

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2024-07-30** | Period of Report: **2024-06-30**
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FILER

Ovintiv Inc.

CIK: **1792580** | IRS No.: **000000000** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-39191** | Film No.: **241158666**
SIC: **1311** Crude petroleum & natural gas

Mailing Address

370 - 17TH STREET, SUITE
1700
DENVER CO 80202

Business Address

370 - 17TH STREET, SUITE
1700
DENVER CO 80202
(303) 623-2300

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUAR
REPO
PURSU
TO
SECTI
13
OR
15(d)
OF
THE
SECUR
EXCH.
ACT
OF
1934

For the quarterly period ended June 30, 2024

or

TRANS
REPO
PURSU
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SECTI
13
OR
15(d)
OF
THE
SECUR
EXCH.
ACT
OF
1934

Commission file number 001-39191



Ovintiv Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State

or

other

jurisdiction

of

incorporation

or

organization)

84-4427

(I.R.S.

Employ

Identifi

No.)

Suite 1700, 370 17th Street, Denver, Colorado, 80202, U.S.A.

(Address of principal executive offices)

Registrant's telephone number, including area code (303) 623-2300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading

Symbol

each

exchange

on

which

register

NYSE

York

Stock

Exchan

Common Shares

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large

accelerated

filer

Acce

filer

Non-accelerated

filer

Small

reportin

compar

Emer

growth

compar

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Number
of
registrant's
shares
of
common
stock
outstanding
as
of
July
19,
2024

263,608

OVINTIV INC.
FORM 10-Q
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DEFINITIONS

Unless the context otherwise requires or otherwise expressly stated, all references in this Quarterly Report on Form 10-Q to “Ovintiv,” the “Company,” “us,” “we,” “our,” and “ours” refer to Ovintiv Inc. and its consolidated subsidiaries. In addition, the following are other abbreviations and definitions of certain terms used within this Quarterly Report on Form 10-Q:

- “AECO” means Alberta Energy Company and is the Canadian benchmark price for natural gas.
- “ASU” means Accounting Standards Update.
- “bbl” or “bbls” means barrel or barrels.
- “BOE” means barrels of oil equivalent.
- “Btu” means British thermal units, a measure of heating value.
- “CORRA” means Canadian Overnight Repo Rate Average.
- “DD&A” means depreciation, depletion and amortization expenses.
- “FASB” means Financial Accounting Standards Board.
- “GHG” means greenhouse gas.
- “Mbbbls/d” means thousand barrels per day.
- “MBOE/d” means thousand barrels of oil equivalent per day.
- “Mcf” means thousand cubic feet.
- “MD&A” means Management’s Discussion and Analysis of Financial Condition and Results of Operations.
- “MMBOE” means million barrels of oil equivalent.
- “MMBtu” means million Btu.
- “MMcfd” means million cubic feet per day.
- “NCIB” means normal course issuer bid.
- “NGL” or “NGLs” means natural gas liquids.
- “NYMEX” means New York Mercantile Exchange.
- “NYSE” means New York Stock Exchange.
- “OPEC” means Organization of the Petroleum Exporting Countries.
- “SEC” means United States Securities and Exchange Commission.
- “S&P 400” means Standard and Poor’s MidCap 400 index.
- “TSX” means Toronto Stock Exchange.
- “U.S.”, “United States” or “USA” means United States of America.
- “U.S. GAAP” means U.S. Generally Accepted Accounting Principles.
- “WTI” means West Texas Intermediate.

CONVERSIONS

In this Quarterly Report on Form 10-Q, a conversion of natural gas volumes to BOE is on the basis of six Mcf to one bbl. BOE is based on a generic energy equivalency conversion method primarily applicable at the burner tip and does not represent economic 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 equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value, particularly if used in isolation.

CONVENTIONS

Unless otherwise specified, all dollar amounts are expressed in U.S. dollars, all references to “dollars”, “\$” or “US\$” are to U.S. dollars and all references to “C\$” are to Canadian dollars. All amounts are provided on a before tax basis, unless otherwise stated. In addition, all information provided herein is presented on an after royalties basis.

