



STRATHCONA
RESOURCES LTD



Pipestone Transaction Overview

August 2023

FORWARD LOOKING STATEMENTS

This presentation contains certain statements and information that constitute forward looking statements and forward looking information as defined under applicable securities laws (collectively, "forward looking statements"). These forward looking statements relate to future events or future performance of Strathcona, Pipestone and AmalCo following completion of the Arrangement. All statements other than statements of historical fact are forward looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward looking statements. 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. No assurance can be given that these expectations will prove to be correct and such forward looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date of this presentation.

In particular and without limitation, in this presentation there are forward looking statements pertaining to: Strathcona's and Pipestone's reserves, including the estimated present value of future net revenues after taxes therefrom, Strathcona's and Pipestone's reserves life indices (RLI); the Arrangement, including the terms thereof; the pro forma business, operations and assets of AmalCo following completion of the Arrangement, including expected production, reserves and RLIs; the pro forma financial results of AmalCo following completion of the Arrangement, including operating netbacks, free cash flow, enterprise value to debt adjusted cash flow and sustainable free cash flow margin; expectations with respect to opportunities to increase AmalCo's production following completion of the Arrangement, including the strategies therefor, including increasing existing capacity, debottlenecking projects, brownfield and greenfield expansions; AmalCo's tax pools following completion of the Arrangement, including the characteristics thereof, and AmalCo's expected tax horizon; and the pro forma ownership of AmalCo by Strathcona Shareholders and Pipestone Shareholders following completion of the Arrangement.

The forward-looking statements in this presentation are based on certain assumptions that Strathcona has made in respect thereof as at the date hereof regarding, among other things: the ability of Strathcona and Pipestone to satisfy the conditions to closing of the Arrangement in a timely manner and substantially on the terms described herein; that all required regulatory and third party approvals in connection with the Arrangement can be obtained on the necessary terms in a timely manner; that AmalCo's future financial and operating results following completion of the Arrangement will be consistent with the expectations of Strathcona's management; AmalCo's future operating costs; that AmalCo will have the ability to develop its crude oil and natural gas properties following completion of the Arrangement in the manner currently contemplated; the estimates of AmalCo's pro forma reserves volumes following completion of the Arrangement and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; general economic conditions, including prevailing crude oil, NGL and natural gas prices, including prices with respect to AmalCo's production following completion of the Arrangement, carbon prices, interest rates, inflation rates and exchange rates; prevailing regulatory, tax and environmental laws and regulations; the availability of capital to fund AmalCo's future capital requirements on terms acceptable to AmalCo, including potential expansion opportunities; AmalCo's credit ratings; the ability of AmalCo to obtain equipment, services, supplies and personnel to carry out its business activities; the applicability of technologies for recovery and production of AmalCo's reserves; the ability of AmalCo to successfully market its business in the areas in which it operates; AmalCo's ability to obtain qualified staff and equipment in a timely and cost efficient manner; that counterparties will comply with contracts in a timely manner; the impact of competition on AmalCo; and assumptions with respect to the impacts, direct and indirect, of the conflict between Ukraine and Russia on, among other things, global supply and demand, commodity prices, inflation and interest rates and supply chains.

