

Our energy

creates a better
world for everyone.

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About This Update

This environmental, social and governance (ESG) performance update provides an overview of ARC Resources Ltd.'s (ARC) 2020 performance, highlighting key metrics, initiatives and accomplishments that we as the Company achieved from January 1 to December 31, 2020.

On April 6, 2021, ARC and Seven Generations Energy Ltd. (Seven Generations) successfully combined to form the premier Montney producer and leader in responsible development (the Business Combination).

This 2021 ESG Performance Update does not include legacy Seven Generations performance data.

Scope

The scope of this document includes all businesses, assets, and partnerships that are owned and operated by ARC as at December 31, 2020. Unless otherwise noted, all dollar amounts are expressed in Canadian dollars. All amounts are provided on a before-tax basis, unless otherwise stated.

Framework

Where applicable, indicators are aligned to the Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) reporting frameworks.

In addition to this document, further information about ARC's commitment to sustainability, performance and ESG-related policies is available on our *website*, SEDAR profile, or via our additional reporting and disclosure:

- + Information Circular
- + Annual Report
- + Annual Information Form

Assurance

ARC maintains a detailed greenhouse gas (GHG) emissions inventory that covers emissions sources across the Company's operations. To ensure accuracy, ARC's GHG emissions in British Columbia (BC) are externally verified in accordance with ISO 14064-3 and ISO 14065. Additionally, Brightspot Climate Inc. has provided a limited assurance report on ARC's 2020 reporting of its Alberta Scope 1 emissions and corporate Scope 2 emissions.

**Share
Your
Feedback**



Continuous improvement is an important part of ARC's culture. We'd like to hear what you think about our 2021 ESG Performance Update. Please send your questions or comments to our Sustainability team at Sustainability@ARCresources.com.

Message From Our CEO & Board Chair



Terry Anderson
President & CEO



Harold Kvisle
Board Chair

We are extremely proud of how our people and our Company have responded in the face of the adversity caused by COVID-19 – safely executing our business, maintaining our commitments to our shareholders, stakeholders and Indigenous communities, and all the while, never compromising on our commitment to responsible development.

Through this volatility, we successfully delivered on our strategy, leaning on the same guiding principles upon which our Company was founded – an unwavering focus on long-term profitability, proactive risk management across all aspects of our business, capital discipline, operational excellence, and owning and operating our infrastructure. Our base business is resilient and strong, recently becoming even stronger with the transformational Business Combination with Seven Generations.

A Leader in Responsible Development

Our Business Combination has brought together two leaders in sustainable development, resulting in a Company with increased scale, relevance, and resource to deliver enduring value to our shareholders. Today, we are Canada's third-largest natural gas producer and sixth-largest energy company.

In April 2021, following the close of the Business Combination, we appointed a Vice President, Sustainability. This is a new role for ARC, which demonstrates our focus to prioritize sustainability across our business, and position ARC to play a leading role in energy transition. With our integration activities well underway, we are focused on bringing together our data sets and developing new ESG targets and specific action plans to achieve them. We look forward to sharing these targets in the fourth quarter of 2021.

ESG Excellence

ARC has always inherently valued strong ESG performance. Today, we recognize in our industry, ESG excellence is the new base-level requirement to operate, and a strategic driver that is imperative to our long-term success. This begins with having a robust governance framework.

Strong corporate governance continues to be a hallmark for ARC. In 2020, our Board of Directors (the Board) continued to advance our diversity and inclusion efforts, formalizing our commitment to increase female representation to 30 per cent on the Board within three years. In April 2021, through the Business Combination, this target has since been surpassed, with current female representation of 36 per cent.