The terms “include”, “includes”, “including” and “included” are to be construed as if they were immediately followed by the words “without limitation”, except where explicitly stated otherwise.

The term “liquids” is used to represent oil, NGLs and condensate. The term “liquids rich” is used to represent natural gas streams with associated liquids volumes. The term “play” is used to describe an area in which hydrocarbon accumulations or prospects of a given type occur. Ovintiv’s focus of development is on hydrocarbon accumulations known to exist over a large areal expanse and/or thick vertical section and are developed using hydraulic fracturing. This type of development typically has a lower geological and/or commercial development risk and lower average decline rate, when compared to conventional development.

References to information contained on the Company’s website at www.ovintiv.com are not incorporated by reference into, and does not constitute a part of, this Quarterly Report on Form 10-Q.

FORWARD-LOOKING STATEMENTS AND RISK

This Quarterly Report on Form 10-Q, and the other documents incorporated herein by reference (if any), contain certain forward-looking statements or information (collectively, “forward-looking statements”) within the meaning of applicable securities legislation, including Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, except for statements of historical fact, that relate to the anticipated future activities, plans, strategies, objectives or expectations of the Company are forward-looking statements. When used in this Quarterly Report on Form 10-Q, and the other documents incorporated herein by reference (if any), the use of words and phrases including “anticipates,” “believes,” “continue,” “could,” “estimates,” “expects,” “focused on,” “forecast,” “guidance,” “intends,” “maintain,” “may,” “opportunities,” “outlook,” “plans,” “potential,” “strategy,” “targets,” “will,” “would” and other similar terminology is intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words or phrases. Without limiting the generality of the foregoing, forward-looking statements contained in this Quarterly Report on Form 10-Q include: expectations of plans, strategies and objectives of the Company, including anticipated reserves development; the Company’s ability to consummate any future acquisition and divestiture transactions; the Company’s ability to successfully integrate any acquired assets (including the Permian Acquisition as defined in Note 9 to the Condensed Consolidated Financial Statements under Part I, Item 1 of this Quarterly Report on Form 10-Q) into its business; drilling plans and programs, including the amount and availability of capital to complete these plans and programs; the composition of the Company’s assets and the anticipated capital returns associated with its assets; anticipated oil, NGL and natural gas prices; the anticipated success of, and benefits from, technology and innovation, including the cube development model, Trimulfrac and Simulfrac techniques and other new or advanced drilling techniques or well completion designs; anticipated drilling and completions activity, including the number of drilling rigs and frac crews utilized; anticipated proceeds and future benefits from various joint venture, partnership and other agreements; anticipated oil, NGLs and natural gas production and commodity mix; the Company’s ability to access credit facilities, debt and equity capital markets and other sources of liquidity; the ability of the Company to timely achieve its stated environmental, social and governance goals, targets and initiatives; the impact of changes in federal, state, provincial, local and tribal laws, rules and regulations; anticipated compliance with current or proposed environmental legislation; the Company’s ability to manage debt and financial ratios and comply with financial covenants; the implementation and outcomes of risk management programs, including exposure to commodity prices, interest rate and foreign exchange fluctuations and the volume of oil, NGLs and natural gas production hedged; the declaration and payment of future dividends and the anticipated repurchase of the Company’s outstanding common shares; the Company’s ability to manage cost inflation and expected cost structures, including expected operating, transportation, processing and labor expenses; and the outlook of the oil and natural gas industry generally, including impacts from changes to the geopolitical environment.

The forward-looking statements included in this Quarterly Report on Form 10-Q involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. We have based these forward-looking statements on current expectations and assumptions about future events, taking into account all information currently known by us. While we consider these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond our control. The risks and uncertainties that may affect the operations, performance and results of our business and forward-looking statements include, but are not limited to, those set forth in Item 1A. Risk Factors of the Company’s most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the “2023 Annual Report on Form 10-K”); and other risks and uncertainties impacting

the Company's business as described from time to time in the Company's other periodic filings with the SEC or Canadian securities regulators.

