

Current Financial & Operational Guidance - June 30, 2023 (unaudited)

2023 Financial & Operational Guidance		Revised August 1, 2023	Revised May 2, 2023
Production (2023 average) ¹	Mboe/d	21.5 - 23.5	22.0 - 25.0
Oil & liquids	Mbbl/d	9.5 - 10.4	10.1 - 11.5
Natural gas	MMcf/d	71.9 - 78.5	71.4 - 81.0
Financial			
Royalty rate	%	10% - 12%	10% - 12%
Operating costs	\$/boe	\$8.25 - \$9.25	\$8.25 - \$9.25
Transportation	\$/boe	\$6.00 - \$6.50	\$6.00 - \$6.50
Corporate G&A expense	\$MM	\$22 - \$24	\$24 - \$27
Cash taxes	\$MM	\$0	\$0
Capital guidance	\$MM	\$303 - \$322	\$318 - \$342
Upstream	\$MM	\$285 - \$300	\$300 - \$320
DCET	\$MM	\$230 - \$240	\$240 - \$255
Plant expansion, production maintenance and other	\$MM	\$55 - \$60	\$60 - \$65
Green energy	\$MM	\$18 - \$22	\$18 - \$22
2023 Adjusted Funds Flow from Operations commodity pricing sensitivities ⁵			
US\$70/bbl WTI & US\$2.75/MMBtu HH	CAD\$MM	\$230 - \$250	\$250 - \$285
US\$80/bbl WTI & US\$3.25/MMBtu HH	CAD\$MM	\$240 - \$265	\$280 - \$315
US\$ WTI +/- \$1.00/bbl	CAD\$MM	+/- \$3.9	-
US\$ Chicago +/- \$0.10/MMBtu	CAD\$MM	+/- \$6.1	-
CAD\$ AECO 5A +/- \$0.10/GJ	CAD\$MM	+/- \$2.1	-
Exchange Rate (CAD\$/US\$) +/- \$0.01	CAD\$MM	+/- \$2.4	-
2023 Net debt to Adjusted Funds Flow from Operations sensitivities ⁵			
US\$70/bbl WTI & US\$2.75/MMBtu HH	X	0.8x - 0.9x	0.5x - 0.8x
US\$80/bbl WTI & US\$3.25/MMBtu HH	X	0.7x - 0.8x	0.3x - 0.6x

1 – Production and cash operating costs include scheduled downtime to accommodate plant expansion work in the third quarter.

2 – Chicago sales of ~90% expected for 2023.

3 – Includes G&A expenses for all divisions of the Company – corporate, upstream, green energy (power & hydrogen) and business development.

4 – The Company expects to pay cash taxes of approximately \$0.3 million on its US subsidiary during 2023. No Canadian taxes are anticipated in 2023.

5 – Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Please refer to the section “Non-GAAP Measures” within the Company’s MD&A available at www.kiwetinohk.com for further information.

Historical financial & operational information - June 30, 2023 (unaudited) ^{1, 2}

(Amounts stated in \$ thousands, except as noted)

