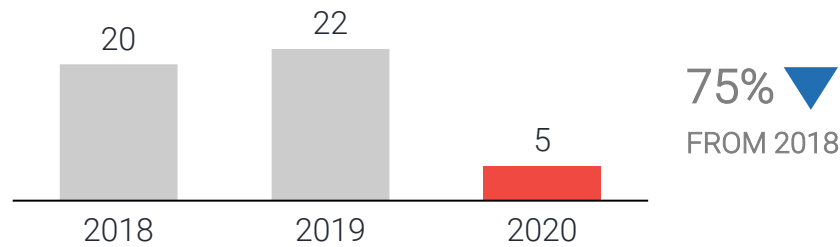
2. 3-year average return on average capital employed (ROACE) figures from 2018 through 2020 (inclusive). Calculated as total adjusted EBIT divided by total average capital employed (total assets – current liabilities) for the period. Figures are adjusted to exclude the impact from hedging gains/losses, after-tax extraordinary items and impairments.



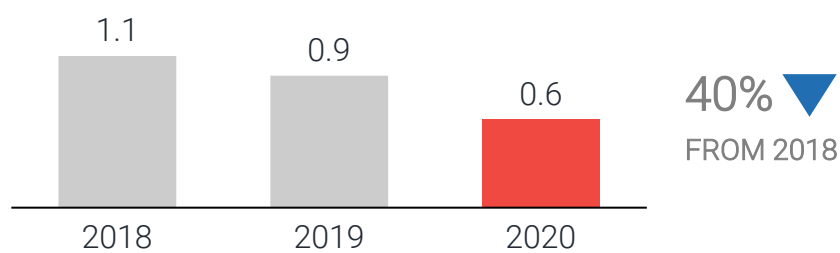


# Leading ESG Performance

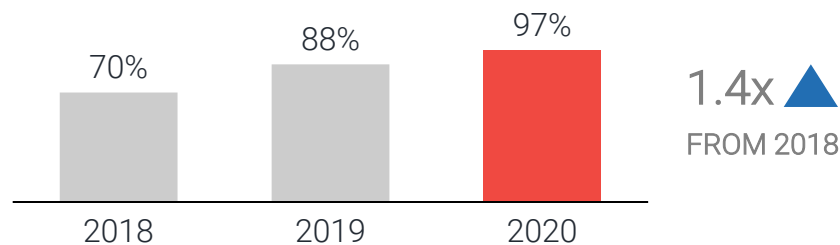
## Fugitive Emissions<sup>1</sup> (000's tCO<sub>2</sub>e)



## Total Recordable Injury Frequency<sup>2</sup>



## AER Satisfactory Compliance



## Environmental

- Responsible Water Use Management
- Exceptional Spill Prevention
  - Zero reportable spills in 2020
- Excellent Asset Liability Management
  - Liability Management Ratio of 8.3
  - Voluntary commitment to Area Based Closure spend targets
- Reducing Land Disturbance
  - ~50% less land utilized in multi-well pads compared to single wells

## Governance

- Executive compensation targets directly linked to health, safety, and environmental performance
- Board oversight of all policies and programs

## Social

- Improving Worksite Safety
  - 40% decrease in TRIF from 2018
- Excellent Regulatory Compliance
  - 97% satisfactory regulatory site inspection rating
- Strong relationships with landowners
- Supporting Local Communities
  - 950 annual direct and indirect full-time jobs
  - Annual road-side clean-up activities

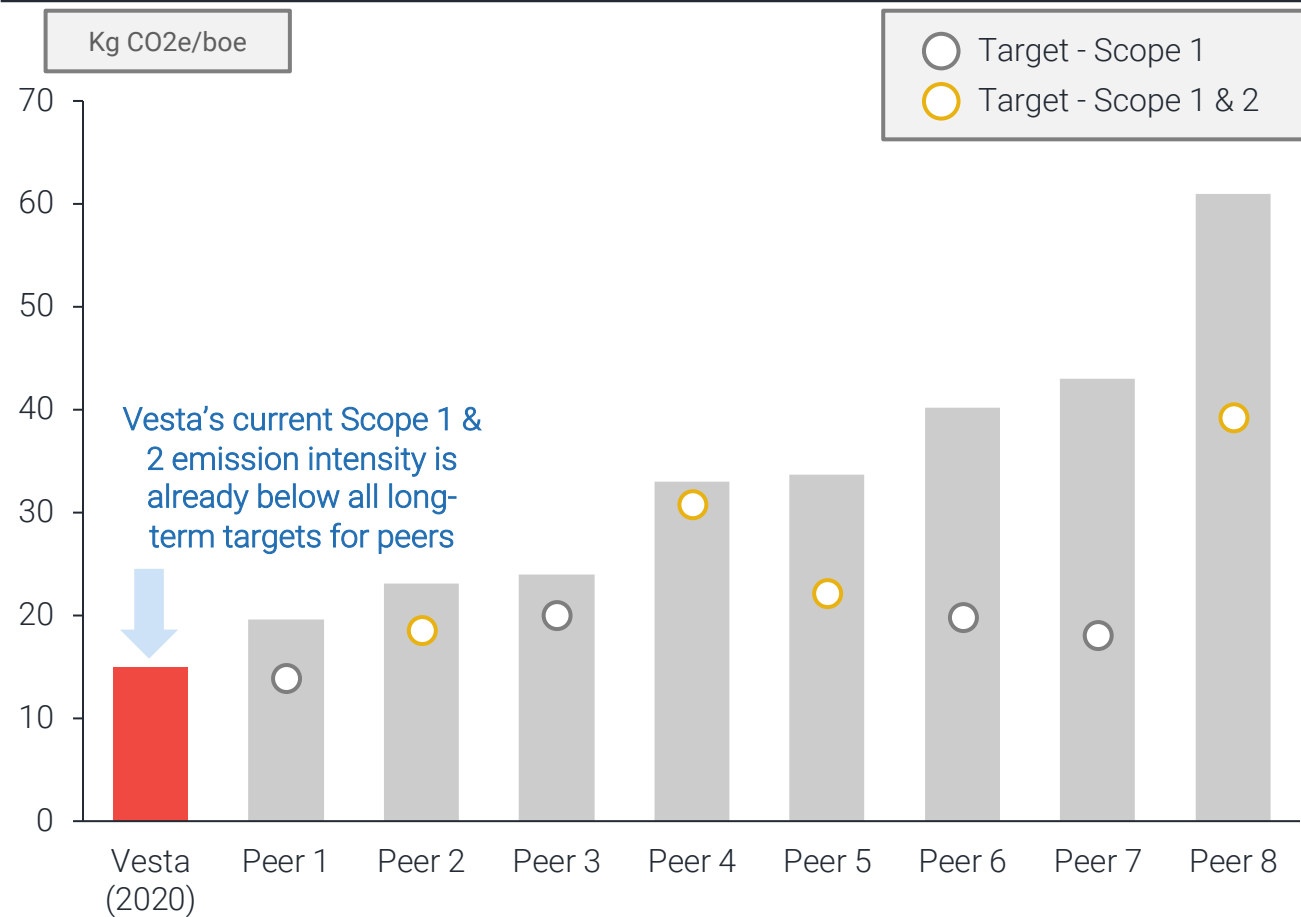
**Strong track record of continuous improvement**

