



ATHABASCA OIL CORPORATION SCHEME NO. 11888

HANGINGSTONE D54 PERFORMANCE REPORT 2025

JUNE 2026

ATHABASCA
OIL CORPORATION

SUMMARY

- 2025 Highlights and 2026 Activity
- Development Overview
- Subsurface
- Surface Operations
- Regulatory and Compliance

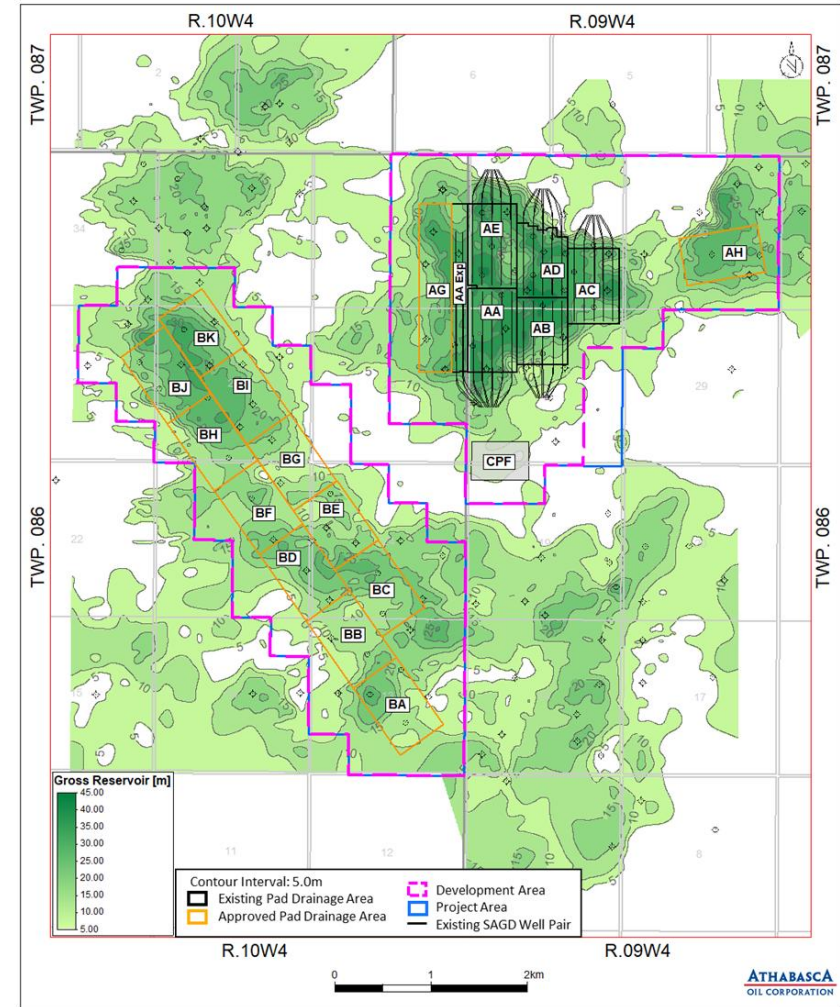
2025 ACTIVITY

- Brought two Pad AA extended reach well pairs on production
 - *First SAGD well pairs drilled since 2014*
 - *~1,400 m laterals (previous well lengths reached up to 850 m)*
 - *Completed with steam splitters on the injectors and liner deployed flow control devices on the producer*
 - *Well performance achieving plateau rates 800-1,100 bbl/d per well*
- Averaged 8,533 bbl/d, up 15% year over year
- Received OSCA Approval (11888L) for the addition of twelve sustaining drainage areas (BA-BK and AH)
- Acquired 4D seismic in Q1 2025
- Drilled two observation wells Q1 2025
- No wells abandoned or suspended to date

2026 ACTIVITY

- Continue development of AG drainage area (surface, drilling, facilities) in accordance with production decline
- Continue expanding NCG co-injection for pressure support, SOR management and emissions reduction

DEVELOPMENT MAP

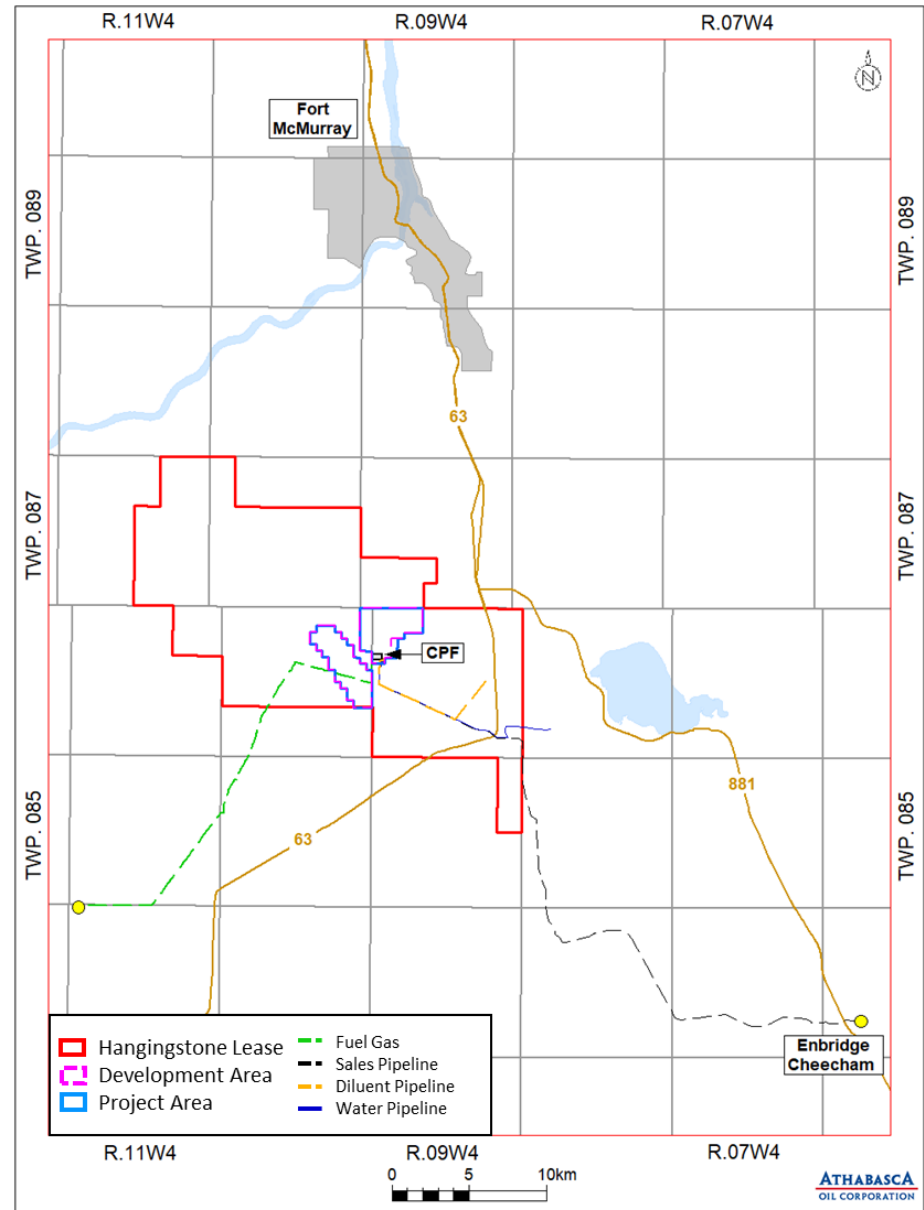


PROJECT DETAILS

- First steam March 2015
- Central Processing Facility (CPF)
- 5 producing pads (27 well pairs)
- Located 20 km south of Fort McMurray, AB
- Approved sustaining drainage areas