Although Strathcona believes the expectations and material factors and assumptions reflected in the forward-looking statements herein are reasonable as of the date hereof, there can be no assurance that these expectations, factors and assumptions will prove to be correct. The forward-looking statements are not a guarantee of future performance and are subject to a number of known and unknown risks and uncertainties that could cause actual events or results to differ materially, including, but not limited to: the ability of Strathcona and Pipestone to receive, in a timely manner, the necessary regulatory and other third-party approvals in connection with closing of the Arrangement; the ability of Strathcona and Pipestone to satisfy, in a timely manner, the other conditions to the closing of the Arrangement; changes in general economic conditions, including fluctuations in interest rates, inflation rates and exchange rates, and volatility in commodity prices, including crude oil, natural gas liquids ("NGLs") and natural gas prices; operational risks and uncertainties associated with oil and gas activities, including unexpected formations or pressures, premature declines of reservoirs, fires, blow-outs, equipment failures and other accidents, uncontrollable flows of crude oil, NGLs, natural gas or well fluids, and pollution and other environmental risks; the failure of AmalCo or the holders of certain licenses or leases to meet specific requirements of such licenses or leases; failure to acquire or develop replacement reserves; claims made in respect of AmalCo's properties or assets; aboriginal claims; unforeseen title defects; risks arising from future acquisition activities; AmalCo's status and stage of development and the management of growth; adverse weather conditions; natural catastrophes; risk related to climate change; seasonality of the Canadian oil and natural gas industry; changes to laws, regulations and government policies, including environmental (including climate change), royalty and tax laws, regulations and policies, or the interpretation thereof; political risks; actions by governmental authorities, including the imposition or reassessment of, or changes to, taxes, fees, royalties, duties, tariffs, quotas and other government-imposed compliance costs; failure to accurately estimate abandonment and reclamation costs; the sufficiency of budgeted capital expenditures in carrying out planned activities; risks related to the timing of completion of the AmalCo's projects; availability of pipeline capacity and other logistical constraints; the potential for management estimates and assumptions to be inaccurate; failure of third parties' reviews, reports and projections to be accurate; labour and material shortages; failure to engage or retain key personnel; potential conflicts of interest; non-performance or default by counterparties to agreements entered into in respect of AmalCo's business; competitive actions of other oil and gas companies; labour and material shortages; the ability to access capital on favourable terms; changes in credit ratings; counterparty credit risk; technology and cybersecurity-related risks; risks relating to the conflict between Ukraine and Russia and the impacts on, among other things, global supply and demand, commodity prices, inflation and interest rates and supply chains; and the other risk factors set forth in "Risk Factors" in the Information Circular and "Risk Factors" in each of Appendix "G" – "Information Concerning Pipestone Energy Corp.", Appendix "H" – "Information Concerning Strathcona Resources Ltd." and Appendix "I" – "Information Concerning AmalCo After Giving Effect to the Arrangement" to the Information Circular. This list of risk factors should not be construed as exhaustive.

This presentation contains guidance regarding AmalCo's estimated enterprise value to debt adjusted cash flow and sustainable free cash flow margin. This guidance is based on certain assumptions and analysis made by Strathcona and is affected by such factors as market demand for crude oil and natural gas and commodity price volatility, which will be directly affected by the availability of capital, drilling and production costs, developmental drilling tests and results, commodity prices, availability of drilling services and equipment, lease expirations, transportation constraints, regulatory approvals, field spacing rules and actual drilling results. Any financial outlook (as defined under applicable securities laws) contained in this presentation about prospective financial performance, financial position or cash flows, including AmalCo's estimated enterprise value to debt adjusted cash flow and sustainable free cash flow margin, is based on assumptions about future events, including economic conditions and proposed courses of action, based on Strathcona management's assessment of the relevant information currently available and is subject to the same risk factors, limitations and qualifications as set forth above. The financial outlook included in this presentation has been prepared by, and is the responsibility of, management of Strathcona. Strathcona and its management believe that such financial information has been prepared on a reasonable basis, reflecting the best estimates and judgments and assumptions that are reasonable in the circumstances. The financial outlook herein has been provided to assist readers in understanding certain expected financial results of AmalCo following completion of the Arrangement, and this information may not be appropriate for other purposes. Management of Strathcona has approved the financial outlook herein as of the date hereof.

The forward looking statements included in this presentation are expressly qualified by this cautionary statement and are made as of the date of this presentation. Other than information solely with respect to Pipestone, Pipestone assumes no responsibility for the statements made in this presentation. Strathcona does not undertake any obligation to publicly update or revise any forward looking statements except as required by applicable securities laws.

This presentation is for informational purposes only, and shall not constitute an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities in any jurisdiction where such an offer or solicitation would be in violation of any local laws. Nothing contained herein constitutes tax, accounting, financial, investment, regulatory, legal or other advice, and all investors are advised to consult with their tax, accounting, financial, investment, regulatory or legal advisers regarding any potential investment. The information presented in these materials has been developed internally and/or obtained from sources believed to be reliable; however, Strathcona does not guarantee or give any warranty as to the accuracy, adequacy, timeliness or completeness of such information, and assumes no responsibility for independent verification of such information. This presentation does not constitute advice and the information contained in the presentation is not intended to offer sufficient information such that it should be relied upon for any reason, including for the purposes of making a decision in relation to the Arrangement. Readers are strongly cautioned to seek independent advice from appropriate advisors about the Arrangement and to reach a full and independently informed judgment about the Arrangement, including risks.