Minimizing our environmental impact, primarily with a focus on emissions management, has continued to be a core objective for us. Through 2019 and 2020, we invested more than \$60 million in emissions reduction initiatives, which included electrification of some of our key facilities in northeast BC. These efforts have contributed to a GHG emissions intensity that is among the lowest in our Canadian peer group, and a 16 per cent reduction from our 2019 baseline, putting us well on track to

As Canada's third-largest natural gas producer, we see opportunities to drive meaningful progress and play a leadership role in the transition to a lower carbon economy – natural gas is pivotal.

achieving the 20 per cent reduction we had set as a target in 2020. While we integrate the Seven Generations business, we are revisiting emissions reduction targets for the larger asset base. Innovation, continuous improvement, efficiency and credible objectives and targets, continue to underpin our efforts here.

Equally important is our social performance and delivering on our commitments of providing a healthy, safe and inclusive environment for our people; building strong and lasting relationships with Indigenous Peoples and our stakeholders; and contributing positively to our communities. Both the mental and physical health of our people, communities, and service providers

were a primary focus for us over the course of this past year. Through our programs, protocols and policies, we safely executed our business and continued our track record of seven years without an employee lost-time incident (LTI).

A New Era

Climate change is a complex issue that requires cooperation, transparency and alignment across borders and industries. As an energy producer, we see opportunities to drive meaningful progress and play a leadership role in the transition to a lower carbon economy – natural gas is pivotal.

Through this transition, we recognize pace

Our Purpose

**Our energy creates
a better world for everyone.**

and balance are equally important – one cannot be comprised for the other. We must move at the speed expected of us by our stakeholders, shareholders and Indigenous communities, yet we cannot lose sight of the fact that global energy systems are complex. Reliability, accessibility and affordability of energy must be considered at every step of the way.

We are confident we cannot only navigate these challenges, but thrive. We will continue to seek the most efficient way to produce energy, create long-term value for our shareholders, and support the economic and social well-being of the communities that we have the privilege to work in. On behalf of the Board and

our management team, we'd like to thank our people, partners, investors, service providers and communities for their support over the past year. We have an exciting future ahead and we look forward to continuing to share our progress with you.

Sincerely,



Terry Anderson
President & CEO



Harold Kvisle
Board Chair

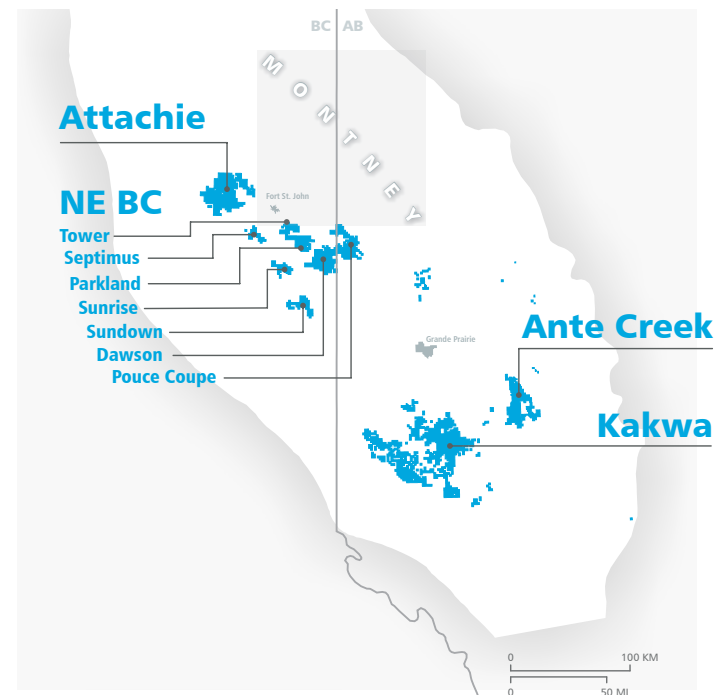
Our Business

ARC Resources is a global leader in responsible resource development and the third-largest natural gas producer in Canada.

Our diverse portfolio of high-quality, resource-rich properties are located in the heart of the Montney – one of the most prolific, efficient and economic resource plays in North America – with operations in northeast BC and northern Alberta.