Summary financial results	2023		2022			2021			YTD	Annual		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2023	2022	2021
Commodity sales from production	83,935	119,421	159,457	122,644	137,931	79,866	70,267	66,898	42,261	203,356	499,898	182,668
Operating netback ³	46,435	78,613	118,035	76,738	108,138	55,001	47,102	38,720	27,461	125,048	357,912	115,677
Commodity sales from purchases	17,475	20,498	47,902	77,623	82,429	60,598	58,398	38,349	17,770	37,973	268,552	114,517
Adjusted operating netback ³	55,764	83,672	104,868	54,443	81,362	42,370	36,409	27,492	22,930	139,436	283,043	86,202
Net income (loss)	21,701	53,949	115,308	55,379	44,854	(24,552)	44,306	(34,080)	13,726	75,650	190,989	(22,315)
Cash flow from (used in) operating activities	41,360	80,160	87,028	91,710	38,780	25,332	25,509	29,643	(15,753)	121,520	242,850	35,820
Adjusted funds flow from (used in) operations ³	46,319	75,981	101,506	49,342	76,232	37,002	30,763	23,821	17,905	122,300	264,082	69,829
Free funds flow (deficiency) from operations ³	(12,486)	(32,648)	(1,202)	(11,119)	23,884	(17,210)	(1,195)	9,068	14,035	(45,134)	(5,647)	18,929
Capital expenditures ³	58,805	108,629	102,708	60,461	52,348	54,212	31,958	14,753	3,870	167,434	269,729	50,900
Net acquisitions (dispositions) ³	431	(781)	—	59,181	(1,620)	(238)	—	—	186,655	(350)	57,323	186,655
Capital expenditures and net acquisitions ³	59,236	107,848	102,708	119,642	50,728	53,974	31,958	14,753	190,525	167,084	327,052	237,555
Total assets	1,014,344	984,214	932,650	837,349	744,454	662,245	614,337	588,152	572,401	1,014,344	932,650	614,337
Net debt ³	174,277	157,540	122,304	125,263	55,027	73,521	51,512	36,936	42,105	174,277	122,304	51,512
Net debt to annualized adjusted funds flow from operations (x) ³	0.64	0.52	0.46	0.65	0.33	0.66	0.74	0.95	2.92	0.64	0.46	0.74
Total liabilities	337,362	328,755	332,031	354,058	318,357	284,231	216,903	231,314	188,601	337,362	332,031	216,903
Weighted average shares outstanding (000s)												
Basic	44,073	44,219	44,168	44,114	44,061	43,815	43,623	34,322	29,506	44,147	44,046	31,689
Diluted	44,475	44,749	44,888	44,795	44,503	43,815	43,623	34,322	29,506	44,625	44,594	31,689
Shares outstanding end of period	43,981	44,185	44,177	44,117	44,111	44,043	43,675	43,610	33,437	43,981	44,177	43,675
Per share - basic (\$/share)												
Net income (loss)	\$ 0.49	\$ 1.22	\$ 2.61	\$ 1.26	\$ 1.02	\$ (0.56)	\$ 1.02	\$ (0.99)	\$ 0.47	\$ 1.71	\$ 4.34	\$ (0.70)
Cash flow from (used in) operating activities	\$ 0.94	\$ 1.81	\$ 1.97	\$ 2.08	\$ 0.88	\$ 0.58	\$ 0.58	\$ 0.86	\$ (0.53)	\$ 2.75	\$ 5.51	\$ 1.13
Adjusted funds flow from (used in) operations ³	\$ 1.05	\$ 1.72	\$ 2.30	\$ 1.12	\$ 1.73	\$ 0.84	\$ 0.71	\$ 0.69	\$ 0.61	\$ 2.77	\$ 6.00	\$ 2.20
Free funds flow (deficiency) from operations ³	\$ (0.28)	\$ (0.74)	\$ (0.03)	\$ (0.25)	\$ 0.54	\$ (0.39)	\$ (0.03)	\$ 0.26	\$ 0.48	\$ (1.02)	\$ (0.13)	\$ 0.60
Per share - diluted (\$/share)												
Net income (loss)	\$ 0.49	\$ 1.21	\$ 2.57	\$ 1.24	\$ 1.01	\$ (0.56)	\$ 1.02	\$ (0.99)	\$ 0.47	\$ 1.70	\$ 4.28	\$ (0.70)
Cash flow from (used in) operating activities	\$ 0.93	\$ 1.79	\$ 1.94	\$ 2.05	\$ 0.87	\$ 0.58	\$ 0.58	\$ 0.86	\$ (0.53)	\$ 2.72	\$ 5.45	\$ 1.13
Adjusted funds flow from (used in) operations ³	\$ 1.04	\$ 1.70	\$ 2.26	\$ 1.10	\$ 1.71	\$ 0.84	\$ 0.71	\$ 0.69	\$ 0.61	\$ 2.74	\$ 5.92	\$ 2.20
Free funds flow (deficiency) from operations ³	\$ (0.28)	\$ (0.73)	\$ (0.03)	\$ (0.25)	\$ 0.54	\$ (0.39)	\$ (0.03)	\$ 0.26	\$ 0.48	\$ (1.01)	\$ (0.13)	\$ 0.60

Historical financial & operational information - June 30, 2023 (unaudited) ^{1, 2}

(Amounts stated in \$ thousands, except as noted)