INFRASTRUCTURE

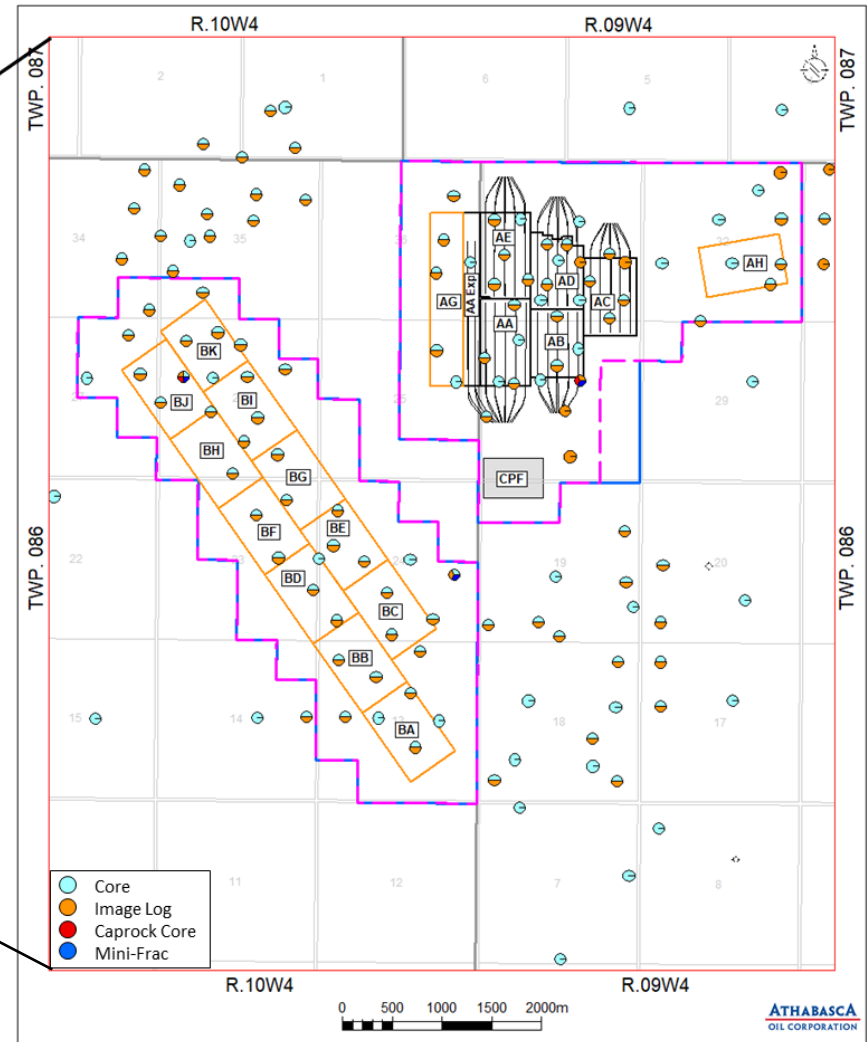
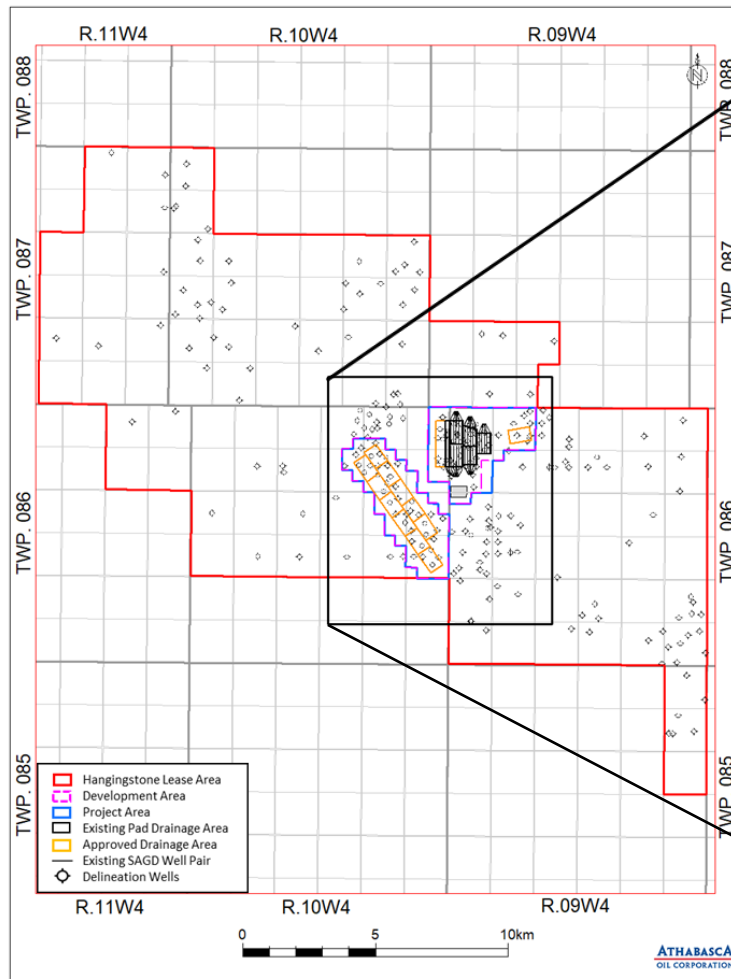
- Fuel gas from TransCanada Pipeline (TCPL)
- Dilbit export to Enbridge Cheecham Terminal
- Diluent from Inter Pipeline (IPL)





SUBSURFACE

ATHABASCA
OIL CORPORATION



Area	Area (km ²)	MCMR Cored Wells	Image Logs	Caprock Core
Development Area	20.6	80	65	2
Project Area	21.1	80	65	2

BOTTOM WATER THICKNESS MAP

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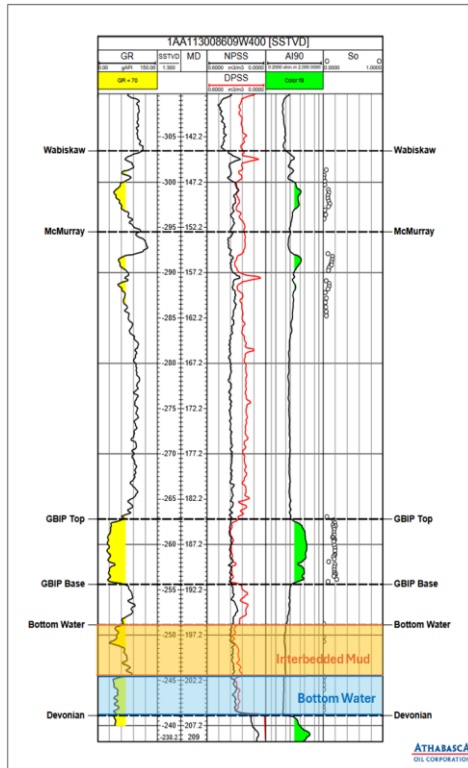
BASAL MUD

- Basal mud separates the bottom water from the bitumen pay interval

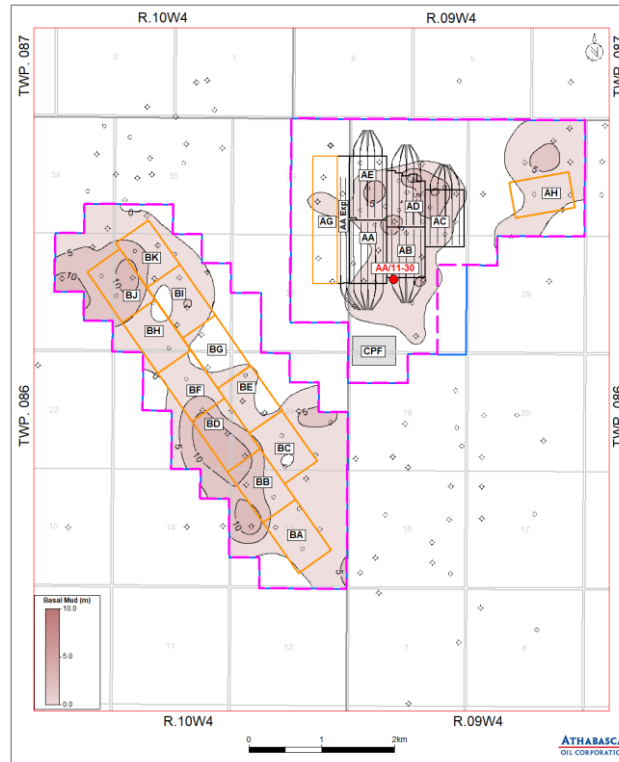
BOTTOM WATER

- Localized and not in direct contact with bitumen
- Bottom water interval consists of interbedded mud and sand (resistivity < 10 ohm-m)