Capitalized terms which are used in this presentation and not otherwise defined herein have the respective meanings given to such terms under the heading "Glossary of Terms" in the Information Circular to which this presentation is attached or under the "Notice to Reader and Glossary of Terms" in each of Appendix "G" – "Information Concerning Pipestone Energy Corp.", Appendix "H" – "Information Concerning Strathcona Resources Ltd." and Appendix "I" – "Information Concerning AmalCo After Giving Effect to the Arrangement" to the Information Circular, as applicable.

SPECIFIED FINANCIAL MEASURES

This presentation makes reference to certain financial measures and ratios, including "enterprise value to debt adjusted cash flow" and "sustainable free cash flow margin", which are not recognized measures under generally accepted accounting principles ("GAAP") and do not have a standardized meaning prescribed by International Financial Reporting Standards. Non-GAAP financial measures and ratios are used internally by management of Strathcona to assess the performance of AmalCo. However, the use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that the non-GAAP financial measures and ratios should not be construed as an alternative to financial measures determined in accordance with GAAP and these measures should not be considered to be more meaningful than GAAP measures in evaluating the combined historical performance of Strathcona and Pipestone or the expected performance of AmalCo. Also see Appendix "G" – "Specified Financial Measures" and Appendix "H" – "Specified Financial Measures" to the Information Circular.

DACF (Debt Adjusted Cash Flow)

Debt adjusted cash flow ("DACF") is calculated as funds from operations ("FFO"), adding back interest on debt and realized gains/losses on risk management contracts. Debt adjusted cash flow is a useful measure for investors because it provides a representation of cash flow generated prior to the effects of hedging activities and debt servicing costs, and therefore is comparable to, among other things, the total enterprise value of a business as a valuation metric. For 2022, Strathcona's DACF was \$1,610.7 million, based on FFO of \$1,222.7 million, interest on debt of \$109.4 million and realized losses on risk management contracts of \$278.6 million.

Sustainable Free Cash Flow Margin

Debt adjusted free cash flow margin is calculated as DACF less sustaining capital, divided by DACF. Sustaining capital reflects management's estimate for the capital expenditures required to replace produced crude oil and natural gas reserves. Sustainable free cash flow margin is a useful measure for investors because it represents the percentage of cash flow before hedging activities remaining after spending capital expenditures necessary to replace production. For 2022, Strathcona had a sustainable free cash flow margin of 72%, based on DACF of \$1,610.7 million and estimated sustaining capital of approximately \$450 million.

OIL AND GAS ADVISORIES

Production and Reserves Information

The pro forma production and reserves information presented in this presentation is based on: (i) in respect of Strathcona, (a) the report prepared by Sproule Associates Limited dated February 23, 2023 evaluating the petroleum and natural gas reserves and contingent resources attributable to certain of the assets of Strathcona as at December 31, 2022, (b) the report prepared by McDaniel & Associated Consultants Ltd. ("McDaniel") dated February 1, 2023 evaluating the bitumen reserves and contingent resources attributable to certain of the assets of Strathcona as at December 31, 2022, and (c) the report prepared by McDaniel dated February 14, 2023 evaluating the heavy oil reserves and contingent resources attributable to certain of the assets of Strathcona as at December 31, 2022, and (ii) in respect of Pipestone, (a) the report prepared by McDaniel dated February 13, 2023 evaluating the tight oil, shale gas and natural gas liquids reserves attributable to certain of the assets of Pipestone as at December 31, 2022, and (b) the report prepared by McDaniel dated February 13, 2023 evaluating the contingent resources attributable to certain of the assets of Pipestone as at December 31, 2022. Such estimates constitute forward-looking statements, which are based on values that Strathcona's management believes to be reasonable, and are subject to the same limitations discussed under "Forward-Looking Statements". The net present value of future net revenues attributable to reserves included in this presentation do not represent the fair market value of such reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. For further information regarding the reserves of Strathcona and Pipestone, see Appendix "H" – "Information Concerning Strathcona Resources Ltd." to the Information Circular and the Pipestone AIF, respectively.