Although the Company believes the expectations represented by its forward-looking statements are reasonable based on the information available to it as of the date such statements are made, forward-looking statements are only predictions and statements of our current beliefs and there can be no assurance that such expectations will prove to be correct. All forward-looking statements contained in this Quarterly Report on Form 10-Q are made as of the date of this document (or in the case of a document incorporated herein by reference, the date of such document) and, except as required by law, the Company undertakes no obligation to update publicly or revise any forward-looking statements. The forward-looking statements contained or incorporated by reference in this Quarterly Report on Form 10-Q, and all subsequent forward-looking statements attributable to the Company, whether written or oral, are expressly qualified by these cautionary statements.

The reader should carefully read the risk factors described in Item 1A. Risk Factors of the 2023 Annual Report on Form 10-K for a description of certain risks that could, among other things, cause actual results to differ from these forward-looking statements.

PART I

Item 1. Financial Statements

Condensed Consolidated Statement of Earnings (unaudited)

	(US\$ millions, except per share amounts)	Three Months Ended			Six Months Ended June 30, 2024
		June 30,			
		2024		2023	
Revenues		<i>(Note 3)</i>			
Product and service revenues	<i>(Note 4)</i>	\$ 2,193	\$ 2,352	\$ 4,580	\$ 4,944
Gains (losses) on risk management, net	<i>(Note 19)</i>	77	147	23	89
Sublease revenues	<i>(Note 11)</i>	18	18	37	35
Total Revenues		2,288	2,517	4,640	5,068
Operating Expenses		<i>(Note 3)</i>			
Production, mineral and other taxes		89	76	172	160
Transportation and processing		413	452	832	907
Operating		237	175	480	381
Purchased product		333	692	773	1,393
Depreciation, depletion and amortization		580	419	1,146	783
Accretion of asset retirement obligation		4	4	9	9
Administrative		76	168	178	226
Total Operating Expenses		1,732	1,986	3,590	3,859
Operating Income (Loss)		556	531	1,050	1,209
Other (Income) Expenses		<i>(Note 5)</i>			
Interest	<i>(Note 5)</i>	105	80	203	151
Foreign exchange (gain) loss, net	<i>(Note 6)</i>	(10)	25	(38)	22
Other (gains) losses, net		(5)	(11)	(9)	(14)
Total Other (Income) Expenses		90	94	156	159
Net Earnings (Loss) Before Income Tax		466	437	894	1,050
Income tax expense (recovery)	<i>(Note 7)</i>	126	101	216	227
Net Earnings (Loss)		\$ 340	\$ 336	\$ 678	\$ 823
Net Earnings (Loss) per Share of Common Stock		<i>(Note 14)</i>			
Basic		\$ 1.28	\$ 1.35	\$ 2.53	\$ 3.33
Diluted		1.27	1.34	2.51	3.28
Weighted Average Shares of Common Stock Outstanding (millions)		<i>(Note 14)</i>			
Basic		266.2	249.4	267.9	246.9
Diluted		268.1	250.8	270.6	250.8

Condensed Consolidated Statement of Comprehensive Income *(unaudited)*

	Three Months Ended				Six Months Ended June 30, 2023
	June 30,				
	2024			2023	
	(US\$ millions)				
Net Earnings (Loss)		\$ 340	\$ 336	\$ 678	\$ 823
Other Comprehensive Income (Loss), Net of Tax					
Foreign currency translation adjustment	<i>(Note 15)</i>	(31)	53	(107)	55
Pension and other post-employment benefit plans	<i>(Note 15)</i>	(2)	(1)	(3)	(3)
Other Comprehensive Income (Loss)		(33)	52	(110)	52
Comprehensive Income (Loss)		\$ 307	\$ 388	\$ 568	\$ 875