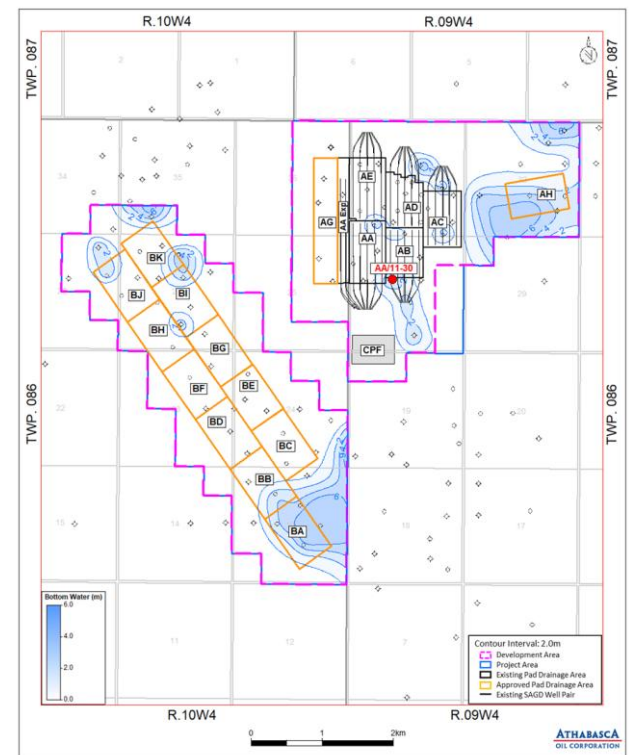
TYPE WELL



BASAL MUD



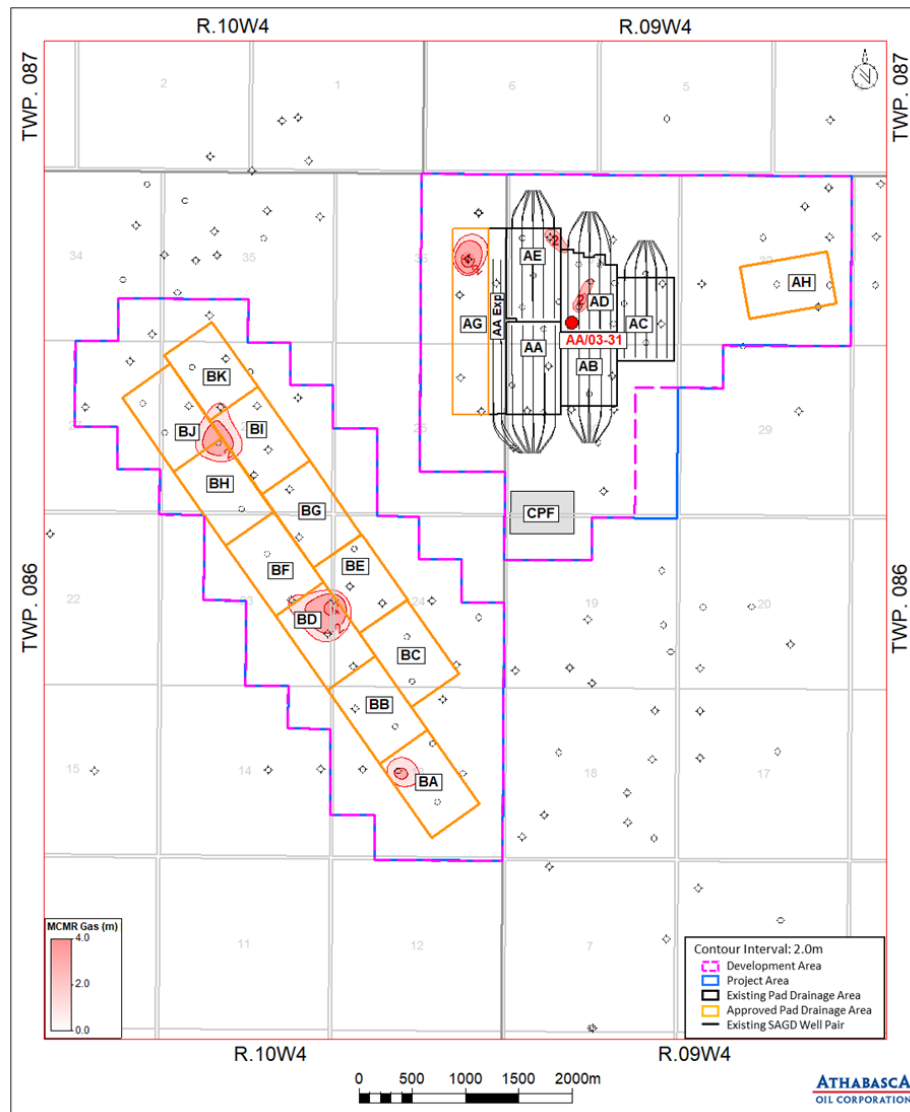
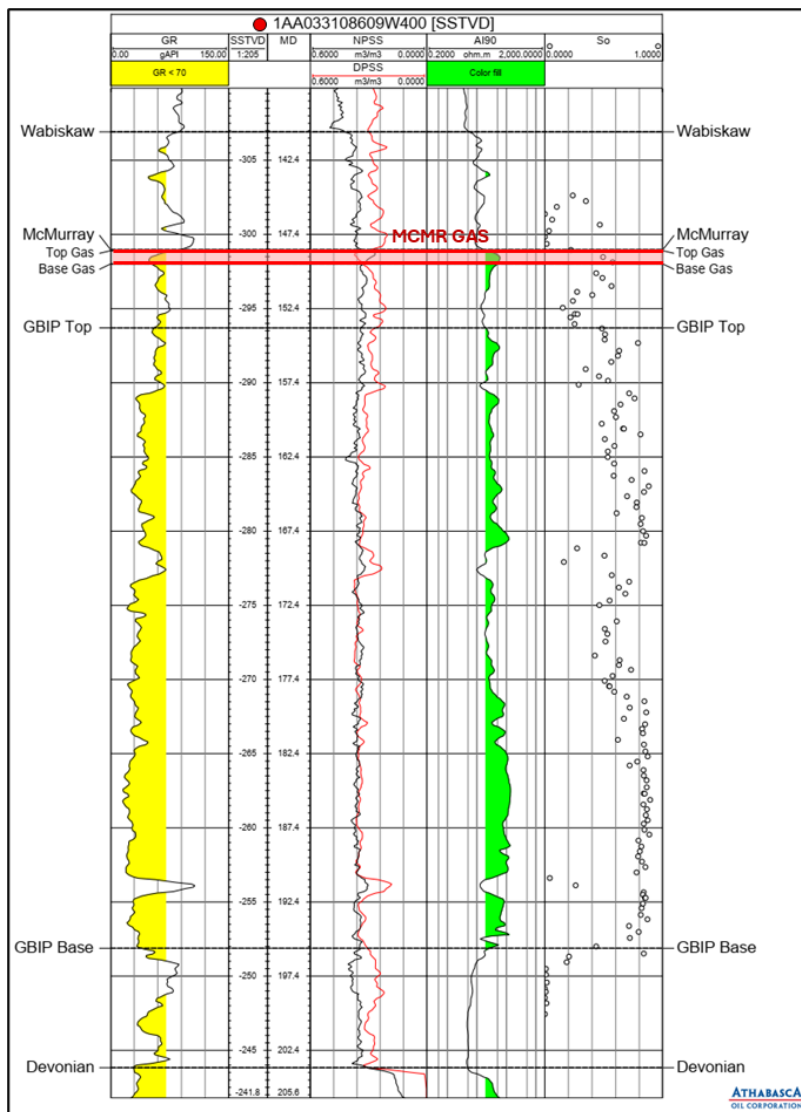
BOTTOM WATER



MIDDLE MCMURRAY FORMATION GAS THICKNESS MAP

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MINIMAL GAS THICKNESS AND LIMITED DISTRIBUTION WITHIN DEVELOPMENT AREA

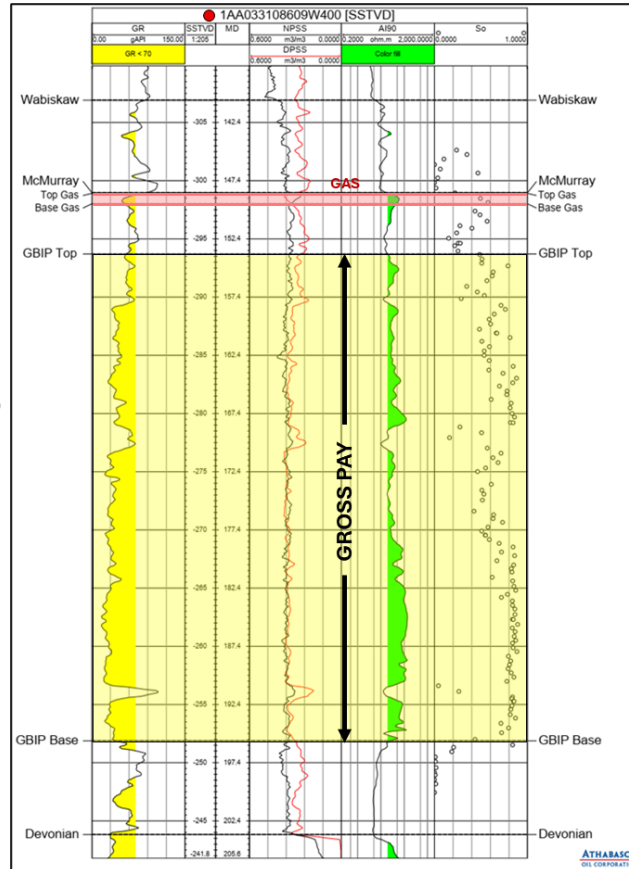


RESERVOIR CRITERIA

- Facies classification based on percentage mud
 - F1: Breccia = variable
 - F2: Sand = 0-10%
 - F3: Sandy IHS = 10-30%
 - F4: Muddy IHS = 30-70%
 - F5: Mud = >70%
- Gross Bitumen in Place (GBIP)
 - Reservoir criteria: F1-4, <1m F5