	2023		2022			2021			YTD	Annual		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2023	2022	2021
Sales volumes												
Oil & condensate (bbl/d)	6,398	7,558	8,423	5,558	6,401	4,364	3,949	4,608	3,456	6,975	6,197	3,130
NGLs (bbl/d)	2,275	2,517	2,664	1,944	1,870	1,561	1,572	1,814	1,220	2,395	2,012	1,180
Natural gas (Mcf/d)	70,552	83,526	81,949	53,912	51,232	43,970	41,410	51,817	36,723	77,003	57,859	32,942
Total (boe/d)	20,432	23,996	24,745	16,487	16,810	13,253	12,422	15,058	10,797	22,204	17,852	9,801
Oil & condensate % of production	31%	31%	34%	34%	38%	33%	32%	31%	32%	31%	35%	32%
NGL % of production	11%	10%	11%	12%	11%	12%	13%	12%	11%	11%	11%	12%
Natural gas % of production	58%	59%	55%	54%	51%	55%	56%	57%	57%	58%	54%	56%
Realized prices												
Oil & condensate (\$/bbl)	\$ 91.48	\$ 100.25	\$ 104.96	\$ 114.48	\$ 131.53	\$ 115.70	\$ 97.66	\$ 80.61	\$ 76.34	\$ 96.21	\$ 115.82	\$ 84.35
NGLs (\$/bbl)	\$ 47.94	\$ 65.55	\$ 68.82	\$ 75.50	\$ 86.71	\$ 66.03	\$ 65.61	\$ 49.74	\$ 42.04	\$ 57.14	\$ 74.06	\$ 52.60
Natural gas (\$/Mcf)	\$ 3.23	\$ 4.84	\$ 8.12	\$ 10.20	\$ 9.98	\$ 6.35	\$ 6.64	\$ 5.12	\$ 4.06	\$ 4.10	\$ 8.69	\$ 5.29
Commodity sales from production (\$/boe)	\$ 45.14	\$ 55.30	\$ 70.04	\$ 80.86	\$ 90.17	\$ 66.96	\$ 61.48	\$ 48.29	\$ 43.01	\$ 50.60	\$ 76.72	\$ 51.06
Benchmark prices												
Liquid benchmark prices												
WTI (US\$/bbl)	\$ 73.78	\$ 76.13	\$ 82.65	\$ 91.55	\$ 108.42	\$ 94.29	\$ 77.19	\$ 67.60	\$ 66.07	\$ 74.95	\$ 94.23	\$ 67.91
WTI (CDN\$/bbl)	\$ 99.11	\$ 102.90	\$ 112.17	\$ 119.46	\$ 138.46	\$ 119.42	\$ 97.20	\$ 88.93	\$ 81.16	\$ 101.00	\$ 122.37	\$ 85.13
Edmonton Light (CDN\$/bbl)	\$ 94.96	\$ 99.01	\$ 109.84	\$ 116.60	\$ 136.28	\$ 101.85	\$ 92.14	\$ 83.04	\$ 77.42	\$ 96.99	\$ 120.02	\$ 80.28
Natural gas benchmark prices												
Henry Hub (US\$/MMBtu)	\$ 2.10	\$ 3.42	\$ 6.26	\$ 8.20	\$ 7.17	\$ 4.95	\$ 5.83	\$ 4.01	\$ 2.83	\$ 2.76	\$ 6.64	\$ 3.84
Chicago City Gate MI (US\$/MMBtu)	\$ 1.99	\$ 4.32	\$ 5.86	\$ 7.86	\$ 6.97	\$ 5.75	\$ 5.87	\$ 3.07	\$ 2.74	\$ 3.16	\$ 6.61	\$ 3.77
Chicago City Gate DI (US\$/MMBtu)	\$ 1.98	\$ 2.64	\$ 5.37	\$ 7.38	\$ 7.20	\$ 4.42	\$ 4.59	\$ 4.10	\$ 2.80	\$ 2.31	\$ 5.19	\$ 5.19
AECO 5A (CDN\$/GJ)	\$ 2.32	\$ 3.05	\$ 4.85	\$ 3.95	\$ 6.86	\$ 4.49	\$ 4.41	\$ 3.41	\$ 2.93	\$ 2.69	\$ 5.04	\$ 3.44
AECO 7A (CDN\$/GJ)	\$ 2.22	\$ 4.12	\$ 5.29	\$ 5.50	\$ 5.95	\$ 4.35	\$ 4.69	\$ 2.94	\$ 2.70	\$ 3.17	\$ 5.27	\$ 3.38
Foreign exchange rates (CAD/USD)	0.74	0.74	0.74	0.77	0.78	0.79	0.79	0.79	0.81	0.74	0.77	0.80

Historical financial & operational information - June 30, 2023 (unaudited) ^{1, 2}

(Amounts stated in \$ thousands, except as noted)