Oil and Gas Metrics

This presentation contains metrics commonly used in the crude oil and natural gas industry, including "reserve life index". These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Readers are cautioned as to the reliability of oil and gas metrics used in this presentation. Management of Strathcona uses these oil and gas metrics for its own performance measurements and to provide investors with measures to compare Strathcona's projected performance over time, including following completion of the Arrangement; however, such measures are not reliable indicators of Strathcona's future performance, which may not compare to Strathcona's and Pipestone's performance in previous periods, and therefore should not be unduly relied upon. "Reserve life index" is calculated by dividing the applicable reserves by expected production.

All references to "crude oil" in this presentation include light and medium crude oil and heavy oil on a combined basis. All references to "liquids" in this presentation include crude oil and natural gas liquids on a combined basis.

Barrels of Oil Equivalent

This presentation contains references to "boe" (barrels of oil equivalent), and "Mboe" (one thousand barrels of oil equivalent) and "Mmboe" (one million barrels of oil equivalent). Strathcona has adopted the standard of six thousand cubic feet of gas to one barrel of oil (6 Mcf: 1 bbl) when converting natural gas to boes. Boe, Mboe and Mmboe may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and do not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading.

PRO FORMA INFORMATION

Certain combined AmalCo financial information is calculated based on the information set forth in the Strathcona Annual Financial Statements, Strathcona Interim Financial Statements, Pipestone Annual Financial Statements and Pipestone Interim Financial Statements, as applicable. Combined reserves of AmalCo and future net revenue therefrom are based on the Strathcona Reserves Reports and the Pipestone Reserves Reports. With respect to the combined reserves and future net revenue information presented in this presentation, Strathcona and Pipestone did not construct a consolidated reserves report of the combined properties of Strathcona and Pipestone, and did not engage an independent qualified reserves evaluator to produce such consolidated report in accordance with NI 51-101. Strathcona and Pipestone employ different methodologies to estimate their reserves and future net revenue information, which differences include, but are not limited to, assumptions regarding forecast prices and costs. The reserves figures and future net revenue amounts included herein were calculated by adding the applicable reserves figures for each of Strathcona and Pipestone. As a result, the actual reserves and future net revenue of AmalCo, if calculated as of December 31, 2022 and using the same forecast prices and costs, may differ from the reserves and future net revenue presented herein for a number of reasons, and such difference may be material.