Our Company was founded in 1996 with the guiding principles of risk management, capital discipline, owned-and-operated infrastructure, operational excellence, and a long-term focus on profitability. Today, we are one of Canada's largest dividend-paying energy companies with low-cost operations, leading ESG performance, and an investment-grade credit rating. With our progressive approach and industry-leading performance, ARC is committed to delivering value to our shareholders and stakeholders for the years to come.

Montney



TSX Symbol

ARX



Production Profile²

~340,000
boe/day



Commodity Mix³

60% Natural Gas
40% Liquids



Our People

~1,000
Permanent Employees
& Contractors

1) All metrics as of June 30, 2021.

2) Source: Company reports, estimated operated Montney volumes used in the absence of public disclosure.

3) Q2 2021 production comprised of natural gas (60%), condensate (22%), NGLs (15%) and crude oil (3%).

Our Approach to Sustainability



ARC believes that natural gas will play a pivotal role in the transition to a low-carbon economy. With approximately one million net acres of world-class Montney resource, we are a leading energy producer and an important player in this transition long into the future.

Our Objective



By maintaining our leading ESG performance and delivering long-term profitability and value to our stakeholders, our goal is to be Canada's progressive energy leader.

To support this objective, we have identified the following key focus areas:

① Climate Strategy

Continued focus on emissions reduction and mitigation through the application of clean technologies, the use of alternate fuel sources and electrification of existing and new facilities.

② Commercial Opportunities

The pursuit of commercial initiatives with joint shareholder and stakeholder benefits.

③ Social and Governance Structures

Continue to progress and integrate our holistic approach to sustainability on the full suite of ESG factors.

④ Transparency

Maintain and progress ARC's position as an ESG leader through enhanced reporting and disclosure.

Transparent & Prioritized Disclosure

Following the Business Combination, we have been focused on formalizing our ESG strategy and integrating performance data for the combined entity. In the fourth quarter of 2021, we will complete a materiality assessment and announce new ESG targets.

In 2022, we will continue to progress our sustainability disclosure with the release of a comprehensive ESG report outlining combined metrics, along with a detailed scenario analysis that will support delivering on our ESG goals and targets.



To learn more about our latest scenario analysis, read our [2020 ESG Report](#).

GOVERNANCE & BUSINESS PRACTICES

ARC's commitment to sound governance and strong corporate leadership guides our efforts and ensures alignment with the interests of our stakeholders.

At ARC, we believe sound corporate governance builds trust with our stakeholders and Indigenous communities, and is core to the success of our business strategy. Over the past 25 years, we have taken great pride in building a high-performance culture rooted in our core values of respect, integrity, trust, and community. This begins with our Board.



For more information, read our [Information Circular](#).

Governance & Business Practices Highlights



8 of 9

Directors Were Independent
Including the Board Chair



20%

Directors Were Women



Member
Since 2018



100%

Director Meeting
Attendance



5x

Base Salary Share
Ownership Requirement
for the CEO

≥ 2x

for all Other Officers

ENVIRONMENT

ARC is a global leader in environmental stewardship. Through continuous improvement, innovation, and the application of clean technology, we are committed to further minimizing our environmental impact.

Our commitment to responsible development begins with our high-quality asset base. ARC has made a deliberate shift to focus its asset base in the Montney which offers multi-layer development opportunities that are highly efficient and have a lower relative carbon footprint.

We believe the most effective way to mitigate the effects of climate change is by reducing our GHG emissions intensity. Our commitment to the environment also includes reducing overall freshwater use, minimizing land disturbance, and ensuring effective reclamation and remediation of our assets.

Environment Highlights



~16%

Reduction in GHG
Emissions Intensity
from 2019 baseline



\$60 MM

Invested in Emissions
Reduction Initiatives
2019 - 2020



>450,000

Carbon Credits Generated



\$60 MM

Invested in Water
Infrastructure
2018 - 2020



89%

Produced Water
Recycled

SOCIAL

We recognize that responsible development includes delivering shared value for our people, stakeholders, and neighbouring communities.