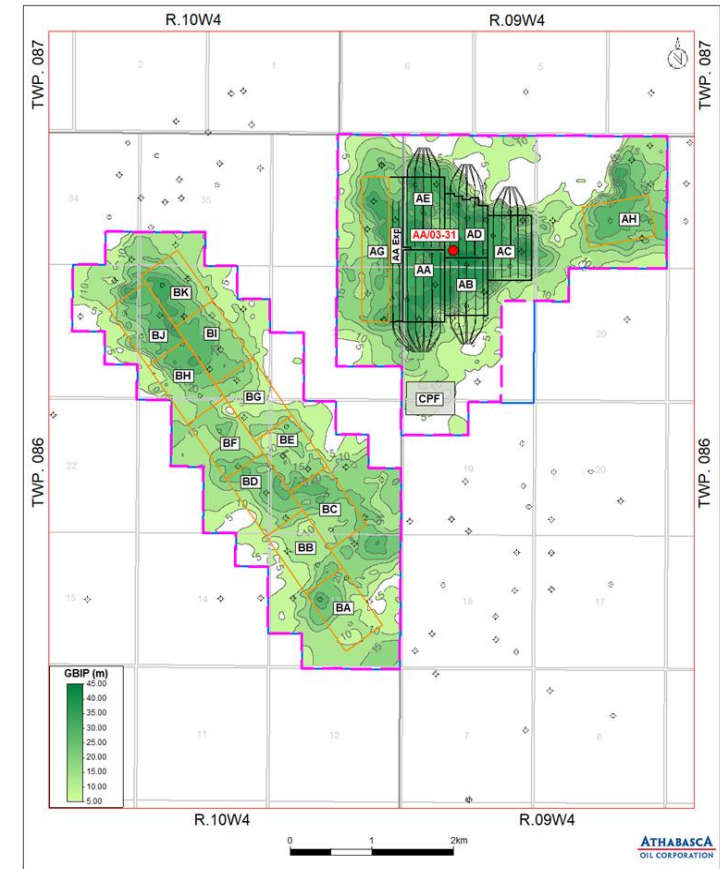
NET PAY CRITERIA

- Gross Bitumen in Place (GBIP)
 - Petrophysical criteria:
 - Porosity (PHIT) $\geq 27\%$
 - Saturation (SwT) $\leq 50\%$



Final GBIP volumes include mid-lean zone. Mid-lean zones volumes calculated using PHIT 27% and no saturation cut off

GBIP ISOPACH



Contour Interval: 5.0m

- Existing Pad Drainage Area
- Approved Pad Drainage Area

- Development Area
- Project Area
- Existing SAGD Well Pair

2025

- 4D Seismic acquired over Pads AA-AE (3.0 km²)

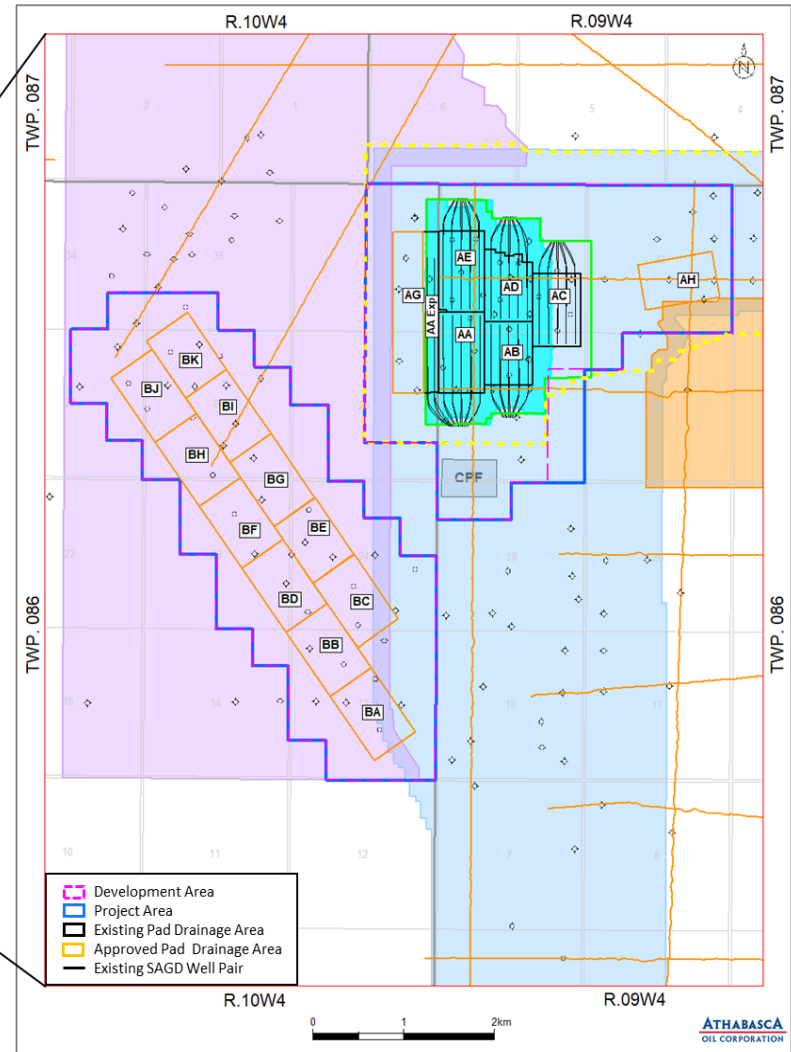
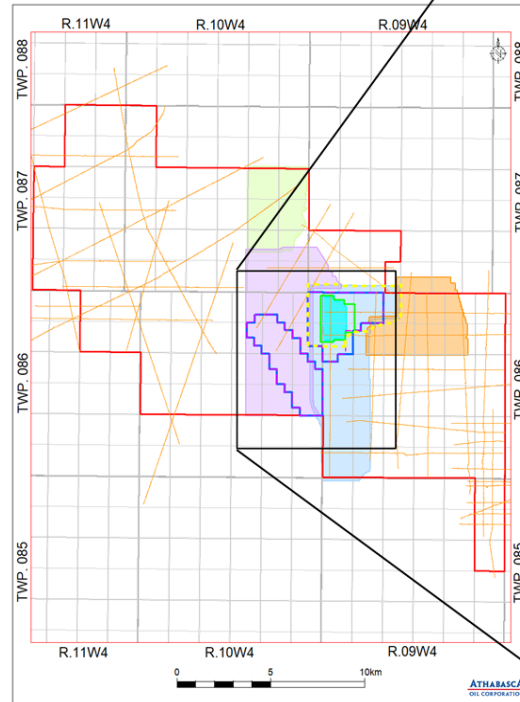
HISTORICAL

- 3D acquired in 2011 and 2012, merged in 2012
- Total proprietary 2D ~ 450 km
- Total 3D area ~98 km² (merged), covers development area
- Total 4D area ~3.72 km²

3D/4D PARAMETERS

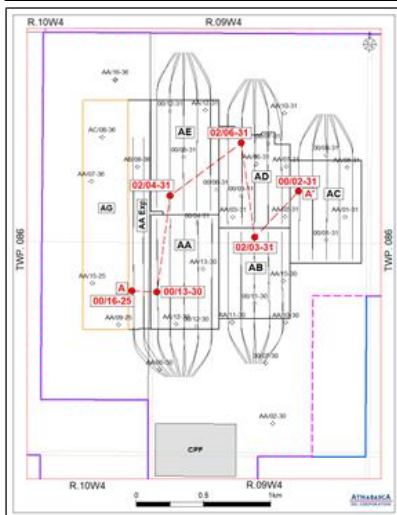
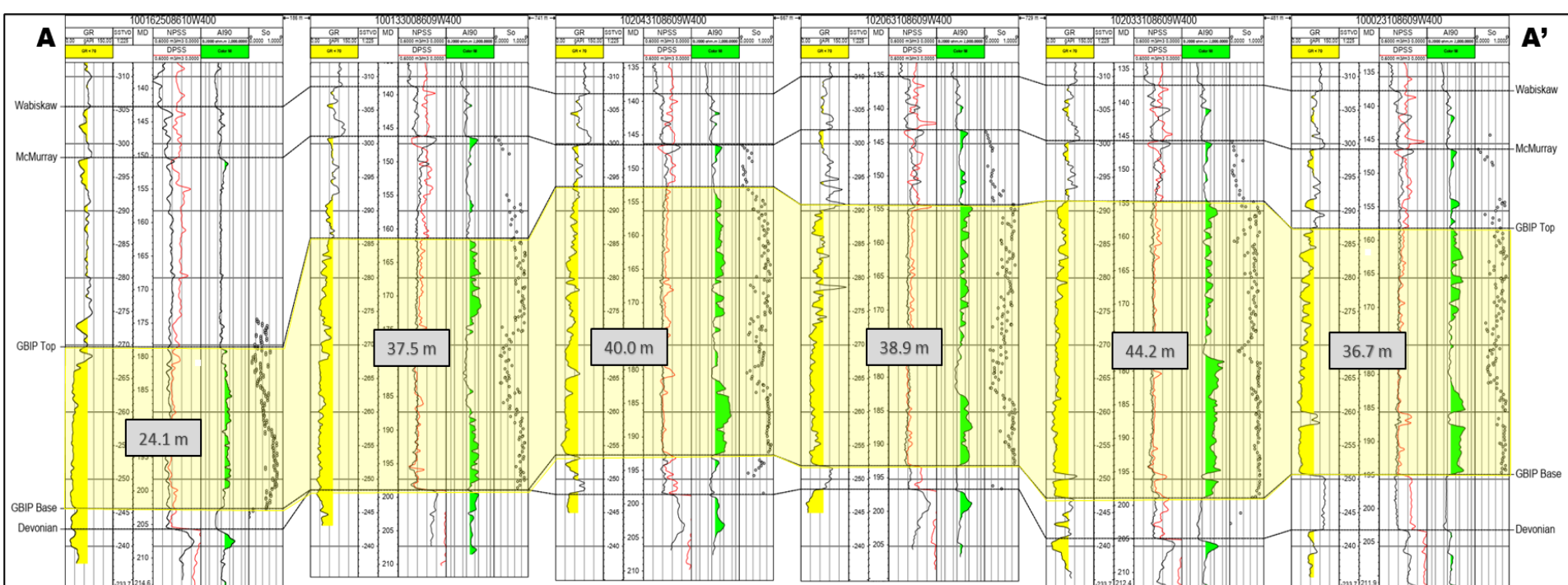
- Source line/source spacing: 60m/20m
- Receiver line/receiver spacing: 40-60m/20m