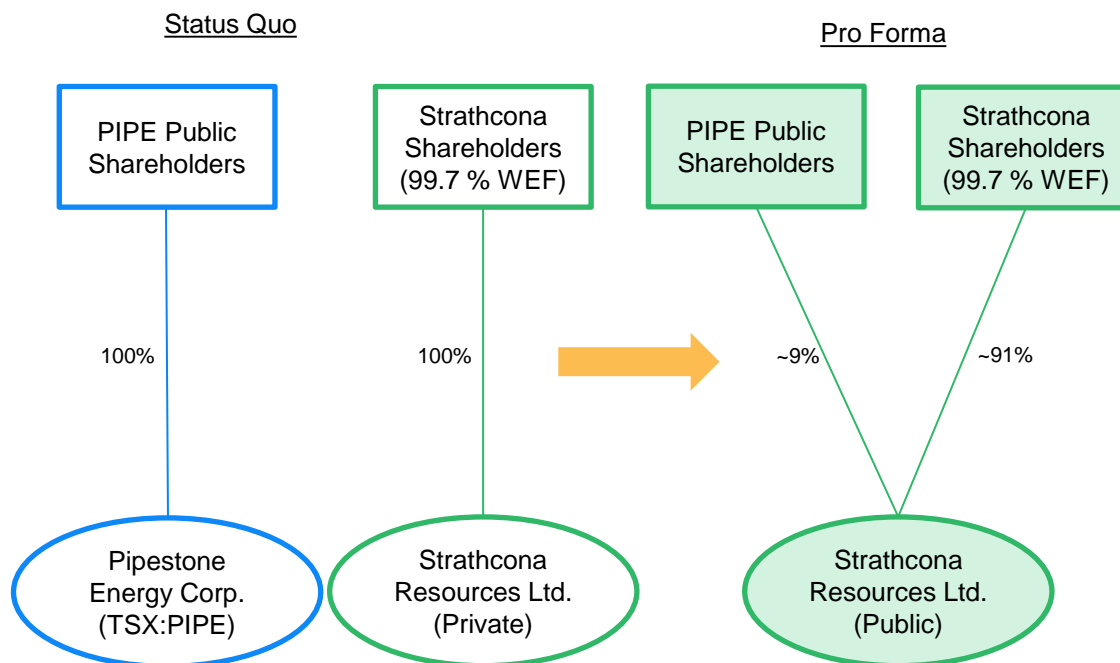
PIPESTONE TRANSACTION OVERVIEW

Strathcona's acquisition of Pipestone will take place via a plan of arrangement with Pipestone shareholders owning ~9% of the pro forma public company

Transaction Details

- All share acquisition of Pipestone Energy Corp. (TSX:PIPE) by Strathcona
 - Existing PIPE shareholders receive ~9.05% of the pro forma company on a fully-diluted basis (8.87% basic)
- Strathcona to become a publicly-traded reporting issuer
- Transaction to be completed via Plan of Arrangement
 - PIPE shareholder meeting expected late September
 - Anticipated closing early Q4
- Shareholders representing ~39% of the shares outstanding, have entered into "hard lock" support agreements to vote for the transaction

Simplified Structure Chart



Exchange Ratio Summary

	Shares Outstanding (Basic)	Exchange Ratio	Amalco Shares	% Ownership (Basic)
Strathcona Class A and B	2,186,705,444	0.089278	195,224,689	91.13%
Pipestone	279,708,062	0.067967	19,010,918	8.87%
Total			214,235,606	100.00%

KEY PROCESS INFORMATION AND TIMELINE

Pipestone Shareholders are encouraged to consult the Management Information Circular of Pipestone and vote on the Arrangement Resolution at the Meeting

Pipestone Shareholder Special Meeting

- A special meeting of the Pipestone Shareholders will be held in a virtual-only format on **September 27, 2023 at 10:00 a.m. (Calgary time)**. The purpose of the Meeting is for the Pipestone Shareholders to consider and, if deemed advisable, approve the Arrangement Resolution, as outlined in the Pipestone Management Information Circular. The Meeting will be held in a virtual-only format via live audio webcast accessible at <https://web.lumiagm.com/218234565>, password: "pipestone2023" (case sensitive).
 - The record date for purposes of determining Pipestone Shareholders who are entitled to receive notice of and to vote at the Meeting is **August 25, 2023**.
- The Pipestone Board has (i) determined that the Arrangement and entry into the Arrangement Agreement by Pipestone are in the best interests of Pipestone and the Pipestone Shareholders; (ii) approved the Arrangement and the entering into of the Arrangement Agreement by Pipestone; (iii) determined that the Arrangement is fair to the Pipestone Shareholders; and (iv) resolved to recommend that the Pipestone Shareholders vote in favour of the Arrangement.

Voting Information

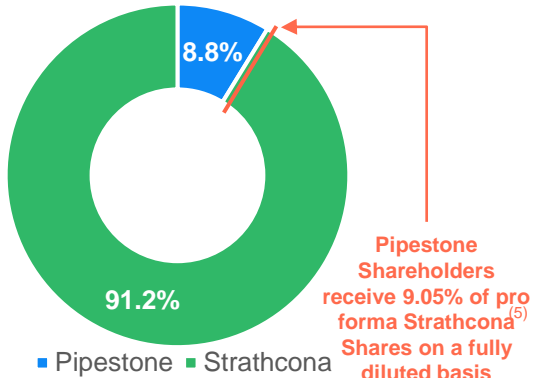
- All Pipestone Shareholders are encouraged to vote in person (virtually) or by proxy. Details on how to vote can be found in the Pipestone Management Information Circular under "*Voting Information*".
- Pipestone has retained Kingsdale Advisors as its strategic shareholder advisor and proxy solicitation agent in connection with the Meeting. Pipestone Shareholders with questions are encouraged to contact Kingsdale Advisors by email or at one of the numbers below:
 - North American Toll-Free Number: 1-877-659-1824
 - Outside of North America Collect Calls Number: 416-623-2514
 - Email: contactus@kingsdaleadvisors.com
 - To obtain information about voting your Pipestone Shares, please visit www.pipestonestrathcona.com.