1. Includes vented emissions that are not produced intentionally by stack or vent.  
2. Total recordable injuries per 200,000 worker hours (per 100 full-time workers).



# Leading ESG Performance

## Scope 1 & 2 Emissions Intensity<sup>1,2</sup>



## Emissions Prevention and Reduction Initiatives

- Zero methane venting from pneumatic controllers on production sites
- Compressor vent gas capture system installations
- Replacing diesel with natural gas in completion operations
- 100% electrified production pads
- No flaring as part of normal production operations

## Asset Retirement Obligation

- \$55mm undiscounted decommissioning liability
- Proactive program to reduce abandonment liability
- Decommissioning program of \$1 to \$2mm per year over approximately 20 years planned

## Top-tier emissions profile relative to peers

1. Peer companies include Baytex Energy Corp., Crescent Point Energy Corp., Crew Energy Inc., Enerplus Corp., NuVista Energy Ltd., Tamarack Valley Energy Ltd., Tourmaline Oil Corp., Whitecap Resources Inc.  
2. Target years: Peer 1 – 2027, Peer 2 – 2025, Peer 3 – 2025, Peer 4 – 2025, Peer 5 – 2030, Peer 6 – 2023, Peer 7 – 2025, Peer 8 – 2025. Source: Company Reports.



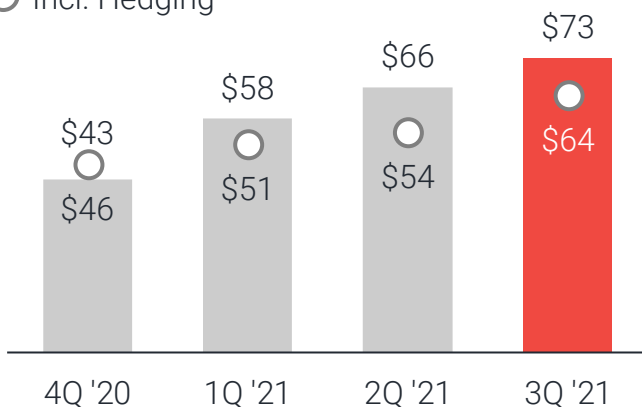
# FINANCIAL UPDATE



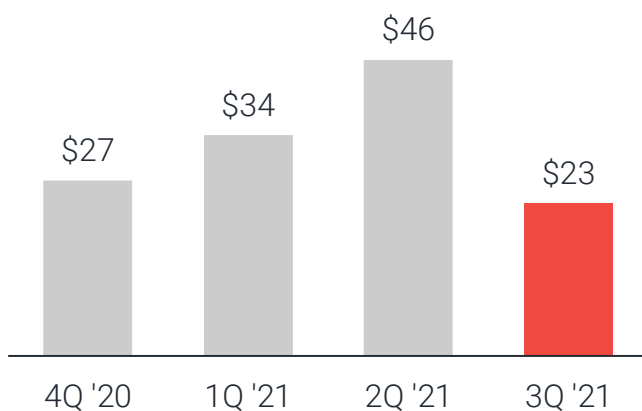
# Quarterly Results

Sales Price (\$/boe)

○ Incl. Hedging

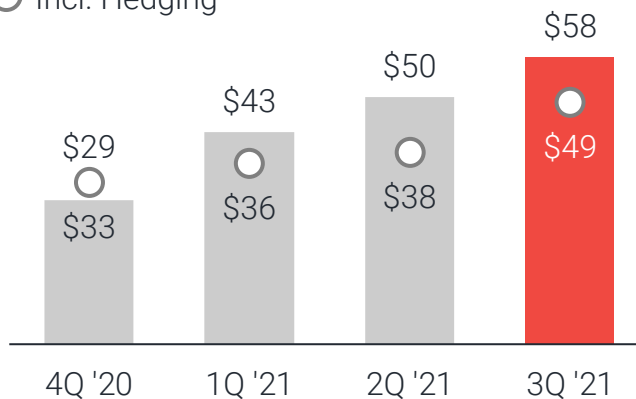


Capex (\$mm)