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheet *(unaudited)*

	(US\$ millions)	As at June 30, 2024	As at December 31, 2023
Assets			
Current Assets			
Cash and cash equivalents	\$ 8	\$ 3	
Accounts receivable and accrued revenues (net of allowances)			
of \$5 million (2023: \$5 million)	(Note 4)	1,208	1,442
Risk management	(Notes 18, 19)	117	214
Income tax receivable		67	17
		1,400	1,676
Property, Plant and Equipment, at cost:			
	(Note 10)		
Oil and natural gas properties, based on full cost accounting			
Proved properties	65,239	64,084	
Unproved properties	1,152	1,486	
Other	900	907	
Property, plant and equipment	67,291	66,477	
Less: Accumulated depreciation, depletion and amortization	(52,447)	(51,837)	
Property, plant and equipment, net	(Note 3)	14,844	14,640
Other Assets		978	1,015
Risk Management	(Notes 18, 19)	10	4
Deferred Income Taxes		-	53
Goodwill	(Note 3)	2,577	2,599
	(Note 3)	\$ 19,809	\$ 19,987
Liabilities and Shareholders' Equity			
Current Liabilities			

Accounts payable and accrued liabilities		\$ 1,872	\$ 2,209
Current portion of operating lease liabilities		85	87
Income tax payable		2	232
Risk management	(Notes 18, 19)	7	-
Current portion of long-term debt	(Note 12)	1,234	284
		3,200	2,812
Long-Term Debt	(Note 12)	4,853	5,453
Operating Lease Liabilities		804	832
Other Liabilities and Provisions	(Note 13)	141	132
Risk Management	(Notes 18, 19)	6	2
Asset Retirement Obligation		261	276
Deferred Income Taxes		216	110
		9,481	9,617
	Commitments and Contingencies	(Note 21)	
	Shareholders' Equity		
	Share capital		
	- authorized 775 million shares of stock		
2024 issued and outstanding: 264.1 million shares (2023: 271.7 million shares)	(Note 14)	3	3
Paid in surplus	(Note 14)	8,170	8,620
Retained earnings		1,215	697
Accumulated other comprehensive income	(Note 15)	940	1,050
Total Shareholders' Equity		10,328	10,370
		\$ 19,809	\$ 19,987

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Changes in Shareholders' Equity *(unaudited)*

	Three Months Ended June 30, 2024 (US\$ millions)		Share Capital		Paid in Surplus		Retained Earnings	Accumul- Other Compreh- ensive Income		
Balance, March 31, 2024	\$	3	\$	8,331	\$	955	\$	973	\$	10,262
Net Earnings (Loss)		-		-		340		-		340
Dividends on Shares of Common Stock (\$0.30 per share)	(Note 14)	-		-		(80)		-		(80)
Shares of Common Stock Purchased	(Note 14)	-		(184)		-		-		(184)
Equity-Settled Compensation Costs		-		23		-		-		23
Other Comprehensive Income (Loss)	(Note 15)	-		-		-		(33)		(33)
Balance, June 30, 2024	\$	3	\$	8,170	\$	1,215	\$	940	\$	10,328

	Three Months Ended June 30, 2023 (US\$ millions)		Share Capital		Paid in Surplus		Retained Earnings (Accumulated Deficit)	Accumul- Other Compreh- ensive Income		
Balance, March 31, 2023	\$	3	\$	7,555	\$	(655)	\$	991	\$	7,894
Net Earnings (Loss)		-		-		336		-		336
Dividends on Shares of Common Stock (\$0.30 per share)	(Note 14)	-		-		(82)		-		(82)
Shares of Common Stock Purchased	(Note 14)	-		(89)		-		-		(89)
Shares of Common Stock Issued	(Notes 9,14,20)	-		1,169		-		-		1,169
Equity-Settled Compensation Costs		-		36		-		-		36
Other Comprehensive Income (Loss)	(Note 15)	-		-		-		52		52
Balance, June 30, 2023	\$	3	\$	8,671	\$	(401)	\$	1,043	\$	9,316

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Changes in Shareholders' Equity *(unaudited)*