	2023		2022			2021			YTD	Annual		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2023	2022	2021
Netback ³												
Commodity sales from production	83,935	119,421	159,457	122,644	137,931	79,866	70,267	66,898	42,261	203,356	499,898	182,668
Royalty expenses	(9,841)	(12,718)	(13,023)	(18,973)	(4,119)	(8,039)	(7,766)	(8,987)	(2,559)	(22,559)	(44,154)	(19,526)
Operating expenses	(16,385)	(16,542)	(16,399)	(16,873)	(18,530)	(11,402)	(9,460)	(11,271)	(7,954)	(32,927)	(63,204)	(29,272)
Transportation expenses	(11,274)	(11,548)	(12,000)	(10,060)	(7,144)	(5,424)	(5,939)	(7,920)	(4,287)	(22,822)	(34,628)	(18,193)
Operating netback ³	46,435	78,613	118,035	76,738	108,138	55,001	47,102	38,720	27,461	125,048	357,912	115,677
Realized gain (loss) on risk management ⁴	8,509	890	(14,961)	(25,673)	(28,280)	(17,945)	(14,332)	(10,540)	(3,476)	9,399	(86,859)	(31,371)
Realized gain (loss) on risk management – purchases ⁴	3,824	4,279	(5,380)	(29,435)	(3,982)	4,718	785	(5,832)	112	8,103	(34,079)	(4,935)
Net commodity sales from purchases	(3,004)	(110)	7,174	32,813	5,486	596	2,854	5,144	(1,167)	(3,114)	46,069	6,831
Adjusted operating netback ³	55,764	83,672	104,868	54,443	81,362	42,370	36,409	27,492	22,930	139,436	283,043	86,202
Netback (\$/boe) ³												
Commodity sales from production	\$ 45.14	\$ 55.30	\$ 70.04	\$ 80.86	\$ 90.17	\$ 66.96	\$ 61.48	\$ 48.29	\$ 43.01	\$ 50.60	\$ 76.72	\$ 51.06
Royalty expenses	\$ (5.29)	\$ (5.89)	\$ (5.72)	\$ (12.51)	\$ (2.69)	\$ (6.74)	\$ (6.80)	\$ (6.49)	\$ (2.60)	\$ (5.61)	\$ (6.78)	\$ (5.46)
Operating expenses	\$ (8.82)	\$ (7.66)	\$ (7.20)	\$ (11.13)	\$ (12.11)	\$ (9.56)	\$ (8.28)	\$ (8.14)	\$ (8.10)	\$ (8.19)	\$ (9.70)	\$ (8.18)
Transportation expenses	\$ (6.06)	\$ (5.35)	\$ (5.27)	\$ (6.63)	\$ (4.67)	\$ (4.55)	\$ (5.20)	\$ (5.72)	\$ (4.36)	\$ (5.68)	\$ (5.31)	\$ (5.09)
Operating netback ³	\$ 24.97	\$ 36.40	\$ 51.85	\$ 50.59	\$ 70.70	\$ 46.11	\$ 41.20	\$ 27.94	\$ 27.95	\$ 31.12	\$ 54.93	\$ 32.33
Realized gain (loss) on risk management ⁴	\$ 4.58	\$ 0.41	\$ (6.58)	\$ (19.41)	\$ (18.49)	\$ (14.91)	\$ (12.55)	\$ (7.61)	\$ (3.53)	\$ 2.34	\$ (13.33)	\$ (8.77)
Realized gain (loss) on risk management – purchases ⁴	\$ 2.06	\$ 1.98	\$ (2.36)	\$ (16.92)	\$ (2.60)	\$ 3.82	\$ 0.69	\$ (4.21)	\$ 0.11	\$ 2.02	\$ (5.23)	\$ (1.38)
Net commodity sales from purchases	\$ (1.61)	\$ (0.05)	\$ 3.16	\$ 21.64	\$ 3.58	\$ 0.50	\$ 2.50	\$ 3.71	\$ (1.19)	\$ (0.77)	\$ 7.07	\$ 1.91
Adjusted operating netback ³	\$ 30.00	\$ 38.74	\$ 46.07	\$ 35.90	\$ 53.19	\$ 35.52	\$ 31.84	\$ 19.83	\$ 23.34	\$ 34.71	\$ 43.44	\$ 24.09
Capital expenditures ³												
Drilling, completions, and equipping	36,713	66,812	63,552	50,371	44,886	47,188	28,742	12,820	969	103,525	205,997	42,617
Facilities, pipelines, roads, and optimization	17,907	37,686	29,276	7,722	3,465	5,592	1,184	157	1,764	55,593	46,055	3,105
Green energy projects	3,275	2,023	7,624	1,442	3,229	539	867	579	747	5,298	12,834	2,193
Land and other	57	900	1,218	274	62	463	638	320	90	957	2,017	1,280
Capitalized G&A	853	1,208	1,038	652	706	430	527	877	301	2,061	2,826	1,705
Capital expenditures ³	58,805	108,629	102,708	60,461	52,348	54,212	31,958	14,753	3,871	167,434	269,729	50,900
Upstream net acquisitions (dispositions) ³	431	(781)	—	59,181	(4,120)	(238)	—	—	186,655	(350)	54,823	186,655
Green energy net acquisitions (dispositions) ³	—	—	—	—	2,500	—	—	—	—	—	2,500	—
Capital expenditures and net acquisitions ³	59,236	107,848	102,708	119,642	50,728	53,974	31,958	14,753	190,526	167,084	327,052	237,555

Historical financial & operational information - June 30, 2023 (unaudited) ^{1, 2}