- AOC Hanginstone Lease Area
- Development Area
- 2011 Hangingstone River 3D
- 2011 Hangingstone River North 3D
- 2012 Halfway Creek 3D
- 2012 Highway 3D Seismic
- 2015/16/17/4D Seismic
- 2024 Reprocessing
- 2025 4D Seismic
- Proprietary 2D Seismic



PADS AA-AE STRUCTURAL CROSS SECTION NW-SE

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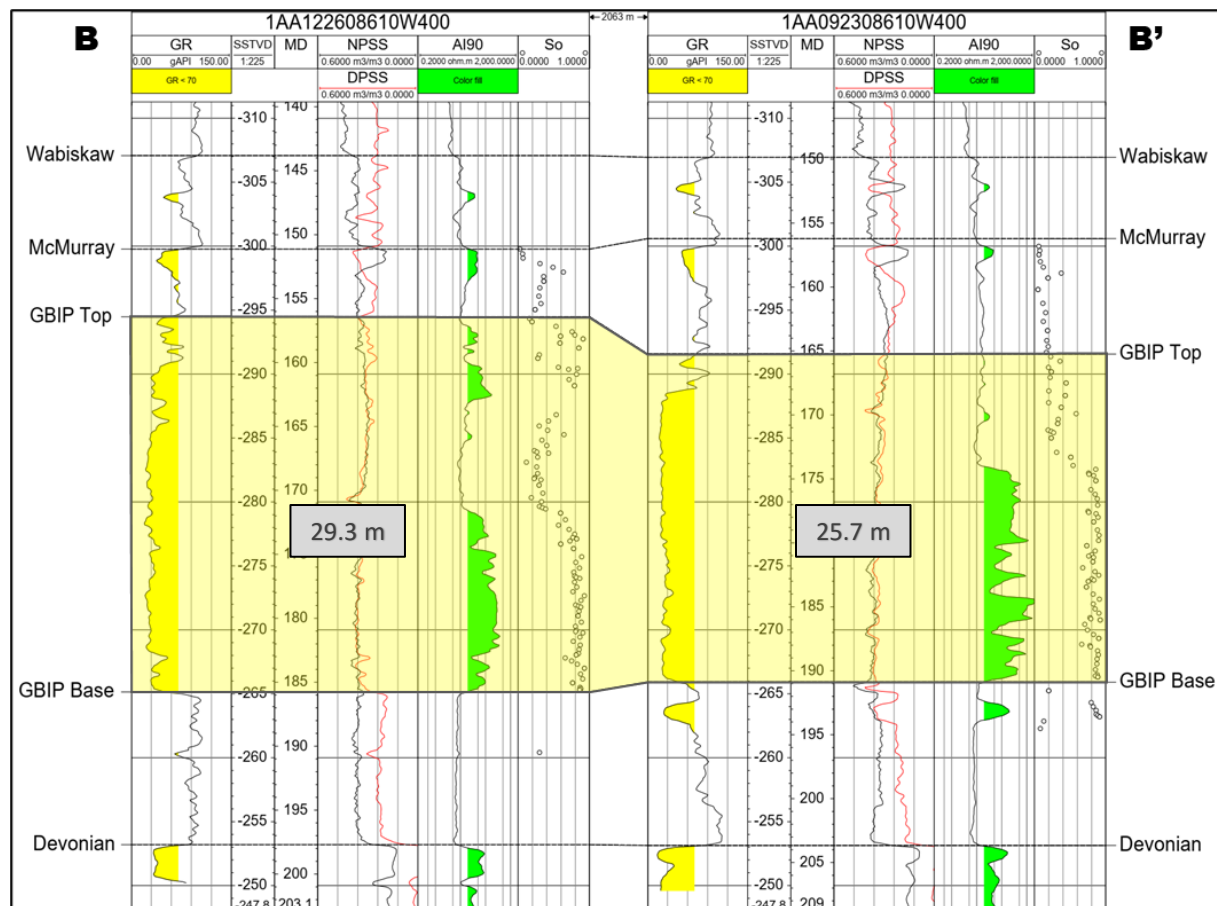


■ Gross GBIP thickness

*no bottom water or associated gas within wells in the cross section

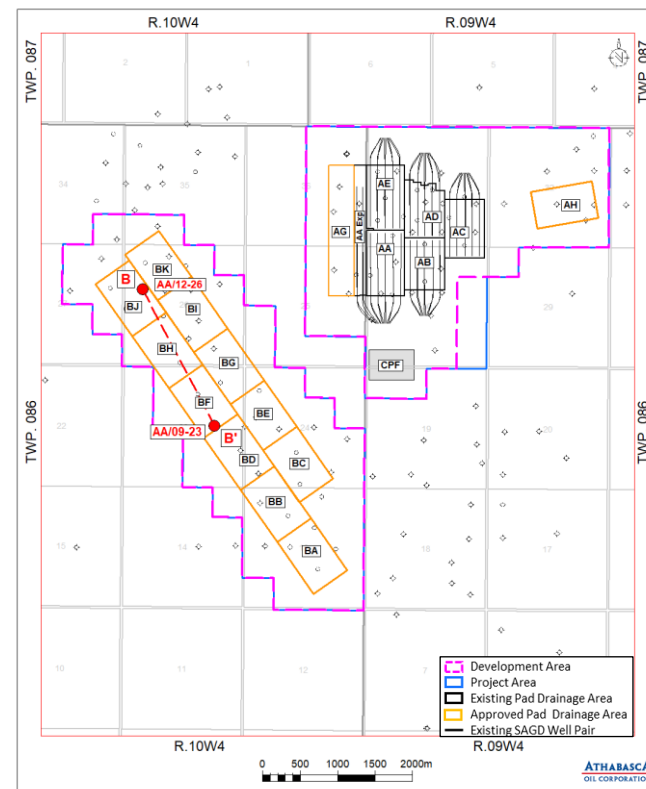
PADS BJ-BF STRUCTURAL CROSS SECTION NW-SE

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□ Gross GBIP thickness

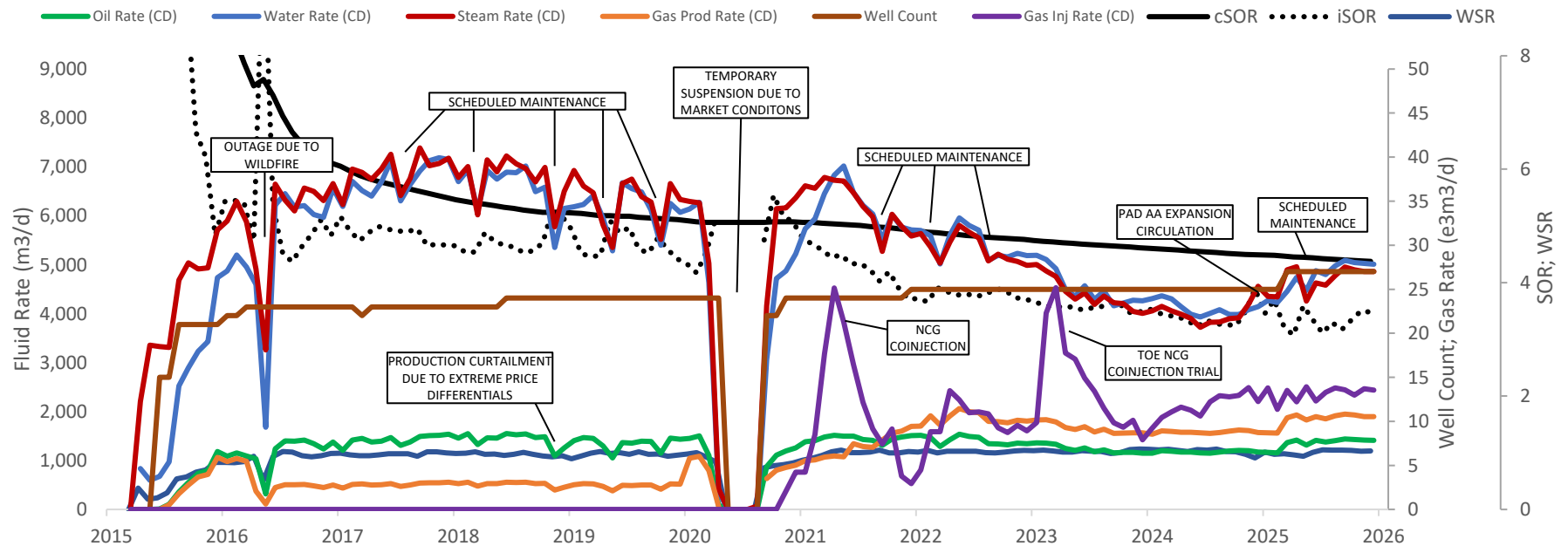
*no bottom water or associated gas within wells in the cross section