	Six Months Ended June 30, 2024 (US\$ millions)		Share Capital		Paid in Surplus		Retained Earnings	Accumul- Other Compreh- ensive Income
Balance, December 31, 2023	\$ 3	\$	8,620	\$	697	\$	1,050	\$ 10,370
Net Earnings (Loss)	-	-	-	678	-	-	678	
Dividends on Shares of Common Stock (\$0.60 per share)	(Note 14)	-	-	(160)	-	-	(160)	
Shares of Common Stock Purchased	(Note 14)	-	(434)	-	-	-	(434)	
Equity-Settled Compensation Costs	-	(16)	-	-	-	(16)		
Other Comprehensive Income (Loss)	(Note 15)	-	-	-	(110)	(110)		
Balance, June 30, 2024	\$ 3	\$	8,170	\$	1,215	\$	940	\$ 10,328

	Six Months Ended June 30, 2023 (US\$ millions)		Share Capital		Paid in Surplus		Retained Earnings (Accumulated Deficit)	Accumul- Other Compreh- ensive Income
Balance, December 31, 2022	\$ 3	\$	7,776	\$	(1,081)	\$	991	\$ 7,689
Net Earnings (Loss)	-	-	-	823	-	-	823	
Dividends on Shares of Common Stock (\$0.55 per share)	(Note 14)	-	-	(143)	-	-	(143)	
Shares of Common Stock Purchased	(Note 14)	-	(328)	-	-	-	(328)	
Shares of Common Stock Issued	(Notes 9,14,20)	-	1,169	-	-	-	1,169	
Equity-Settled Compensation Costs	-	54	-	-	-	54		
Other Comprehensive Income (Loss)	(Note 15)	-	-	-	52	52		
Balance, June 30, 2023	\$ 3	\$	8,671	\$	(401)	\$	1,043	\$ 9,316

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Cash Flows *(unaudited)*

	(US\$ millions)	Three Months Ended			Six Months Ended June 30,
		June 30,			2023
		2024			2023
Operating Activities					
Net earnings (loss)	\$ 340	\$ 336	\$ 678	\$ 823	
Depreciation, depletion and amortization	580	419	1,146	783	
Accretion of asset retirement obligation	4	4	9	9	
Deferred income taxes	(Note 7) 103	47	161	111	
Unrealized (gain) loss on risk management	(Note 19) (8)	(142)	92	(160)	
Unrealized foreign exchange (gain) loss	(Note 6) (5)	10	(28)	5	
Foreign exchange (gain) loss on settlements	(Note 6) (5)	4	(7)	3	
Other	16	21	9	(24)	
Net change in other assets and liabilities	(42)	(12)	(54)	(17)	
Net change in non-cash working capital	(Note 20) 37	144	(327)	366	
Cash From (Used in) Operating Activities	1,020	831	1,679	1,899	
Investing Activities					
Capital expenditures	(Note 3) (622)	(640)	(1,213)	(1,250)	
Acquisitions	(Note 8) (5)	(15)	(195)	(214)	
Corporate acquisition, net of cash acquired	(Note 9) -	(3,225)	12	(3,225)	
Proceeds from divestitures	(Note 8) 2	717	4	729	
Net change in investments and other	(16)	155	(10)	89	
Cash From (Used in) Investing Activities	(641)	(3,008)	(1,402)	(3,871)	
Financing Activities					
Net issuance (repayment) of revolving debt	(Note 12) (111)	100	350	287	
Issuance of long-term debt	(Note 12) -	2,278	-	2,278	
Purchase of shares of common stock	(Note 14) (184)	(89)	(434)	(328)	
Dividends on shares of common stock	(Note 14) (80)	(82)	(160)	(143)	
Finance lease payments and other	(1)	(1)	(30)	(72)	
Cash From (Used in) Financing Activities	(376)	2,206	(274)	2,022	
Foreign Exchange Gain (Loss) on Cash, Cash Equivalents and Restricted Cash Held in Foreign Currency					
	-	(3)	2	(3)	
Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	3	26	5	47	

Cash, Cash Equivalents and Restricted Cash, Beginning of Period	5	26	3	5
Cash, Cash Equivalents and Restricted Cash, End of Period	\$ 8	\$ 52	\$ 8	\$ 52
Cash, End of Period	\$ 6	\$ 9	\$ 6	\$ 9
Cash Equivalents, End of Period	2	43	2	43
Restricted Cash, End of Period	-	-	-	-
Cash, Cash Equivalents and Restricted Cash, End of Period	\$ 8	\$ 52	\$ 8	\$ 52

Supplementary
Cash
Flow
Information
(Note 20)

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements

1.