(Amounts stated in \$ thousands, except as noted)

Summary Balance Sheet

Assets

	2023		2022			2021			YTD	Annual		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2023	2022	2021
Current assets	84,517	90,758	96,062	71,897	95,336	60,897	47,557	40,797	41,939	84,517	96,062	47,557
Exploration & evaluation assets	—	—	—	—	—	21,288	29,604	29,504	29,831	—	—	29,604
Property, plant, and equipment	888,719	861,031	790,746	751,401	636,708	576,912	534,707	517,851	500,631	888,719	790,746	534,707
Project development costs	27,807	24,353	22,118	14,051	12,410	3,148	2,469	—	—	27,807	22,118	2,469
Risk management contracts	7,448	753	—	—	—	—	—	—	—	7,448	—	—
Deferred tax asset	5,853	7,319	23,724	—	—	—	—	—	—	5,853	23,724	—
Investment in associate	—	—	—	—	—	—	—	—	—	—	—	—
Deposit on acquisition	—	—	—	—	—	—	—	—	—	—	—	—
Funds held in trust	—	—	—	—	—	—	—	—	—	—	—	—
Total assets	1,014,344	984,214	932,650	837,349	744,454	662,245	614,337	588,152	572,401	1,014,344	932,650	614,337

Liabilities and shareholders' equity

Current liabilities	64,040	93,902	110,300	139,522	137,738	138,682	92,316	93,280	45,763	64,040	110,300	92,316
Share based compensation liability	1,679	1,412	1,310	512	—	—	—	—	—	1,679	1,310	—
Contingent payment consideration	—	—	—	872	869	—	6,551	6,749	4,858	—	—	6,551
Lease liabilities	10,849	11,003	11,162	11,324	11,239	—	—	—	641	10,849	11,162	—
Risk management contracts	725	4,373	6,634	3,682	11,370	9,994	2,688	15,827	6,312	725	6,634	2,688
Asset retirement obligations	78,523	78,333	83,426	96,948	82,378	83,500	82,480	82,838	70,783	78,523	83,426	82,480
Long-term liability	—	—	—	—	—	—	—	—	—	—	—	—
Loans and borrowings	181,546	139,732	119,199	101,198	74,763	52,055	32,868	32,620	60,244	181,546	119,199	32,868
Total liabilities	337,362	328,755	332,031	354,058	318,357	284,231	216,903	231,314	188,601	337,362	332,031	216,903
Total equity	676,982	655,459	600,619	483,291	426,097	378,014	397,434	356,838	287,212	676,982	600,619	397,434
Total non-controlling interest	—	—	—	—	—	—	—	—	96,588	—	—	—
Total liabilities and shareholders' equity	1,014,344	984,214	932,650	837,349	744,454	662,245	614,337	588,152	572,401	1,014,344	932,650	614,337

Net debt

Credit facility drawn	182,780	139,947	119,737	102,059	75,947	53,562	34,698	34,178	62,144	182,780	119,737	34,698
Deferred financing costs	(1,234)	(215)	(538)	(861)	(1,184)	(1,507)	(1,830)	(1,558)	(1,900)	(1,234)	(538)	(1,830)
Loans and borrowings	181,546	139,732	119,199	101,198	74,763	52,055	32,868	32,620	60,244	181,546	119,199	32,868
Adjusted working capital deficit (surplus) ³	(7,269)	17,808	3,105	24,065	(19,736)	21,466	18,644	4,316	(18,139)	(7,269)	3,105	18,644
Net debt ³	174,277	157,540	122,304	125,263	55,027	73,521	51,512	36,936	42,105	174,277	122,304	51,512

Reserves

Proved reserves (MMboe) ⁵	125.5	106.1
Proved reserves per share (boe) ⁵	2.9	2.4
Proved plus probable reserves (MMboe) ⁵	214.5	180.2
Proved plus probable reserves per share (boe) ⁵	4.9	4.2

125.5	106.1
2.9	2.4
214.5	180.2
4.9	4.2

Historical financial & operational information - June 30, 2023 (unaudited) ^{1, 2}

(Amounts stated in \$ thousands, except as noted)