REPORTING YEAR HIGHLIGHTS

- 5 producing pads
 - 27 SAGD well pairs
 - Began production of two extended reach well pairs on Pad AA in Q1 2025
- Continuing NCG co-injection for pressure management and energy intensity reduction
- SOR averaged 3.4 in 2025
- No known geomechanical anomalies were observed within the development area

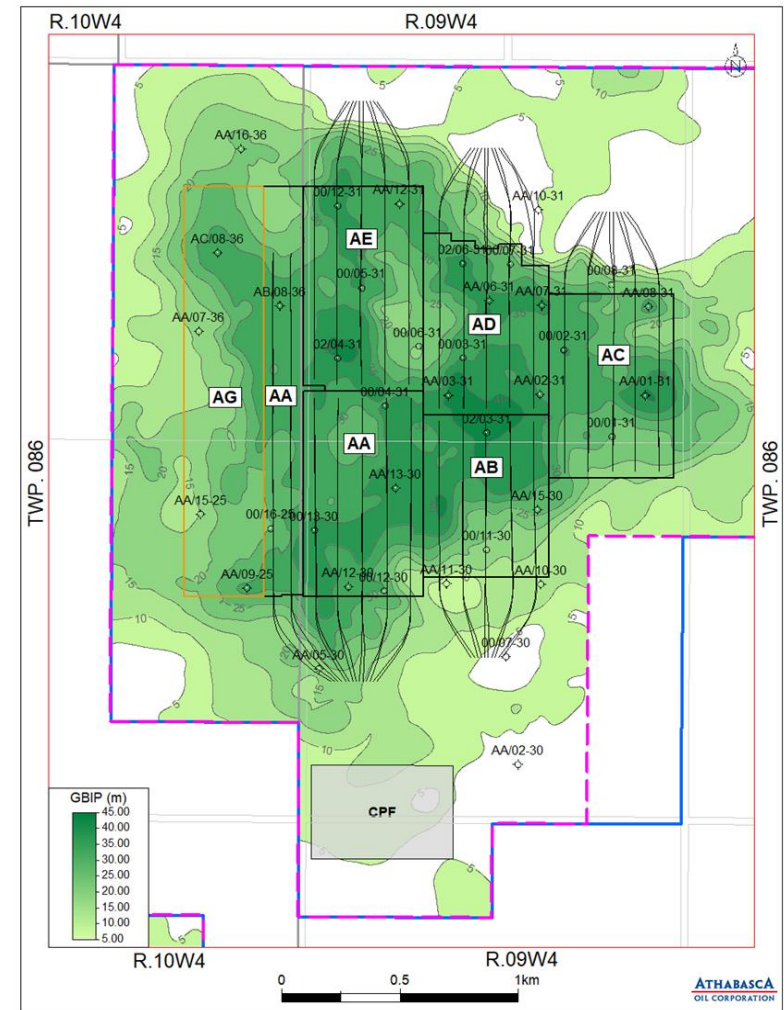
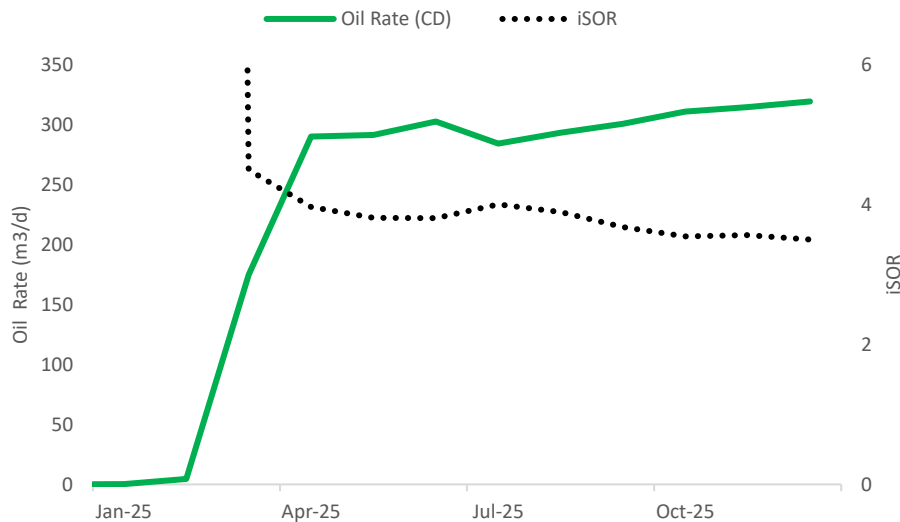
HANGINGSTONE FIELD PRODUCTION



SUMMARY

- First SAGD well pairs since 2014
- ~1,400 m laterals (previous well lengths up to ~850 m)
- Completed with liner deployed flow control devices
- Brought on production in Q1 2025
- Well pair reached plateau rates within ~1-2 months
 - Plateau rates of ~130- 175 m³/d per well (~800 – 1,100 bbl/d)

AA EXP PRODUCTION



- | | |
|----------------------------|-------------------------|
| Contour Interval: 5.0m | Development Area |
| Existing Pad Drainage Area | Project Area |
| Approved Pad Drainage Area | Existing SAGD Well Pair |

RESERVOIR PROPERTIES AND RECOVERY FACTOR

RESERVOIR PROPERTIES

Property	Project Area	Development Area
Depth (m subsea)	252-262	252-262
Initial Reservoir Pressure (kPa)	600	600
Initial Reservoir Temperature (°C)	8	8
Thickness (m)	17.8 (10-39)	17.9 (10-39)
Average Porosity (frac)	0.34	0.35
Average Oil Saturation (frac)	0.73	0.74
Permeability (D)	4.4	4.4
Area (10 ⁶ m ²)	21.1	20.6
GBIP Net-hydrocarbon pore volume (10 ⁶ m ³)	48.5	48.4