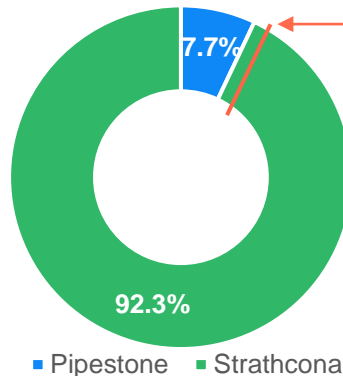
Strathcona believes the Arrangement provides Pipestone Shareholders with an attractive ownership position in a long-life large-cap oil producer

1 Accretive to NAV & Earnings Per Share

2P PV-10 NAV (%)⁽¹⁾

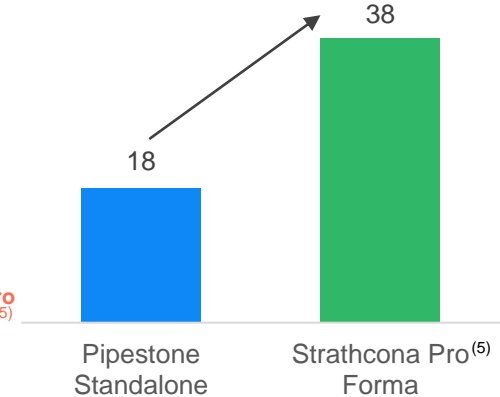


Current Earnings (%)⁽¹⁾

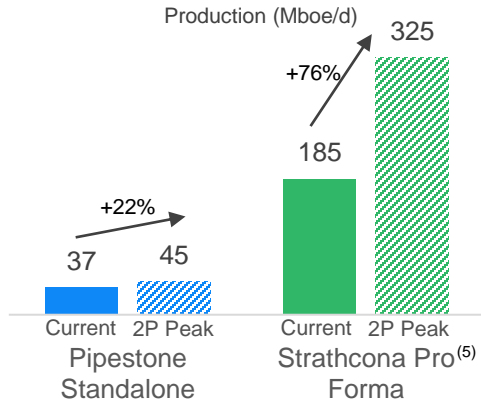


2 Asset Longevity & Growth Potential

2P Reserve Life Index (Years)⁽²⁾

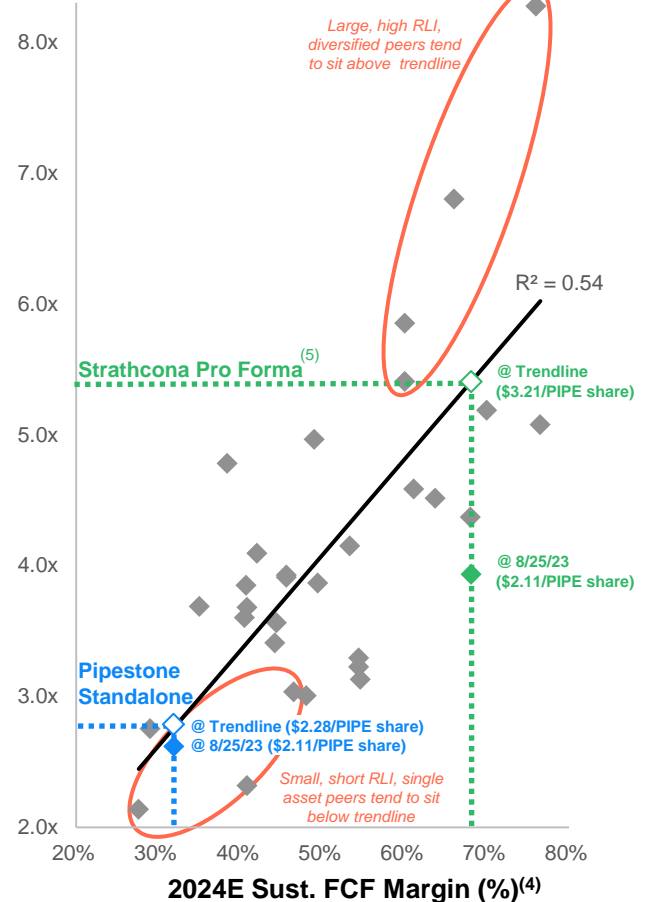


Growth Potential⁽³⁾



3 FCF Margin Key to Relative Valuation

EV / 2024E DACF(x)⁽⁴⁾



(1) YE 2022 2P PV-10 after-tax, net of debt as of 6/30/2023. Q2 2023 net income, excluding gain / loss on risk management contracts and foreign exchange.
 (2) YE 2022 proved plus probable reserve life vs. current production (35,000 boe/d for Pipestone, 185,000 boe/d for Strathcona Pro Forma).
 (3) Current production vs. the 2P reserve report production plateau as set forth in the applicable Pipestone Reserves Reports and Strathcona Reserves Reports.
 (4) Peters & Co. DACF, DAFCF estimates as of Aug 2023; market capitalizations updated to Aug 25, 2023. Sustainable FCF margin = (DACF - Sustaining Capex)/DACF. Strathcona pro forma 2024 estimated sustainable FCF margin of ~68% at Peters and Co. price deck of US\$78 WTI (32% for Pipestone Standalone, per Peters and Co.). Trendline equation: TEV / DACF = 7.31 x Sustainable SFCF Margin + 0.43.
 (5) Strathcona Pro Forma or pro forma Strathcona refers to the entity resulting from the amalgamation of Pipestone and Strathcona ("Amalco") which will continue to operate as "Strathcona Resources Ltd."

Strathcona believes the Arrangement provides Pipestone Shareholders with an attractive ownership position in a long-life large-cap oil producer

1 Continued Ownership Stake in a Highly Differentiated Producer

- Strathcona⁽¹⁾ will operate in three core areas (Cold Lake Thermal, Lloydminster Heavy Oil & Montney), each with meaningful scale and inventory
- Balance of heavy oil, condensate/NGLs and natural gas production