Income Statement	2023		2022			2021			YTD	Annual		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2023	2022	2021
Revenue												
Commodity sales from production	83,935	203,356	159,457	122,644	137,931	79,866	70,267	66,898	42,261	203,356	499,898	182,668
Commodity sales from purchases	17,475	37,973	47,902	77,623	82,429	60,598	58,398	38,349	17,770	37,973	268,552	114,517
Royalty expense	(9,841)	(22,559)	(13,023)	(18,973)	(4,119)	(8,039)	(7,766)	(8,987)	(2,559)	(22,559)	(44,154)	(19,526)
Revenue, net of royalties	91,569	218,770	194,336	181,294	216,241	132,425	120,899	96,260	57,472	218,770	724,296	277,659
Other income												
Unrealized gain (loss) on risk management contracts	8,887	37,698	29,475	26,266	(7,195)	(37,510)	33,916	(35,719)	(28,060)	37,698	11,036	(28,588)
Realized gain (loss) on risk management contracts	12,333	17,502	(20,341)	(55,108)	(32,262)	(13,227)	(13,547)	(16,372)	(3,364)	17,502	(120,938)	(36,306)
Other income	753	1,349	3,732	827	1,088	1,042	1,093	133	445	1,349	6,689	2,371
Share in earnings of associate	—	—	—	—	—	—	—	—	10,589	—	—	19,618
Total revenue and other income	113,542	275,319	207,202	153,279	177,872	82,730	142,361	44,302	37,082	275,319	621,083	234,754
Expenses												
Operating	16,385	32,927	16,399	16,873	18,530	11,402	9,460	11,271	7,954	32,927	63,204	29,272
Transportation	11,274	22,822	12,000	10,060	7,144	5,424	5,939	7,920	4,287	22,822	34,628	18,193
Commodity purchases, transportation and other	20,479	41,087	40,728	44,810	76,943	60,002	55,544	33,205	18,937	41,087	222,483	107,686
Exploration and evaluation	113	440	(75)	80	4,995	3,255	1,150	1,978	3,185	440	8,255	56,238
General and administrative	5,958	10,333	4,483	3,535	4,507	4,976	5,062	2,825	2,783	10,333	17,501	12,676
Restructuring costs	—	—	—	—	—	—	9	1,617	832	—	—	2,458
Depletion and depreciation	27,667	27,667	35,147	18,415	16,739	12,913	12,142	12,210	5,741	59,555	83,214	30,203
Finance costs	5,619	5,619	3,804	1,666	1,447	2,576	2,164	1,384	1,018	10,406	9,493	4,585
Share-based compensation	2,853	2,853	2,995	2,277	2,713	3,285	4,316	2,486	3,740	4,049	11,270	14,472
Acquisition costs	—	—	56	125	—	—	2,397	1,048	4,806	—	181	8,903
Settlement agreement costs	—	—	—	—	—	—	—	—	10,000	—	—	10,000
Contingent payment consideration	(1)	(1)	28	59	—	3,449	(128)	2,438	2,727	(52)	3,536	5,037
Gain on acquisition	—	—	—	—	—	—	—	—	(32,843)	—	—	(32,843)
Total expenses	90,347	143,747	115,565	97,900	133,018	107,282	98,055	78,382	33,167	181,567	453,765	266,880
Net income (loss) before income taxes	23,195	131,572	91,637	55,379	44,854	(24,552)	44,306	(34,080)	3,915	93,752	167,318	(32,126)
Total income tax expense (recovery)	1,494	1,494	(23,671)	—	—	—	—	—	(9,811)	18,102	(23,671)	(9,811)
Net income (loss) and comprehensive income loss	21,701	130,078	115,308	55,379	44,854	(24,552)	44,306	(34,080)	13,726	75,650	190,989	(22,315)

Return on average capital employed

Earnings before interest and taxes ³

Average capital employed ³

Return on average capital employed ("ROACE") (%) ³

176,811	(27,541)
585,935	280,400
30%	(10)%

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(Amounts stated in \$ thousands, except as noted)