Our unwavering commitment to the health and safety of our people, contractors and communities is core to our approach. In addition, through our operations, we strive to create positive and lasting impacts by providing meaningful employment, local contracting and community support.



Learn more about [ARC's commitment to communities](#).

Social Highlights



0

Employee LTIs
since January 2014



~\$1.5 MM

Donated to Local
Communities



8

Scholarships Awarded
to Indigenous Students
Through Indspire



>\$2,000

Per Employee
Invested in Training

2020 ESG Performance Data

Indicator	Activity	Units	2020	2019	2018	2017	2016
EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	boe/day	161,564	139,126	132,724	122,937	118,671
EM-EP-000.B	Number of offshore sites	number	0	0	0	0	0
EM-EP-000.C	Number of terrestrial sites	number	0	0	0	0	0
Environment							
GRI 302-1	Direct energy consumption	GJ	9,627,940	8,853,421	10,325,575	11,041,628	10,277,582
GRI 302-3	Production energy intensity	GJ/m ³ oe	1.03	1.09	1.45	1.59	1.53
Greenhouse Gas Emissions							
EM-EP-110a.1	Gross global scope 1 emissions ¹	metric tonnes CO ₂ e	516,128	505,159	636,614	685,432	641,337
	Indirect emissions	metric tonnes CO ₂ e	101,431	129,283	258,980	326,013	339,757
	Intensity (Scope 1 and Scope 2)	metric tonnes CO ₂ e/boe	0.0104	0.0124	0.0192	0.0225	0.0226
EM-EP-110a.1	Methane emissions	percentage	22	27	29	27	32
EM-EP-110a.1	Covered under emissions-limiting regulations	percentage	67	60	56	53	36
EM-EP-110a.2	Flared hydrocarbons	metric tonnes CO ₂ e	26,051	25,231	33,401	63,355	55,965
EM-EP-110a.2	Other combustion	metric tonnes CO ₂ e	407,489	368,001	451,929	469,553	419,165
EM-EP-110a.2	Process emissions	metric tonnes CO ₂ e	799	818	1,617	3,699	7,968
EM-EP-110a.2	Vented emissions	metric tonnes CO ₂ e	44,530	64,396	57,627	53,877	60,950
EM-EP-110a.2	Fugitive emissions	metric tonnes CO ₂ e	38,058	46,711	92,038	94,946	97,286
	Flared gas	thousand m ³	10,597	10,280	13,349	24,711	22,263
	Vented gas	thousand m ³	1,511	1,079	1,022	1,733	2,266
	Solution gas conservation rate	percentage	99.0	97.1	99.2	99.0	97.8
Air Emissions							
EM-EP-120a.1	NO _x (excluding N ₂ O)	metric tonnes	2,815	3,509	4,075	4,072	3,273
EM-EP-120a.1	SO _x	metric tonnes	97	290	395	778	2,482
EM-EP-120a.1	Volatile organic compounds	metric tonnes	981	1,068	1,803	2,150	1,721
EM-EP-120a.1	Particulate matter	metric tonnes	81	97	115	76	66