Ovintiv is in the business of the exploration for, the development of, and the production and marketing of oil, NGLs and natural gas.

The interim Condensed Consolidated Financial Statements include the accounts of Ovintiv and entities in which it holds a controlling interest. All intercompany balances and transactions are eliminated on consolidation. Undivided interests in oil and natural gas exploration and production joint ventures and partnerships are consolidated on a proportionate basis. Investments in non-controlled entities over which the Company has the ability to exercise significant influence are accounted for using the equity method.

The interim Condensed Consolidated Financial Statements are prepared in conformity with U.S. GAAP and the rules and regulations of the SEC. Pursuant to these rules and regulations, certain information and disclosures normally required under U.S. GAAP have been condensed or have been disclosed on an annual basis only. Accordingly, the interim Condensed Consolidated Financial Statements should be read in conjunction with the annual audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2023, which are included in Item 8 of Ovintiv's 2023 Annual Report on Form 10-K.

The interim Condensed Consolidated Financial Statements have been prepared following the same accounting policies and methods of computation as the annual audited Consolidated Financial Statements for the year ended December 31, 2023.

These unaudited interim Condensed Consolidated Financial Statements reflect, in the opinion of Management, all normal and recurring adjustments necessary to present fairly the financial position and results of the Company as at and for the periods presented. Interim condensed consolidated financial results are not necessarily indicative of consolidated financial results expected for the fiscal year.

2.

Changes in Accounting Policies and Practices

On January 1, 2024, Ovintiv adopted ASU 2023-07 "Improvements to Reportable Segment Disclosures", issued by FASB. The amendments enhance annual disclosure requirements about significant segment expenses that are regularly provided to the chief operating decision maker and included within reported measures of segment profit or loss. The amendments do not change how an entity identifies its operating segments. In addition, all annual disclosures are to be presented in interim periods beginning in the first quarter of 2025. The amendments will be applied retrospectively to all prior periods presented in the annual disclosures and are not expected to have a material impact on the Company's Consolidated Financial Statements.

New Standards Issued Not Yet Adopted

As of January 1, 2025, Ovintiv will be required to adopt ASU 2023-09 "Improvements to Income Tax Disclosures". The standard requires disaggregated information about the Company's effective tax rate reconciliation as well as information on income taxes paid. The amendment requires the tabular rate reconciliation to be presented using both percentages and amounts, with additional separate disclosure for any reconciling items within certain categories equal to or greater than five percent of net earnings or loss before income tax and the applicable statutory federal income tax rate. The amendment also requires the disaggregation of income taxes paid by federal, state, and foreign jurisdictions, as well as additional disaggregated information on income taxes paid to an individual jurisdiction equal to or greater than five percent of total income taxes paid. Amendments will be applied prospectively at the date of adoption and are not expected to have a material impact on the Company's Consolidated Financial Statements.

3.

Ovintiv's reportable segments are determined based on the following operations and geographic locations:

•**USA Operations** includes the exploration for, development of, and production of oil, NGLs and natural gas and other related activities within the U.S. cost center.

•**Canadian Operations** includes the exploration for, development of, and production of oil, NGLs and natural gas and other related activities within the Canadian cost center.

•**Market Optimization** is primarily responsible for the sale of the Company's proprietary production. These results are reported in the USA and Canadian Operations. Market optimization activities include third-party purchases and sales of product to provide operational flexibility and cost mitigation for transportation commitments, product type, delivery points and customer diversification. These activities are reflected in the Market Optimization segment. Market Optimization sells substantially all of the Company's upstream production to third-party customers. Transactions between segments are based on market values and are eliminated on consolidation.

Corporate and Other mainly includes unrealized gains or losses recorded on derivative financial instruments. Once the instruments are settled, the realized gains and losses are recorded in the reporting segment to which the derivative instruments relate. Corporate and Other also includes amounts related to sublease rentals.