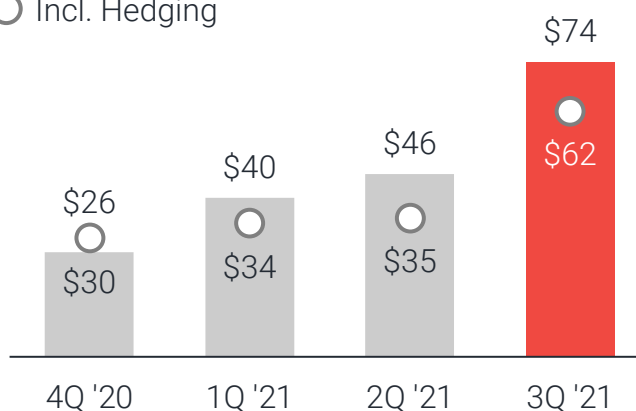
Operating Netback<sup>1</sup> (\$/boe)

○ Incl. Hedging

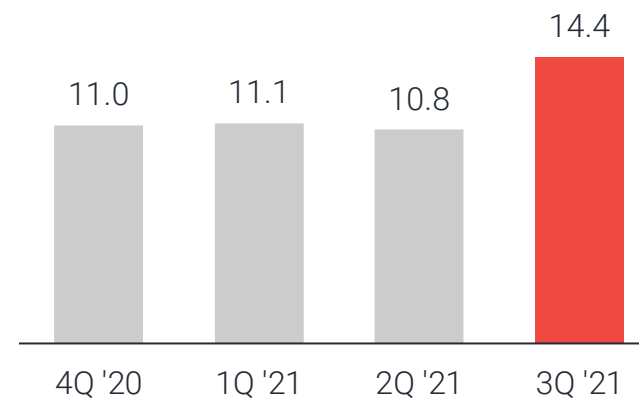


Adjusted EBITDA<sup>1</sup> (\$mm)

○ Incl. Hedging

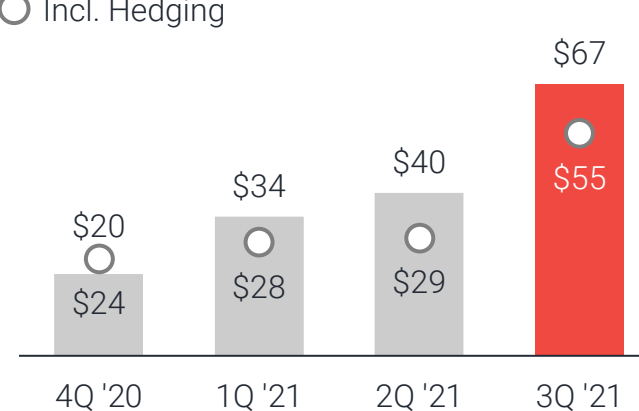


Sales Volume (Mboed)



Funds Flow from Operations<sup>1</sup> (\$mm)

○ Incl. Hedging



**Strong delivery driven by consistent results**

1. Operating netback, adjusted EBITDA and funds flow from operations are non-IFRS financial measures. See Non-IFRS Financial Measures in the Disclaimer.

# Capital Structure

## Debt Overview<sup>1</sup>

- \$194mm Senior Secured Revolving Credit Facility
  - Borrowing base effective November 16, 2021
  - Matures May 2023
- \$2mm Senior Unsecured Notes
  - Effective November 16, 2021
  - Matures July 2023
- \$198mm Second Lien Notes
  - Effective November 16, 2021
  - Matures October 2026<sup>2</sup>
- Leverage<sup>3</sup> 1.2x (Q3 annualized)

## Equity Overview<sup>1</sup>

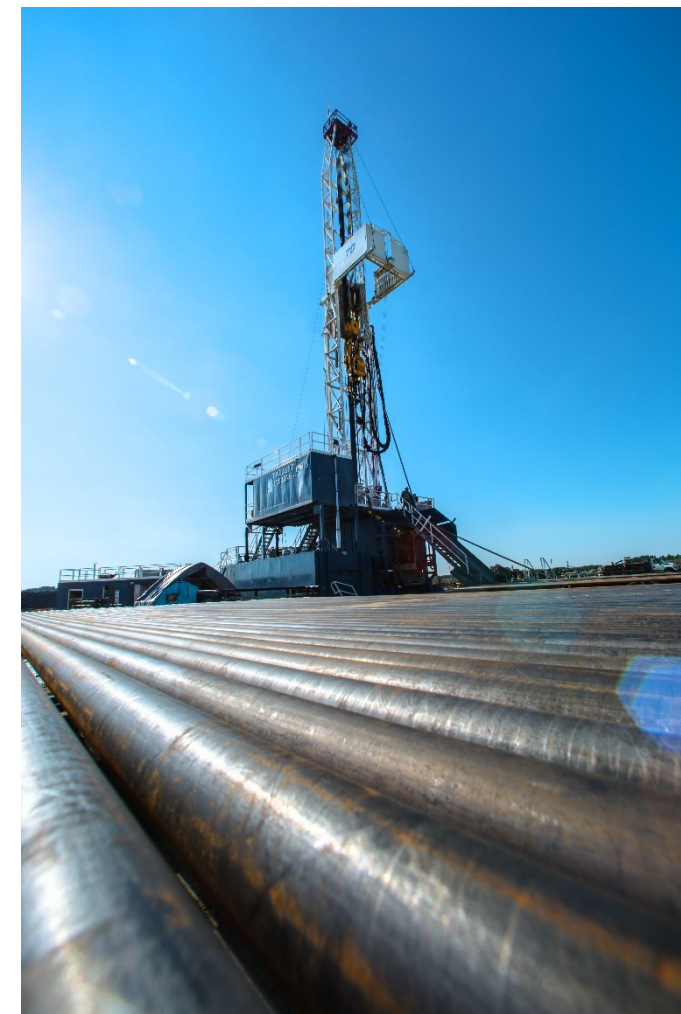
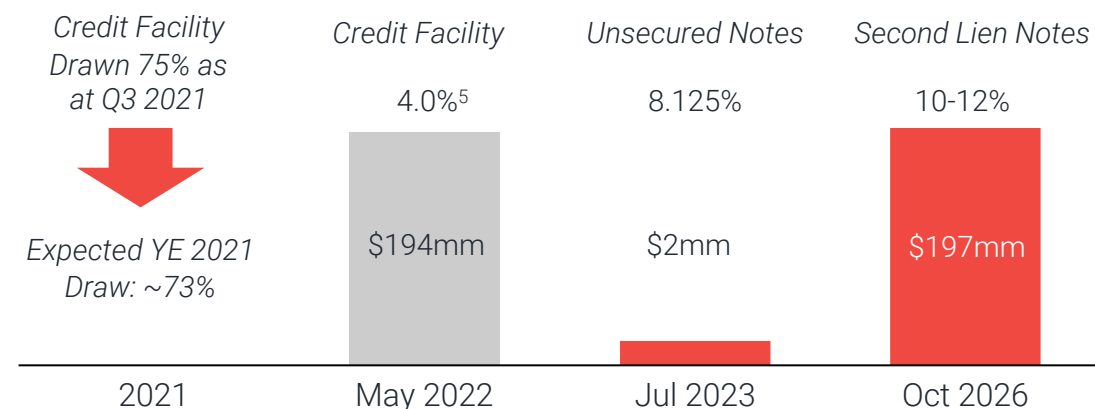
- 198mm common shares
  - 214mm fully diluted
- Key Shareholders: Carbon Infrastructure Partners (55%) and Riverstone (22%)