2020 ESG Performance Data

Indicator	Activity	Units	2020	2019	2018	2017	2016
Water							
EM-EP-140a.1 GRI 303-3	Total fresh water withdrawn	m ³	965,000	1,516,053	1,285,529	1,711,167	1,209,178
EM-EP-140a.1 GRI 303-5	Total fresh water consumed	m ³	965,000	1,516,053	1,285,529	1,711,167	1,209,178
EM-EP-140a.2	Volume of produced water and flowback generated	m ³	6,031,000	6,998,413	7,383,982	7,217,302	7,209,718
EM-EP-140a.2	Water discharged	percentage	0	0	0	0	0
EM-EP-140a.2	Water injected	percentage	11	11	12	12	11
EM-EP-140a.2	Water recycled	percentage	89	89	88	88	89
	Hydrocarbon content in discharged water	metric tonnes	N/A	N/A	N/A	N/A	N/A
EM-EP-140a.3	Hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	percentage	100	100	100	100	100
EM-EP-140a.4	Hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	percentage	0	0	0	0	0
Biodiversity Impacts							
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills	number; barrels (bbl)	15; 484.28	9; 35.85	21; 65.41	21; 1,403.26	25; 129.57
EM-EP-160a.2	Volume of hydrocarbon spills in Arctic	bbl	0	0	0	0	0
EM-EP-160a.2	Volume of hydrocarbon spills impacting shorelines with ESI rankings 8-10	bbl	0	0	0	0	0
EM-EP-160a.2	Volume of hydrocarbon spills recovered ²	bbl	326.26	23.90	41.51	640.93	102.52
EM-EP-160a.3	Proved reserves in or near sites with protected conservation status or endangered species habitat	percentage	32	28	NPR	NPR	NPR
EM-EP-160a.3	Probable reserves in or near sites with protected conservation status or endangered species habitat	percentage	32	28	NPR	NPR	NPR

NPR – Not Previously Reported

2020 ESG Performance Data

Indicator	Activity	Units	2020	2019	2018	2017	2016
Reclamation							
	Active wells (net operated)	number	1,850	1,953	2,089	2,506	2,468
	Inactive wells (net operated)	number	1,077	987	934	1,176	1,148
	Shut-in wells (net operated)	percentage	11	15	14	15	20
	Suspended wells (net operated)	percentage	89	85	86	85	80
	Abandoned wells (net operated)	number	277	286	325	460	458
	Active wells (net non-operated)	number	44	50	67	122	124
	Inactive wells (net non-operated)	number	83	72	59	86	88
	Shut-in wells (net non-operated)	percentage	22	23	20	19	25
	Suspended wells (net non-operated)	percentage	78	77	80	81	75
	Abandoned wells (net non-operated)	number	38	37	46	68	117
	Active reclamation ongoing (gross)	number	287	290	275	262	386
	Certificates received (gross)	number	24	23	18	24	45
Pipeline Incidents							
	Number of reportable spills	count	15	9	21	21	25
	Reportable non-pipeline spills	count	9	6	12	12	15
	Reportable pipeline spills	count	6	3	9	9	10
	Total volume of reportable spills	m ³	5,263	102	211	609	773
	Volume of non-pipeline reportable spills	m ³	150	40	64	134	511
	Volume of pipeline reportable spills	m ³	5,113	62	147	475	262
	Pipeline incident rate	incidents per 1,000 km	1.21	1.02	1.64	1.95	1.98
	Number of fines and penalties	count	0	0	0	0	0

2020 ESG Performance Data

Indicator	Activity	Units	2020	2019	2018	2017	2016
Health & Safety							
Lost-time Frequency							
EM-EP-320a.1 GRI 403-9	Full-time employees	cases per 200,000 work hours	0.00	0.00	0.00	0.00	0.00
EM-EP-320a.1 GRI 403-9	Contractors	cases per 200,000 work hours	0.08	0.19	0.00	0.08	0.00
Recordable Frequency							
EM-EP-320a.1 GRI 403-9	Full-time employees	cases per 200,000 work hours	0.70	0.23	0.64	0.64	0.40
EM-EP-320a.1 GRI 403-9	Contractors	cases per 200,000 work hours	0.58	0.52	0.82	0.83	0.78
Fatalities							
EM-EP-320a.1 GRI 403-9	Full-time employees and contractors	cases per 200,000 work hours	0.00	0.00	0.00	0.00	0.00
Near Miss Frequency Rate							
EM-EP-320a.1 GRI 403-9	Full-time employees	near misses reported per 200,000 work hours	1.63	0.45	1.69	3.84	1.82
EM-EP-320a.1 GRI 403-9	Contractors	near misses reported per 200,000 work hours	0.58	0.39	0.54	1.41	2.34
Social							
Workforce Profile							
	Full-time	number	467	482	478	519	518
	Part-time	number	409	437	443	470	461
	Contractors and temporary employees	number	13	1	1	1	3
		number	45	44	34	48	54
Employees by Location							
	Field (permanent)	number	189	196	197	217	203
	Office (permanent)	number	233	242	247	254	261
	Field (contractors and temporary)	number	7	12	9	20	19
	Office (contractors and temporary)	number	38	32	25	28	35