Results of Operations (For the three months ended June 30)

Segment and Geographic Information

	USA Operations		2023		Canadian Operations		Market Optimiza	
	2024		2023		2024		2023	
Revenues								
Product and service revenues	\$ 1,421	\$ 1,181	\$ 422	\$ 468	\$ 350	\$ 703		
Gains (losses) on risk management, net	31	5	38	-	-	-		
Sublease revenues	-	-	-	-	-	-		
Total Revenues	1,452	1,186	460	468	350	703		
Operating Expenses								
Production, mineral and other taxes	85	73	4	3	-	-		
Transportation and processing	126	148	260	268	27	36		
Operating	205	167	26	2	6	6		
Purchased product	-	-	-	-	333	692		
Depreciation, depletion and amortization	498	336	76	78	-	-		
Total Operating Expenses	914	724	366	351	366	734		
Operating Income (Loss)	\$ 538	\$ 462	\$ 94	\$ 117	\$ (16)	\$ (31)		
Corporate & Other								
Revenues								
Product and service revenues			\$ -	\$ -	\$ 2,193	\$ 2,352		
Gains (losses) on risk management, net			8	142	77	147		
Sublease revenues			18	18	18	18		
Total Revenues			26	160	2,288	2,517		
Operating Expenses								
Production, mineral and other taxes			-	-	89	76		
Transportation and processing			-	-	413	452		
Operating			-	-	237	175		
Purchased product			-	-	333	692		
Depreciation, depletion and amortization			6	5	580	419		
Accretion of asset retirement obligation			4	4	4	4		
Administrative			76	168	76	168		
Total Operating Expenses			86	177	1,732	1,986		
Operating Income (Loss)			\$ (60)	\$ (17)	\$ 556	\$ 531		
Other (Income) Expenses								
Interest					105	80		
Foreign exchange (gain) loss, net					(10)	25		
Other (gains) losses, net					(5)	(11)		
Total Other (Income) Expenses					90	94		

Net Earnings (Loss) Before Income Tax	466	437
Income tax expense (recovery)	126	101
Net Earnings (Loss)	\$ 340	\$ 336

Results of Operations (For the six months ended June 30)

Segment and Geographic Information

	USA Operations				Canadian Operations		Market
	2024		2023		2024		Optimiza 2023
Revenues							
Product and service revenues	\$ 2,883	\$ 2,367	\$ 891	\$ 1,158	\$ 806	\$ 1,419	
Gains (losses) on risk management, net	55	7	60	(78)	-	-	
Sublease revenues	-	-	-	-	-	-	
Total Revenues	2,938	2,374	951	1,080	806	1,419	
Operating Expenses							
Production, mineral and other taxes	165	153	7	7	-	-	
Transportation and processing	253	295	511	535	68	77	
Operating	416	337	51	31	13	13	
Purchased product	-	-	-	-	773	1,393	
Depreciation, depletion and amortization	987	630	148	143	-	-	
Total Operating Expenses	1,821	1,415	717	716	854	1,483	
Operating Income (Loss)	\$ 1,117	\$ 959	\$ 234	\$ 364	\$ (48)	\$ (64)	

	Corporate & Other				Consolida	
	2024		2023		2023	
Revenues						
Product and service revenues			\$ -	\$ -	\$ 4,580	\$ 4,944
Gains (losses) on risk management, net			(92)	160	23	89
Sublease revenues			37	35	37	35
Total Revenues			(55)	195	4,640	5,068
Operating Expenses						
Production, mineral and other taxes			-	-	172	160
Transportation and processing			-	-	832	907
Operating			-	-	480	381
Purchased product			-	-	773	1,393
Depreciation, depletion and amortization			11	10	1,146	783
Accretion of asset retirement obligation			9	9	9	9
Administrative			178	226	178	226
Total Operating Expenses			198	245	3,590	3,859
Operating Income (Loss)			\$ (253)	\$ (50)	1,050	1,209

	Other (Income) Expenses	
Interest		203
Foreign exchange (gain) loss, net		(38)
Other (gains) losses, net		(9)
Total Other (Income) Expenses		156