## Debt Capitalization (Q3 2021)

Cash	(\$2.7mm)
Draws on Credit Facility	\$171mm
Senior Unsecured Notes	\$200mm
<b>Net Debt</b>	<b>\$368mm</b>
<i>Drawn Credit Facility</i>	75%
PDP Asset Coverage (BTAX PV10) <sup>4</sup>	1.6x
Proved Asset Coverage (BTAX PV10) <sup>4</sup>	3.9x

Strong PDP and Proved Asset Coverage

## Debt Maturity Timeline



**Simple capital structure with strong asset coverage**

1. All figures as of September 30, 2021 unless otherwise noted.

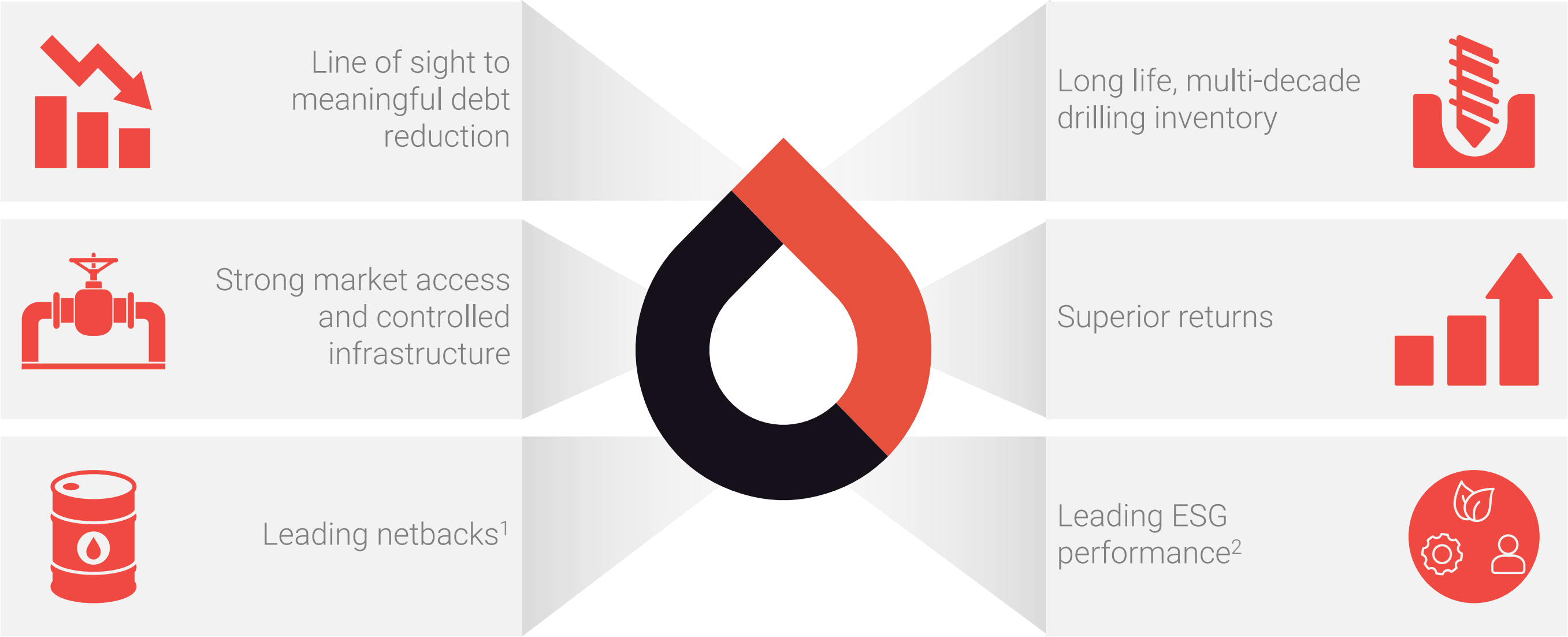
2. Second Lien Notes will mature October 2026 if the maturity of the Senior Secured Revolving Credit Facility is extended to May 1, 2024 no later than December 31, 2022; otherwise, the Second Lien notes will mature October 2025.