Cash flow from (used in) operating activities

	2023		2022			2021			YTD	Annual		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2023	2022	2021
Net income (loss)	21,701	21,701	115,308	55,379	44,854	(24,552)	44,306	(34,080)	13,726	75,650	190,989	(22,315)
Adjustments for non-cash items:												
Share-based compensation	2,853	2,853	2,995	2,277	2,713	3,285	4,316	2,486	3,740	4,049	11,270	14,472
Depletion and depreciation	27,667	27,667	35,147	18,415	16,739	12,913	12,142	12,210	5,741	59,555	83,214	30,203
Exploration and evaluation	—	—	—	—	4,836	2,747	881	1,960	1,024	—	7,583	52,842
Share in net earnings of associate	—	—	—	—	—	—	—	—	(10,589)	—	—	(19,618)
Shares issued for services	—	—	—	—	—	—	—	—	64	—	—	287
Unrealized loss (gain) on risk management contracts	(8,887)	(8,887)	(29,475)	(26,266)	7,195	37,510	(33,916)	35,719	28,060	(37,698)	(11,036)	28,588
Accretion of asset retirement obligations	855	855	841	697	436	437	442	38	155	1,720	2,411	654
Interest on lease obligations	224	224	216	214	5	11	20	51	—	444	446	71
Deferred financing amortization	269	269	322	323	323	323	294	334	273	593	1,291	901
Unrealized loss (gain) on foreign exchange	172	172	(208)	(1,881)	(869)	879	—	—	—	168	(2,079)	—
Contingent payment consideration	(1)	(1)	28	59	—	3,449	(128)	2,438	2,727	(52)	3,536	5,037
Gain on acquisition	—	—	—	—	—	—	—	—	(32,843)	—	—	(32,843)
Deferred tax recovery	1,466	1,466	(23,724)	—	—	—	—	—	(9,811)	17,871	(23,724)	(9,811)
Net change in non-cash working capital	(4,701)	(4,701)	(11,238)	42,916	(36,944)	(11,014)	(2,177)	8,487	(18,020)	2,622	(16,280)	(11,977)
Asset retirement obligation expenditures	(258)	(258)	(3,184)	(423)	(508)	(656)	(671)	—	—	(3,402)	(4,771)	(671)
Cash flows from (used in) operating activities	41,360	41,360	87,028	91,710	38,780	25,332	25,509	29,643	(15,753)	121,520	242,850	35,820
Adjusted funds flow from (used in) operations ³												
Cash flows from (used in) operating activities	41,360	41,360	87,028	91,710	38,780	25,332	25,509	29,643	(15,753)	121,520	242,850	35,820
Net change in non-cash working capital from operating activities	4,701	4,701	11,238	(42,916)	36,944	11,014	2,177	(8,487)	18,020	(2,622)	16,280	11,977
Asset retirement obligation expenditures	258	258	3,184	423	508	656	671	—	—	3,402	4,771	671
Restructuring costs	—	—	—	—	—	—	9	1,617	832	—	—	2,458
Acquisition costs	—	—	56	125	—	—	2,397	1,048	4,806	—	181	8,903
Settlement costs	—	—	—	—	—	—	—	—	10,000	—	—	10,000
Adjusted funds flow from (used in) operations ³	46,319	46,319	101,506	49,342	76,232	37,002	30,763	23,821	17,905	122,300	264,082	69,829
\$/boe	24.91	24.91	44.59	32.53	49.83	31.02	26.92	17.19	18.22	30.43	40.53	19.52
Free funds flow (deficiency) from operations ³												
Adjusted funds flow from (used in) operations ³	46,319	46,319	101,506	49,342	76,232	37,002	30,763	23,821	17,905	122,300	264,082	69,829
Capital expenditures ³	(58,805)	(58,805)	(102,708)	(60,461)	(52,348)	(54,212)	(31,958)	(14,753)	(3,870)	(167,434)	(269,729)	(50,900)
Free funds flow (deficiency) from operations ³	(12,486)	(12,486)	(1,202)	(11,119)	23,884	(17,210)	(1,195)	9,068	14,035	(45,134)	(5,647)	18,929
\$/boe	(6.72)	(6.72)	(0.53)	(7.33)	15.61	(14.43)	(1.05)	6.55	14.28	(11.23)	(0.87)	5.29

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(Amounts stated in \$ thousands, except as noted)

1 – Certain comparative figures have been reclassified to conform with the current presentation.

2 – Some rows and columns may not add due to rounding.

3 – Non-GAAP and other financial measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. See “Non-GAAP and Other Financial Measures” section of this document.

4 – Realized loss on risk management contracts includes settlement of financial hedges on production and foreign exchange, with losses on contracts associated with purchases presented separately.

5 – Oil and natural gas reserves are as determined by the Company’s independent qualified reserve evaluator with an effective date of December 31 for the years shown in accordance with the Canadian Oil and Gas Evaluation Handbook and are shown as net working interest reserves before royalties.

Forward looking information

Certain information set forth in this document contains forward-looking information and statements including, without limitation, management’s business strategy, management’s assessment of future plans and operations. Such forward-looking statements or information are provided for the purpose of providing information about management’s current expectations and plans relating to the future. Forward-looking statements or information typically contain statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “project”, “potential”, “may” or similar words suggesting future outcomes or statements regarding future performance and outlook. Readers are cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company.

Please refer to the Corporation’s recent 2023 MD&A under the section “Forward Looking Statements” for a description of certain assumptions and risk factors related to the forward looking information and statements included herein on page 1. The Corporation’s recent MD&A is available on Kiwetinohk’s SEDAR profile at www.sedar.com and Kiwetinohk’s website at www.kiwetinohk.com.

Non-GAAP and Other Financial Measures

Non-GAAP Financial Measures, Non-GAAP Financial Ratios and Capital Management measures

This document uses various specified financial measures including “Non-GAAP financial measures”, “Non-GAAP financial ratios” and “Capital Management measures”, as defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure. These non-GAAP and other financial measures presented in this document should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS and should be read in conjunction with the Financial Statements. Readers are cautioned that these non-GAAP measures do not have any standardized meanings and should not be used to make comparisons between Kiwetinohk and other companies without also taking into account any differences in the method by which the calculations are prepared.