ACTIVE PATTERN RECOVERY BY PAD

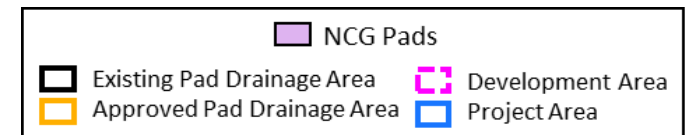
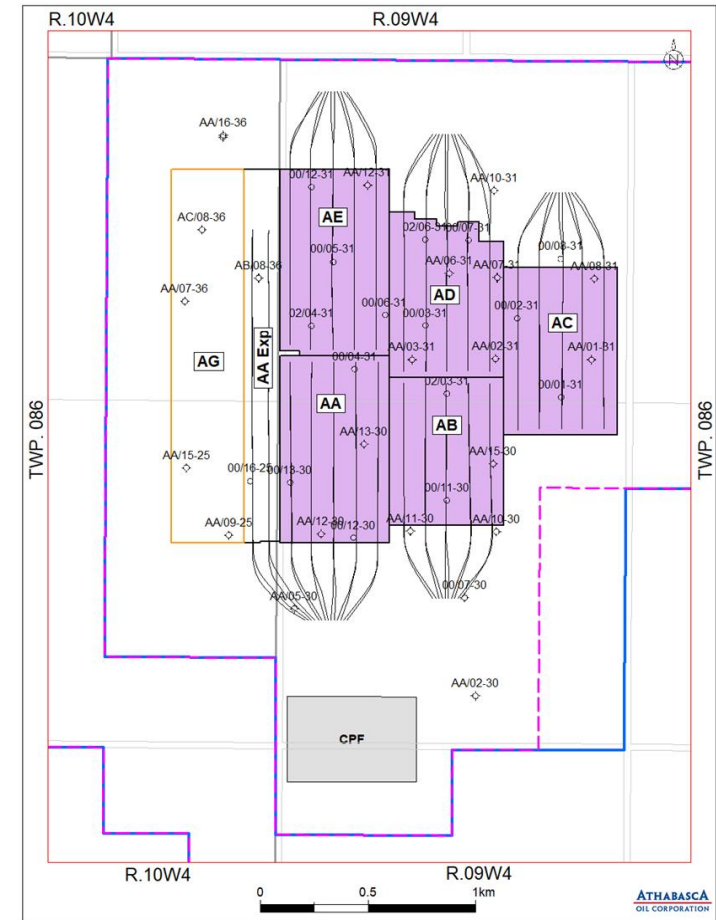
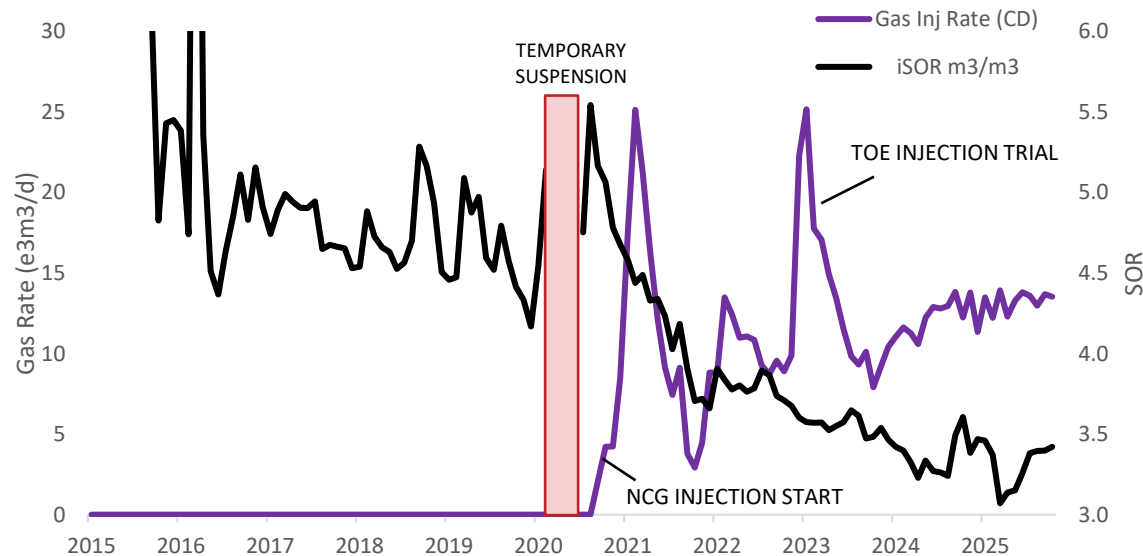
Pad	Well Pairs	Lateral Length	Area	Oil Saturation	Porosity	Perm Kh	Perm Kv	Net Pay	GBIP Net	Cumulative Production	Current Recovery Factor	Estimated Ultimate Recovery (EUR)	EUR Recovery Factor
		(m)	(10 ³ m ²)	(frac)	(frac)	(D)	(D)	(m)	(10 ⁶ m ³)	(10 ⁶ m ³)	(%)	(10 ⁶ m ³)	(%)
AA	5	850	459	0.72	0.35	4.6	2.9	27.5	3.5	1.0	29%	1.8-2.5	50-70%
AB	5	640	347	0.75	0.36	5.0	3.6	26.5	2.8	1.3	45%	1.4-1.9	50-70%
AC	5	750	399	0.74	0.34	4.8	3.5	25.9	2.8	0.6	22%	1.4-1.9	50-70%
AD	5	670	381	0.73	0.34	4.5	3.2	29.4	3.0	1.0	32%	1.5-2.1	50-70%
AE	5	830	448	0.73	0.34	5.3	3.7	25.3	3.1	0.8	27%	1.6-2.2	50-70%
AA Exp	2	1,415	293	0.71	0.36	5.1	3.6	19.3	1.7	0.1	6%	0.9-1.2	50-70%
TOTAL	27		2,327						16.8	4.8	29%		50-70%

- Cumulative production as of December 31, 2025
- Project and Development area properties constrained to >10m GBIP Net, PHIT >= 27% and SwT <= 50%
- GBIP is gross oil volume between base and top of pay inclusive of Lean Zone without saturation constraint
- EUR = Estimated Ultimate Recovery of Producing Bitumen within GBIP; RF = The ratio of recoverable bitumen reserves to GBIP
- Oil Saturation and porosity averages based on net SoT and PHIT
- Volumes include 50 m at heel and toe

SUMMARY

- NCG co-injection started Q4 2020 and has been expanded across all pads to help with pressure management and SOR reduction
- Thermal efficiency is improved leading to lower SOR and reduced emissions
- Maintained lower SOR due to NCG co-injection and pressure management strategy
- No observed impact to recovery factor outlook and no wellbore integrity issues
- Continuing vertical temperature growth at observation wells

NCG CO-INJECTION RATES AND SOR



INNOVATION AND LEARNINGS

- Accelerated ramp-up on AA06 expansion well driven by elevated temperatures from historical operation of adjacent pads and implementation of new completions technology
- Continuing implementation of steam splitters and FCDs on new well pairs moving forward
- Continuing to expand NCG co-injection for pressure support, SOR management and emissions reduction
- 4D confirmed continued heating and drainage from reservoir within the IHS zone
- Evaluating the potential for redrill wells on existing well pads
- No immediate plan for future pilots

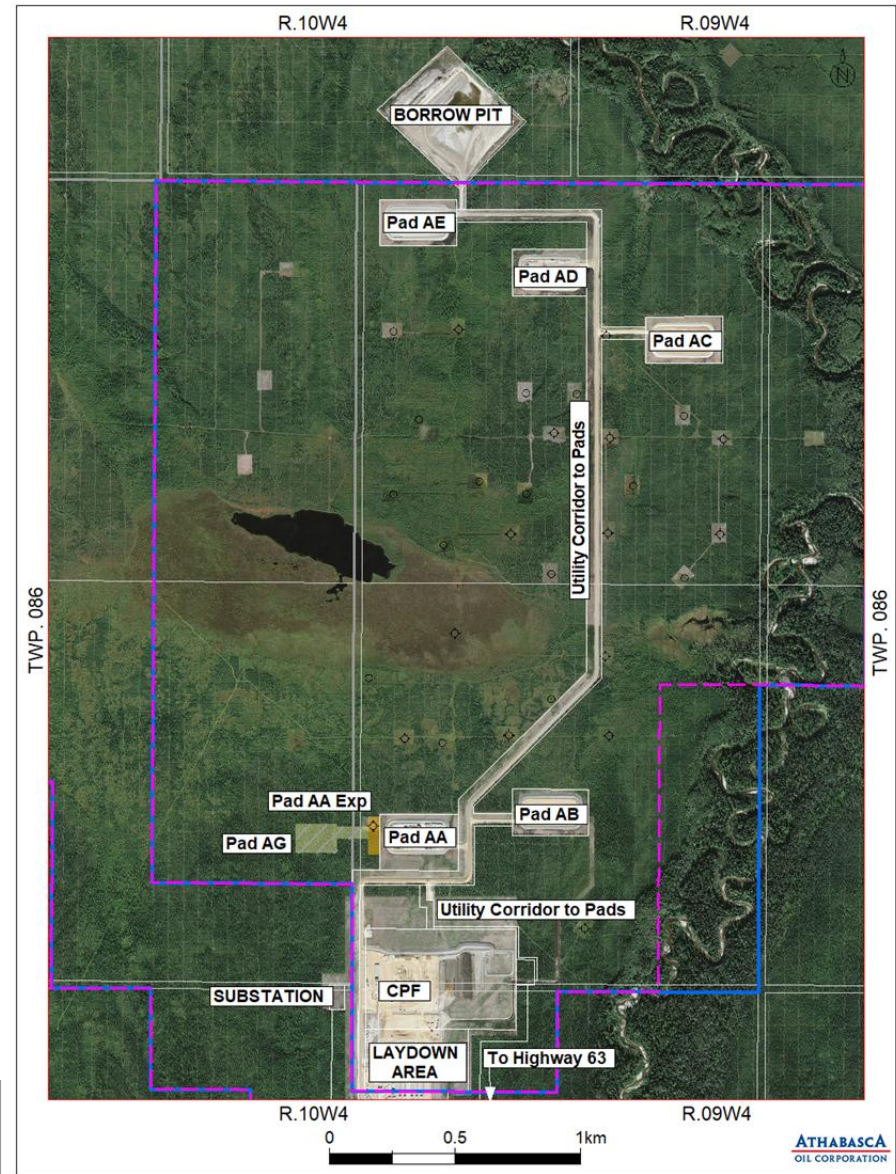
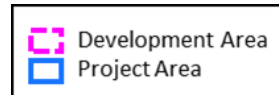