3. Net debt to adjusted EBITDA excluding hedging impacts. See "Non-IFRS Financial Measures" in the Disclaimer.

4. Asset Coverage values based on PDP and Proved net present values discounted at 10% before tax of \$592mm and \$1,454mm, respectively, included in the reserves report prepared by GLJ Petroleum Consultants effective June 30, 2021 and the commodity price forward curves from July 1, 2021.

5. Effective interest rate as of Q3 2021.

# Why Vesta?



1. Relative to peers. Peers include: Baytex Energy Corp., Bonterra Energy Corp., Cardinal Energy Ltd., Headwater Exploration Inc., Obsidian Energy Ltd., Surge Energy Inc., and Tamarack Valley Energy Ltd.  
2. Relative to peers. Peers include: Baytex Energy Corp., Crescent Point Energy Corp., Crew Energy Inc., Enerplus Corp., NuVista Energy Ltd., Tamarack Valley Energy Ltd., Tourmaline Oil Corp., Whitecap Resources Inc.



# APPENDIX

# Drilling Performance

Up to 6,500m measured depth

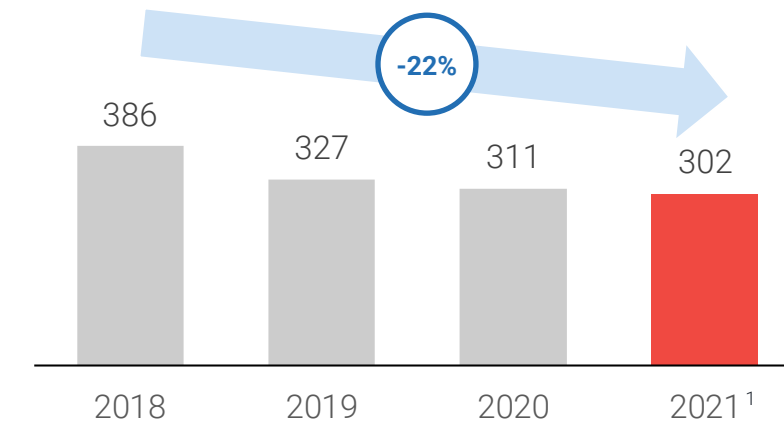
~2,500m total vertical depth

Monobore completions

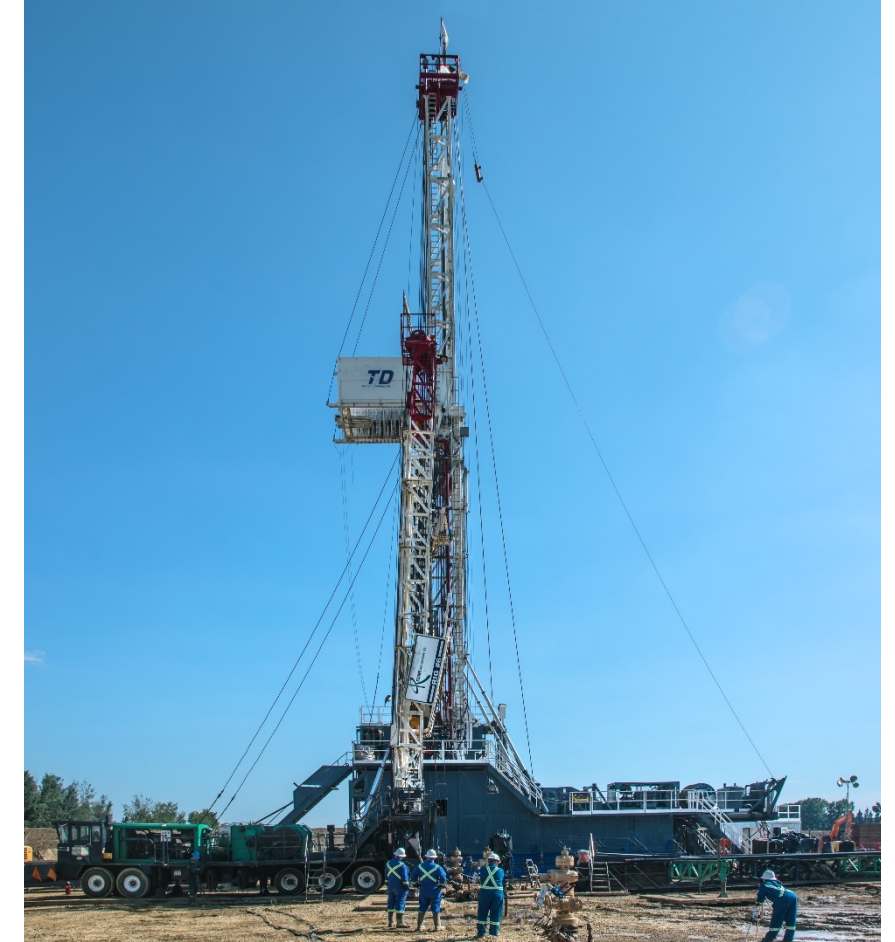
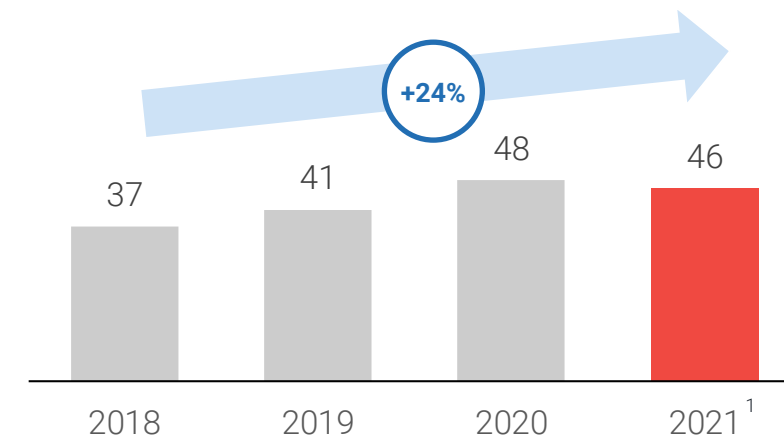
Drilling days reduced 20% to ~16 days