2020 ESG Performance Data

Indicator	Activity	Units	2020	2019	2018	2017	2016
Gender Diversity (Permanent Only)							
GRI 405-1	Women in workforce	percentage	26	26	27	27	30
GRI 405-1	Supervisory/professional positions	percentage	43	42	43	45	49
GRI 405-1	Management and executive team	percentage	26	20	20	20	24
GRI 405-1	Board of Directors	percentage	20	22	20	18	18
Employee Age Categories							
GRI 405-1	30 years and under	number	60	71	69	63	84
GRI 405-1	30 years to 50 years	number	284	291	303	321	283
GRI 405-1	50 years and over	number	78	76	72	87	97
Employee Turnover							
GRI 401-1	Voluntary turnover	percentage	1.4	3.2	3.4	2.4	1.2
Employee Training							
	Total spending on training	\$	956,485	982,795	781,299	738,125	876,844
	Spending per employee ³	\$	2,048	2,244	1,760	1,567	1,890
Security, Human Rights & Rights of Indigenous Peoples							
EM-EP-210a.1	Proved reserves in or near areas of conflict	percentage	0	0	NPR	NPR	NPR
EM-EP-210a.1	Probable reserves in or near areas of conflict	percentage	0	0	NPR	NPR	NPR
EM-EP-210a.2	Proved reserves in or near Indigenous land ⁴	percentage	0	0	NPR	NPR	NPR
EM-EP-210a.2	Probable reserves in or near Indigenous land ⁴	percentage	0	0	NPR	NPR	NPR
Community Relations							
EM-EP-210b.2	Number and duration of non-technical delays	number; days	0; 0	0; 0	0; 0	0; 0	0; 0

2020 ESG Performance Data


Indicator	Activity	Units	2020	2019	2018	2017	2016
Business Ethics & Transparency							
EM-EP-510a.1	Proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index ⁵	percentage	0	0	NPR	NPR	NPR
EM-EP-510a.1	Probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index ⁵	percentage	0	0	NPR	NPR	NPR
Critical Incident Risk Management							
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	rate	0.70	0	NPR	NPR	NPR
Economic							
GRI 201-1	Value generated ⁶	\$ millions	1,128.9	1,023.1	1,543.9	1,514.1	1,276.7
	Value Distributed to:						
	Suppliers ⁷	\$ millions	693.9	1,033.8	1,027.8	1,155.8	763.8
	Providers of capital ⁸	\$ millions	143.7	255.3	255.0	258.5	295.6
	Governments ⁹	\$ millions	48.5	105.4	163.9	154.0	126.9
	Employees ¹⁰	\$ millions	113.9	117.7	97.4	100.3	127.3
	Landowners ¹¹	\$ millions	9.8	10.5	10.8	14.7	22.1
	Communities ¹²	\$ millions	1.5	1.5	1.5	1.5	1.5
	Value retained ¹³	\$ millions	117.7	(501.3)	(12.5)	(170.7)	(60.6)
	Reserves Valuations & Capital Expenditures¹⁴						
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	million barrels (MMbbl), million standard cubic feet (MMscf)	See Price Case Table	See 2020 ESG Report	NPR	NPR	NPR
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	metric tonnes CO ₂ e	158,728,300	157,409,000	NPR	NPR	NPR
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	reporting currency	0	0	NPR	NPR	NPR