SURFACE OPERATIONS

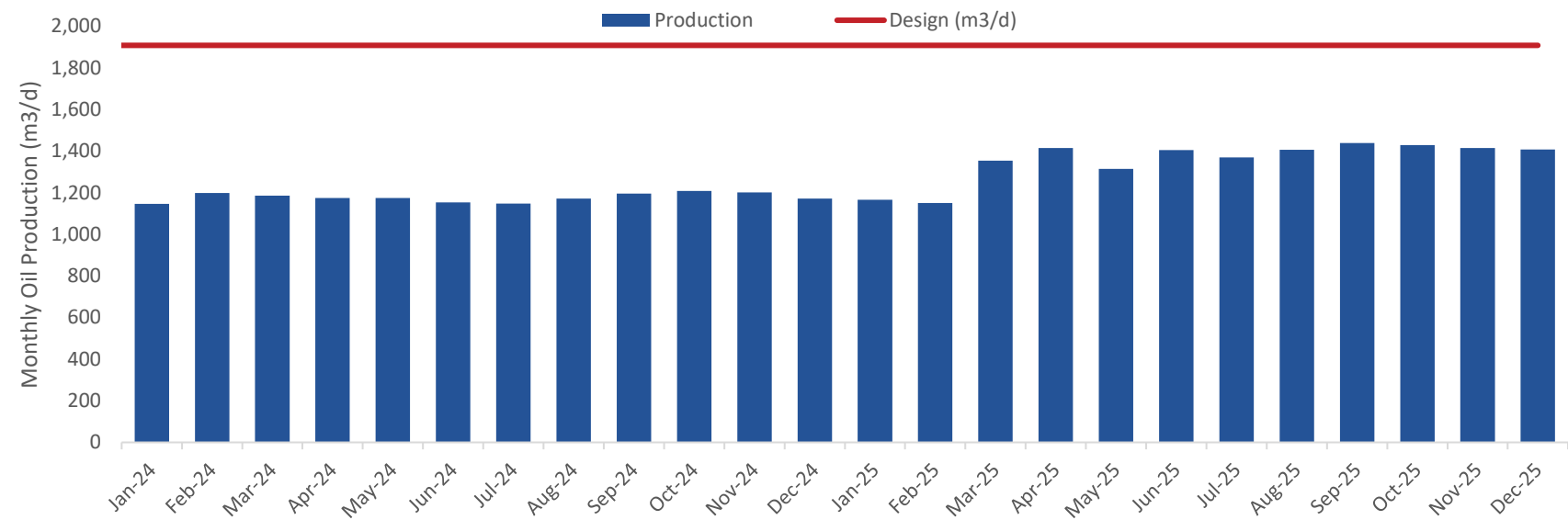
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2025

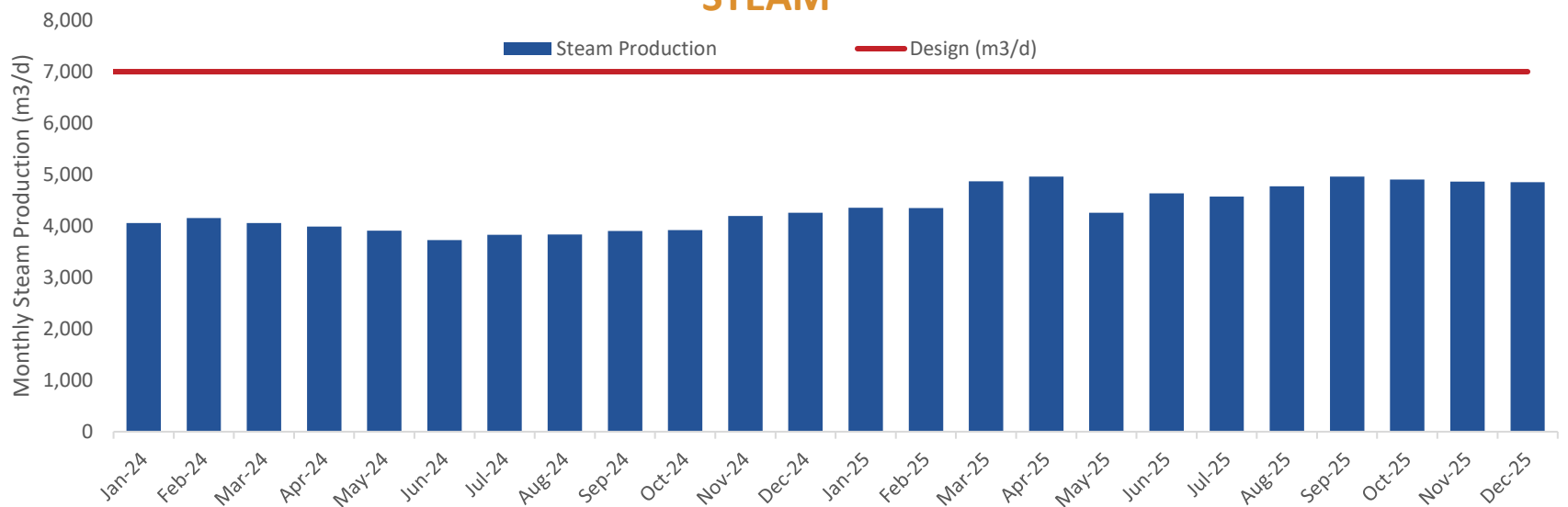
- Pad AG surface land disposition approved (not constructed)
- No changes to the CPF or well pads



OIL



STEAM





REGULATORY & COMPLIANCE

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APPROVALS, AMENDMENTS, AND RENEWALS

Application No.	Approval/Submission	Description
OSCA Application No. 1952251 D023 Category 3	Approved June 13, 2025	Expansion of Project Area and Development Area, addition of 12 drainage areas & Lifecycle (submitted June 14, 2024)
Integrated Application ID: 33777080, Application ID: 33777084	Application submission October 6, 2025	<i>Water Act</i> Term Licence 00316166-02-00 Renewal

OSCA – Oil Sands Conservation Act

APPLICATIONS PLANNED FOR 2026

- No regulatory applications are planned for Hangingstone in 2026

NON-COMPLIANCE INCIDENTS

- No non-compliance incidents

SPILLS

- No reportable spills

FLARING/VENTING

- No Flaring events
- Surface Casing Vent Flow (Submission ID: 2291156), successfully remediated in Q1 2026.

INSPECTIONS

- AER completed 3 inspections, no unsatisfactory findings

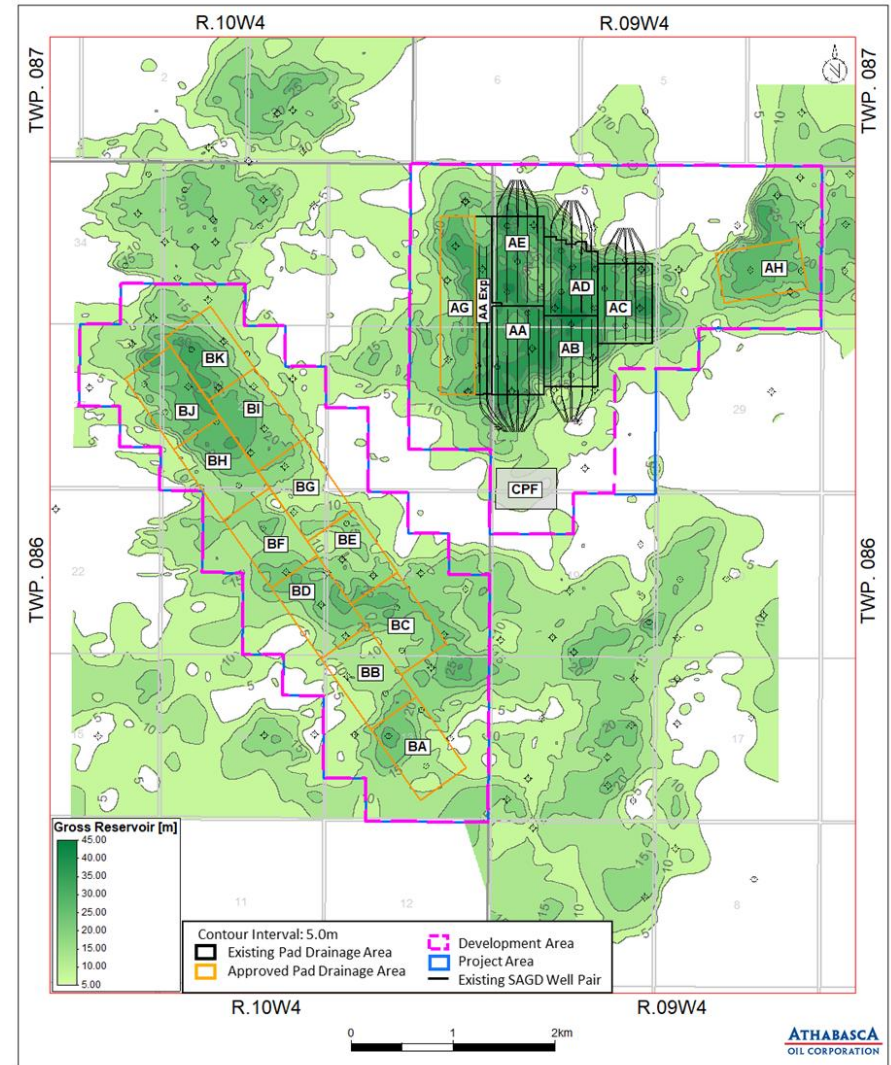
AUDITS

- No audits were completed

SUMMARY

- Continue development of AG drainage area; 2-4 well pairs proposed for 2027 to follow in accordance with production declines
- Evaluating well patterns on the East side of Hangingstone for future development after Pad AG

DEVELOPMENT MAP



ATHABASCA

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SUITE 1200, 215 – 9TH AVENUE SW

CALGARY, AB T2P 1K3

P:403-237-8227

F:403-264-4640