Lateral lengths up to ~3,800m

\$ per Meter Drilled



Meters per Hour of Drilling

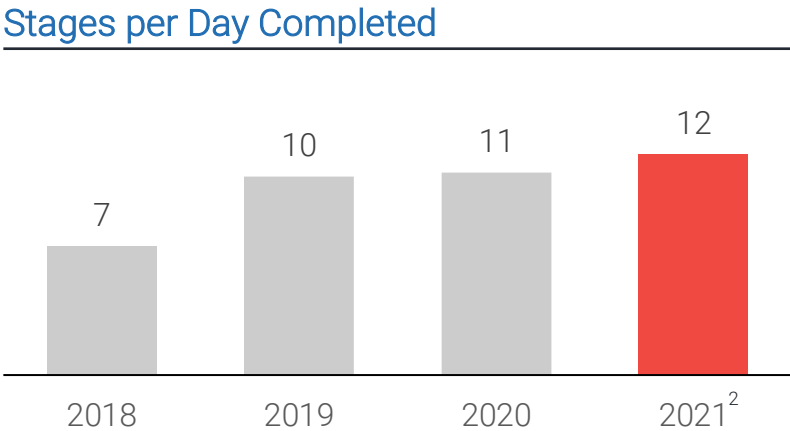
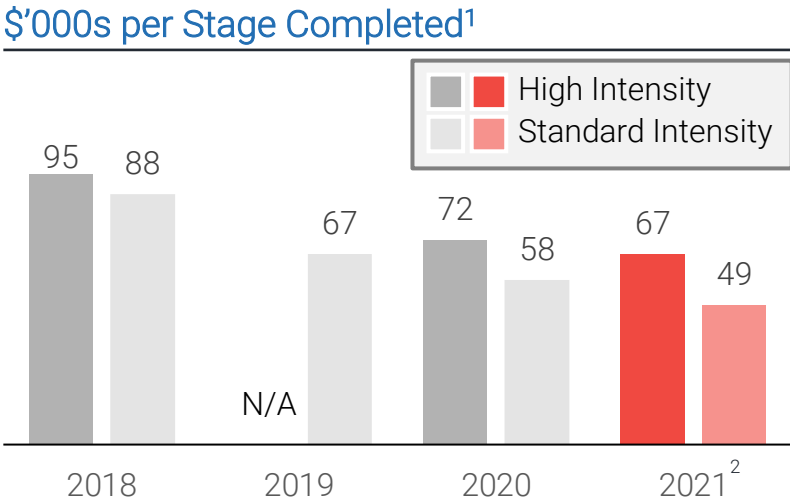


**Significant efficiencies driven through 40+ wells rig released**

1. 2021 year to date.

# Completions Performance

- 4 to 6 wells per pad
- 54 meter stage spacing, up to 70 stages
- Fluid intensity optimized for oil recovery
- Increased sound attenuation
- 24-hour operations
- Replacing diesel with natural gas for fuel
- Improved transition times between operations