- Strongly positioned against other large oil-weighted Canadian producers on production growth rate, netback, reserve life and free cash flow generation

2 Size and Scale Required for Market Relevance

- The Arrangement provides a compelling opportunity to create the fifth largest liquids producer in Canada measured by production and reserves
- Increased size and scale expected to garner incremental investor interest, access to capital and drive increased long-term value for Pipestone Shareholders

3 Significant Increase to Reserve Life

- Strathcona's⁽¹⁾ proved plus probable reserve life is estimated to be 38 years compared to Pipestone's reserve life of 18 years
- Provides Pipestone Shareholders with participation in decades of future drilling inventory

4 Increased Growth Potential

- Excess infrastructure and egress capacity compared to Pipestone on a standalone basis, in addition to debottlenecking, brownfield and greenfield growth opportunities
- Substantial production growth potential above current levels

5 Enhanced Free Cash Flow Profile

- Strathcona⁽¹⁾ is expected to have higher operating netbacks and lower capital intensity than Pipestone on a standalone basis
- The combination of Strathcona and Pipestone is expected to lead to improved free cash flow generation

6 Lower Technical Risk

- Pipestone's eastern acreage is in the early stages of delineation, with limited drilling results to date
- High levels of sulphur are present in varying degrees across Pipestone's acreage, potentially creating significant risk for go-forward development
- Strathcona⁽¹⁾ offers a substantially larger asset base with decades of well delineated inventory, de-risking go-forward development

7 Extended Tax Horizon

- Pipestone on a standalone basis is expected to be taxable in the near term
- Strathcona⁽¹⁾ is expected to have substantial tax pools, delaying the tax horizon by several years

(1) Refers to the entity resulting from the amalgamation of Pipestone and Strathcona ("Amalco") which will continue to operate as "Strathcona Resources Ltd."