Please refer to the Corporation’s MD&A for the periods referenced, under the section “Non-GAAP and other financial measures” for a description of these measures, the reason for their use and a reconciliation to their closest GAAP measure where applicable. The Corporation’s MD&As are available on Kiwetinohk’s SEDAR profile at www.sedar.com and Kiwetinohk’s website at www.kiwetinohk.com.

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(Amounts stated in \$ thousands, except as noted)

Supplementary Financial Measures

This document contains supplementary financial measures expressed as: (i) cash from operating activities, adjusted funds flow and free cash flow on a per share – basic and per share – diluted basis and (ii) realized prices, petroleum and natural gas sales, adjusted funds flow, revenue, royalties, operating expenses, transportation, realized loss on risk management, and net commodity sales from purchases on a \$/Bbl, \$/Mcf or \$/Boe basis.

Cash from operating activities, adjusted funds flow and free cash flow on a per share – basic and diluted basis are calculated by dividing the cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average basic or diluted shares outstanding during the period determined under IFRS.

Metrics presented on a \$/Bbl, \$/Mcf or \$/Boe basis are calculated by dividing the respective measure, as applicable, over the referenced period by the aggregate applicable units of production (Bbl, Mcf or Boe) during such period.

Oil and gas advisories

For the purpose of calculating unit costs, natural gas is converted to a barrel of oil equivalent using six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated. The term barrel of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio for gas of 6 Mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

This document includes references to sales volumes of "Oils and condensate", "NGLs" and "Natural gas" and revenues therefrom. National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, includes condensate within the NGLs product type. The Company has disclosed condensate as combined with crude oil and separately from other NGLs since the price of condensate as compared to other NGLs is currently significantly higher, and the Company believes that this crude oil and condensate presentation provides a more accurate description of its operations and results therefrom. Crude oil therefore refers to light oil, medium oil, tight oil, and condensate. NGLs refers to ethane, propane, butane, and pentane combined. Natural gas refers to conventional natural gas and shale gas combined.

Reserves Data

Reserves data set forth in this document is based upon an evaluation of the Company's reserves prepared by McDaniel & Associates Consultants Ltd. ("McDaniel") dated March 7, 2023 and effective December 31, 2022 (the "McDaniel Report"). The reserves referenced in this document are net working interest reserves before royalties. The price forecast used in the McDaniel Report is the three consultant average forecast prices of McDaniel & Associates Consultants Ltd., GLJ Ltd. and Sproule Associates Limited as of January 1, 2023 price forecast. The estimates of reserves contained in the McDaniel Report and referenced in this document are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates contained in the McDaniel Report and referenced in this document. There is no assurance that the forecast prices and costs assumptions used in the McDaniel Report will be attained, and variances could be material. Estimated future net revenue does not represent fair market value. Readers should refer to the Company's annual information form for the year ended December 31, 2022, available on Kiwetinohk's website at www.kiwetinohk.com and SEDAR at www.sedar.com, for a complete description of the McDaniel Report (including reserves by the specific product types of shale gas, conventional natural gas, NGLs, tight oil and light and medium crude oil) and the material assumptions, limitations and risk factors pertaining thereto.

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(Amounts stated in \$ thousands, except as noted)

Abbreviations

\$/bbl	dollars per barrel
\$/boe	dollars per barrel equivalent
\$/GJ	dollars per gigajoule
\$/Mcf	dollars per thousand cubic feet
AECO	the daily average benchmark price for natural gas at the physical storage and trading hub for natural gas on the TransCanada Alberta transmission system which is the delivery point for various benchmark Alberta index prices
bbl/d	barrels per day
boe	barrel of oil equivalent, including crude oil, condensate, natural gas liquids, and natural gas (converted on the basis of one boe per six Mcf of natural gas)
boe/d	barrel of oil equivalent per day
GJ	gigajoule
Henry Hub	the daily average benchmark price for natural gas at the distribution hub on the natural gas pipeline system in Erath, Louisiana
MMboe	million barrels of oil equivalent
Mcf	thousand cubic feet
Mcf/d	thousand cubic standard feet per day
MI	monthly index
MMBtu	one million British Thermal Units is a measure of the energy content in gas
NGLs	natural gas liquids, which includes butane, propane, and ethane
US\$/bbl	US Dollars per barrel
US\$/MMbtu	US Dollars per million British thermal units
WTI	West Texas Intermediate, the reference price paid for crude oil of standard grade in US dollars at Cushing, Oklahoma