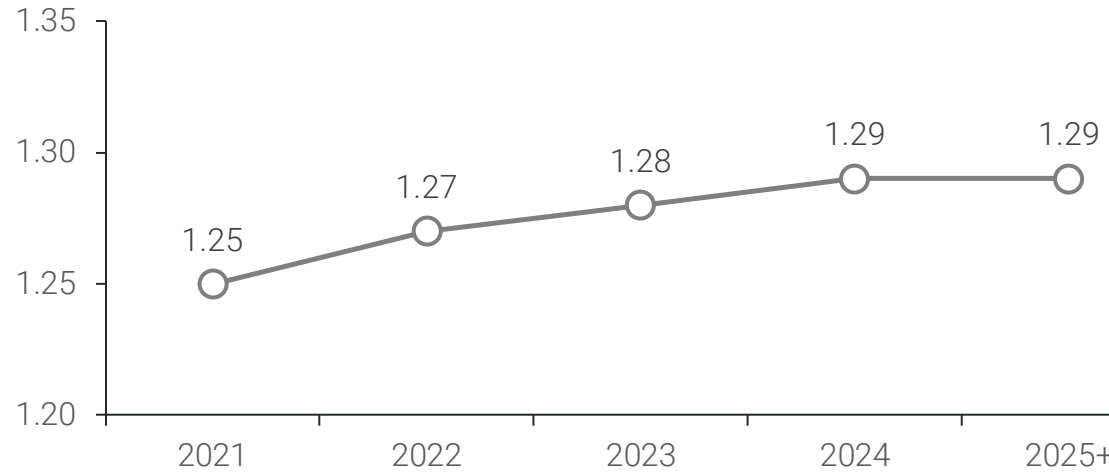


**Cost reductions achieved through innovation; optimal design determined**

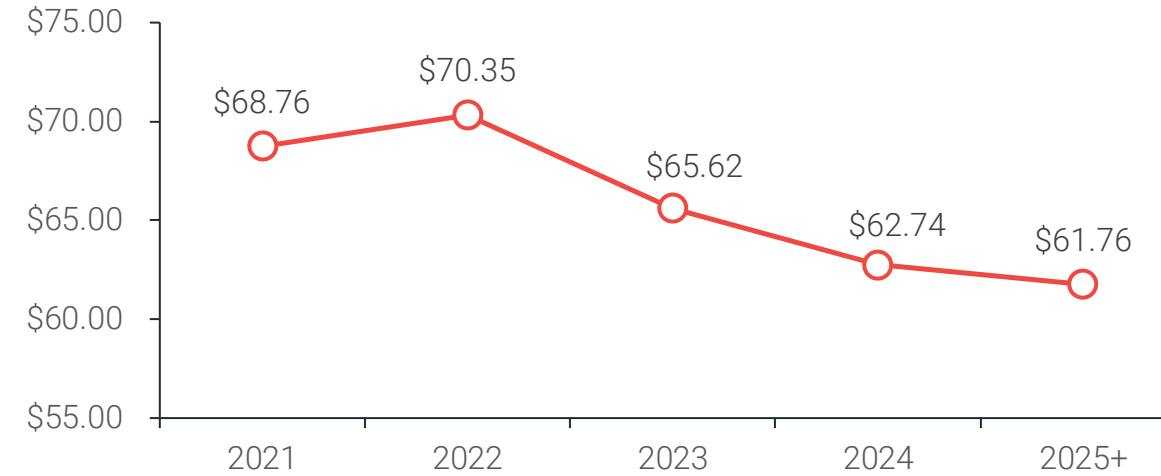
1. Standard Intensity completions use approximately 25% less sand and water than high intensity completions. There were no high intensity completions in 2019.  
2. 2021 year to date.

# Commodity Price Forward Curve (November 29, 2021)

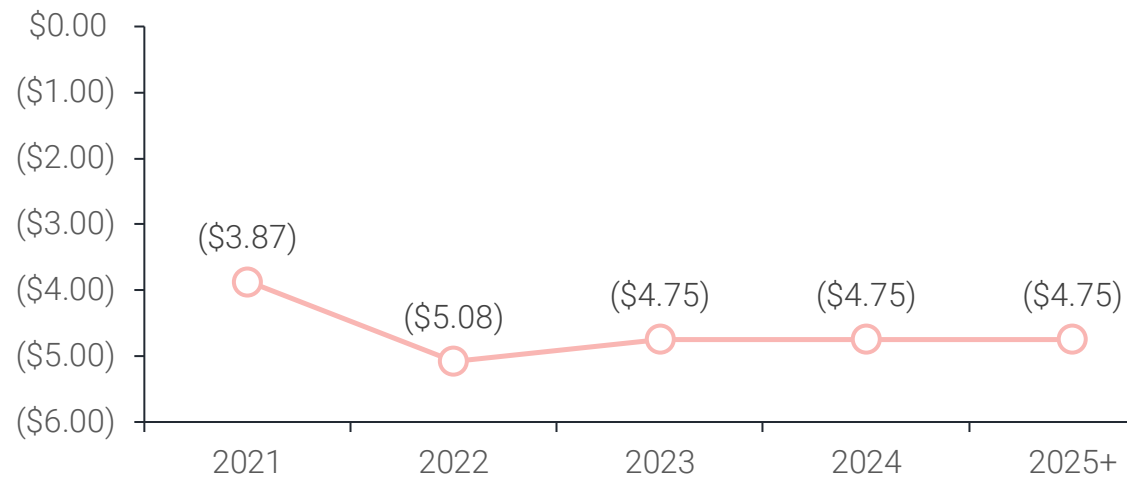
FX (C\$/US\$)



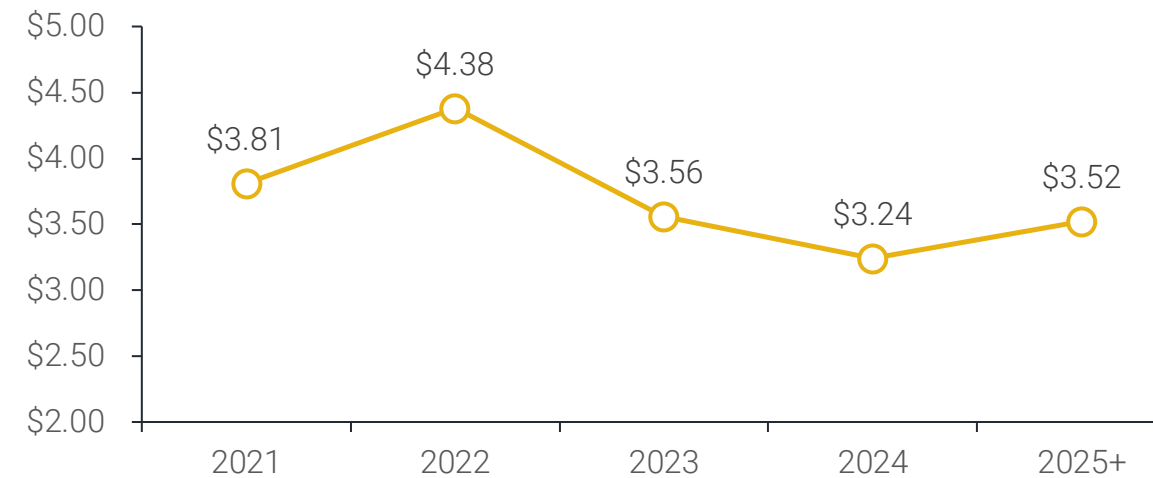
WTI (US\$/bbl)



WTI to MSW Basis (US\$/bbl)



Henry Hub (US\$/mmbtu)





# Disclaimer

## Cautionary Statements

This presentation contains a summary of management's assessment of both historical results and future expectations and forecasts, and should be read in conjunction with the consolidated financial statements, related management's discussion and analysis and other disclosure documents prepared and made available by Vesta Energy Corp. (the "Corporation" or "Vesta") from time to time.