2020 ESG Performance Data

Price Case	Total Proved				Total Probable				Total Proved + Probable			
Scenario	Oil (MMbbl)	Gas (MMscf)	Total (MMboe)	Tonnes CO ₂ e	Oil (MMbbl)	Gas (MMscf)	Total (MMboe)	Tonnes CO ₂ e	Oil (MMbbl)	Gas (MMscf)	Total (MMboe)	Tonnes CO ₂ e
IEA Current Pricing	55	2,824,854	611	158,728,300	24	1,518,280	331	85,517,300	79	4,343,134	942	244,245,600
IEA Stated	54	2,817,898	609		23	1,512,968	329		77	4,330,866	938	
IEA Sustainable	50	2,769,569	595		21	1,468,931	318		71	4,238,500	913	

Footnotes

- 1 Methodology used to collect activity data and calculate Scope 1 and Scope 2 emissions includes Canadian Association of Petroleum Producers, Calculating Greenhouse Gas Emissions, 2003; American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009; and Western Climate Initiative - Final Essential Requirements of Mandatory Reporting – 2011 Amendments for Harmonization of Reporting in Canadian Jurisdictions, December 21, 2011.
- 2 Does not include spills 0.159m³ (1 bbl) or less.
- 3 2020 data reflects an improvement in reporting methodology for spending per employee.
- 4 ARC defines Indigenous lands as crown-held reserve land. While ARC does not have operational assets or mineral rights within Indigenous lands, a portion lies within the traditional territory occupied by both Treaty 6 and Treaty 8 First Nations and by the Métis people.
- 5 All of ARC's reserves are within Canada and therefore not in countries in the 20 lowest rankings.
- 6 Economic value generated comprises sales of crude oil, natural gas, condensate liquids and other income, before the reduction of any royalty obligations, gains and losses on risk management contracts and gains and losses on asset dispositions and business combinations. All figures are presented on an accrual basis.
- 7 Economic value distributed to suppliers comprises all operating, transportation and general and administrative expenses, as well as capital expenditures that are paid to suppliers other than employees, landowners, governments and for purposes of charitable donations. All figures are presented on an accrual basis.
- 8 Economic value distributed to providers of capital includes interest expense paid in cash, cash dividends paid and common shares distributed through ARC's Dividend Reinvestment Program and Stock Dividend Program.
- 9 Economic value distributed to governments includes Crown royalty obligations, corporate income taxes, property and business taxes, carbon taxes, provincial sales taxes, as well as consideration paid to governments for surface rights of Crown-owned land and government licenses, fees and permits. Excludes contributions to government pension plans and government employment insurance premiums made on behalf of employees. All figures are presented on an accrual basis. Due to the use of different reporting frameworks, figures presented will not necessarily conform to those presented in ARC's annual reporting under the Extractive Sector Transparency Measures Act (ESTMA). For more information or to view ARC's annual ESTMA report, please refer to ARC's website at www.arcresources.com.
- 10 Economic value distributed to employees comprise salaries, employee benefits and compensation associated with ARC's share-based compensation plans. All figures are presented on an accrual basis.
- 11 Economic value distributed to landowners comprise land access payments and royalty obligations to individuals and corporations associated with non-Crown owned lands. Reduction in value distributed to landowners over a five-year time span is attributed to the reduction in total well count.
- 12 Economic value distributed to communities comprise contributions to charitable and not-for-profit organizations.
- 13 Economic value retained represents economic value generated minus total economic value distributed as presented herein. Economic value retained does not have any standard meaning prescribed by International Financial Reporting Standards (IFRS) and should not be confused with retained earnings, net income, comprehensive income or any other measure prescribed by IFRS. May not be comparable to similar measures presented by other entities.
- 14 Reserves analysis completed by GLJ Ltd.



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