## Forward-Looking Statements

This presentation contains certain forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", "strategy", "outlook", "forecast" and similar expressions, as they relate to Vesta, are intended to identify forward-looking statements. In particular, but without limiting the foregoing, forward-looking statements in this presentation include statements and information regarding management's assessment of the Corporation's future plans and operations, the planning and development of certain prospects, production estimates, reserve estimates, annual capital expenditures and the timing and allocation thereof, adjusted EBITDA, free cash flow and year-end net debt guidance, leverage targets, tax pools, and expected production growth.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions, assumptions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, as well as known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, estimates, outlooks or projections represented by forward-looking statements will not occur and which may cause Vesta's actual performance and financial results in future periods to differ materially from any predictions, forecasts, estimates, outlooks or projections of future performance or results expressed or implied by the forward-looking statements. Accordingly, no assurance can be given that any of the predictions, forecasts, estimates, outlooks or projections represented by these forward-looking statements will transpire or occur. Without limiting the generality of the foregoing, such risks include risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, the volatility of commodity prices, the loss or reduction of markets or demand for the Company's products, the impact of general economic conditions, industry conditions, environmental risks, competition, the lack of availability of qualified personnel or management, the lack of availability of pipeline capacity, inability to obtain drilling rigs or other services, capital expenditure costs, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, delays resulting from or inability to obtain required regulatory approvals, ability to access sufficient capital from internal and external sources, the impact of the ongoing COVID-19 pandemic and uncertainty regarding the extent and duration thereof, changes in laws and regulations (including the adoption of new environmental and greenhouse gas reduction laws and regulations) and changes in how such laws and regulations are interpreted and enforced, increased competition, and fluctuations in foreign exchange and/or interest rates. Readers are cautioned that the foregoing list of risks and factors is not exhaustive.

The forward-looking statements in this presentation, including the adjusted EBITDA (annual and cumulative), free cash flow (annual and cumulative), year-end net debt and annual capital expenditure guidance figures and leverage targets contained herein, are provided for the purpose of providing information about management's current expectations and plans relating to the future, including with respect to the Corporation's ability to fund its growth plans and capital and other expenditures. Management of Vesta has approved such statements, guidance figures and leverage targets as of the date of this presentation and based on numerous assumptions believed to be reasonable as of such date. In particular, the near-term and annual guidance and 5-year forecasts included in this presentation are based on certain assumptions, including but not limited to: (i) commodity prices; (ii) the exchange rate between US and Canadian dollars; (iii) development timing, cost and number of wells brought onstream; (iv) production per well; (v) operating efficiency of our operations; (vi) access to expertise; (vii) continued access to credit and capital markets; and (viii) certain other assumptions. There can be no assurance that any of the foregoing assumptions will prove to be accurate or that actual circumstances will be consistent with our expectations. The forward-looking statements, guidance and forecasts included in this presentation are also subject to numerous known and unknown risks and uncertainties, both general and specific and many of which are outside of the Corporation's control, which may cause the results represented by such statements, guidance and forecasts to not occur and our actual results may differ materially from such guidance and forecasts and we may not achieve those targets.

The forward-looking statements contained in this presentation are made as of the date hereof and Vesta undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless expressly required by applicable securities laws. The forward-looking statements, including all subsequent forward-looking statements, whether written or oral, attributable to the Corporation or persons acting on its behalf, contained in this presentation are expressly qualified by the foregoing cautionary statements.

# Disclaimer (Continued)

## Non-IFRS Financial Measures

This presentation includes certain financial measures that are not determined in accordance with International Financial Reporting Standard ("IFRS"). These financial measures, and other measures and ratios derived therefrom, do not have standardized meanings prescribed by IFRS and Vesta's method of calculating these measures may differ from the methods used by other companies and, accordingly, they may not be comparable to similar measures presented by other companies. These financial measures should not be considered as an alternative to, or more meaningful than, measures of financial performance determined in accordance with IFRS, including net income (loss) and cash flow from operating activities. This presentation refers to: (i) "Adjusted EBITDA", which represents, for the period presented, net income (loss) adjusted to add back or deduct, as applicable, the following expenses, costs, charges or benefits incurred in such period, which, in Management's view, are not indicative of our underlying business performance: (a) income taxes; (b) interest expense; (c) finance cost; (d) provision for deferred income tax (recovery); (e) depletion and depreciation expense; (f) impairment expense; (g) stock-based compensation expense; (h) revaluation of decommissioning obligations; (i) unrealized gain (loss) on risk management contracts; (j) loss (gain) on asset disposal; and (k) other costs which, in Management's view, are not indicative of our underlying performance; (ii) "free cash flow", which represents, for the period presented, cash flow from operating activities plus changes in non-cash working capital (being the sum of the changes in accounts receivable, prepaid expenditures, other assets, accounts payable and accrued liabilities) less capital expenditures for such period; (iii) "operating netbacks", which represent, for the period presented, on a per boe basis, total revenue less: (a) royalties; (b) operating expenses; and (c) transportation expenses; (iv) "net debt", which represents total debt less cash on hand; and (v) "leverage target", which represents net debt divided by adjusted EBITDA (excluding hedging impacts).

## Oil and Gas Measures and Metrics

Disclosure in this presentation of reserves, production and related matters are presented in accordance with generally accepted industry practices in Canada which differ materially in certain respects from generally accepted industry practices in the United States. Furthermore, certain disclosure included herein may not have been prepared or presented in accordance with, or may not conform with guidelines under, Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities and, accordingly, readers should not place undue reliance on such information.

All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf:1 Bbl). Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

This presentation contains oil and gas metrics commonly used in the oil and gas industry, such as "reserve life index" or "RLI", "operating netback", "OOIP", "EUR", "IP90", "IP365", and "internal rates of return" or "IRRs". These oil and gas metrics do not have any standardized meaning and therefore they should not be used to make comparisons and readers should not place undue reliance on such metrics.