Net Earnings (Loss) Before Income Tax	894	1,050
Income tax expense (recovery)	216	227
Net Earnings (Loss)	\$ 678	\$ 823

Intersegment Information

	Marketing Sales		Market Optimization				Total					
			Upstream Eliminations									
	For the three months ended June 30,	2024	2023	2024	2023	2024		2023				
Revenues	\$	2,393	\$	2,874	\$	(2,043)	\$	(2,171)	\$	350	\$	703
Operating Expenses												
Transportation and processing		156		180		(129)		(144)		27		36
Operating		6		6		-		-		6		6
Purchased product		2,247		2,719		(1,914)		(2,027)		333		692
Operating Income (Loss)	\$	(16)	\$	(31)	\$	-	\$	-	\$	(16)	\$	(31)

	Marketing Sales		Market Optimization				Total					
			Upstream Eliminations									
	For the six months ended June 30,	2024	2023	2024	2023	2024		2023				
Revenues	\$	4,891	\$	6,010	\$	(4,085)	\$	(4,591)	\$	806	\$	1,419
Operating Expenses												
Transportation and processing		326		345		(258)		(268)		68		77
Operating		13		13		-		-		13		13
Purchased product		4,600		5,716		(3,827)		(4,323)		773		1,393
Operating Income (Loss)	\$	(48)	\$	(64)	\$	-	\$	-	\$	(48)	\$	(64)

Capital Expenditures by Segment

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023					
USA Operations	\$	504	\$	502	\$	961	\$	969
Canadian Operations		117		137		250		279
Corporate & Other		1		1		2		2
	\$	622	\$	640	\$	1,213	\$	1,250

Goodwill, Property, Plant and Equipment and Total Assets by Segment

	Goodwill				Property, Plant and Equipment				Total Assets As at December 30, 2023
	As at		As at		As at		As at		
	June 30, 2024		December 31, 2023		June 30, 2024		December 31, 2023		
USA Operations	\$ 1,938	\$ 1,938	\$ 13,286	\$ 13,129	\$ 16,098	\$ 16,033	\$ 16,033	\$ 16,033	
Canadian Operations	639	661	1,416	1,357	2,348	2,404	2,404	2,404	
Market Optimization	-	-	-	-	200	232	232	232	
Corporate & Other	-	-	142	154	1,163	1,318	1,318	1,318	
	\$ 2,577	\$ 2,599	\$ 14,844	\$ 14,640	\$ 19,809	\$ 19,987	\$ 19,987	\$ 19,987	

4.

The following table summarizes Ovintiv's revenues from contracts with customers.

Revenues (For the three months ended June 30)

	USA Operations			2023	Canadian Operations			Market Optimiza 2023
	2024				2024			
	Revenues from Customers							
	Product revenues (1)							
Oil	\$ 1,192	\$ 947	\$ 4	\$ -	\$ 318	\$ 644		
NGLs	176	149	271	246	3	5		
Natural gas	55	86	150	223	23	49		
	Service revenues							
Gathering and processing	1	2	-	1	-	-		
Product and Service Revenues	\$ 1,424	\$ 1,184	\$ 425	\$ 470	\$ 344	\$ 698		

				2023	Corporate & Other			Consolidated 2023
	2024				2024			
	Revenues from Customers							
	Product revenues (1)							
Oil			\$ -	\$ -	\$ 1,514	\$ 1,591		
NGLs			-	-	450	400		
Natural gas			-	-	228	358		
	Service revenues							
Gathering and processing			-	-	1	3		
Product and Service Revenues			\$ -	\$ -	\$ 2,193	\$ 2,352		

(1)Includes revenues from production and revenues of product purchased from third parties, but excludes intercompany marketing fees transacted between the Company's operating segments.

Revenues (For the six months ended June 30)

	USA Operations			2023	Canadian Operations			Market Optimiza 2023
	2024				2024			
	Revenues from Customers							
	Product revenues (1)							

	Revenues from Customers				Product revenues (1)		
Oil	\$ 2,373	\$ 1,798	\$ 5	\$ -	\$ 710	\$ 1,253	
NGLs	364	333	505	483	11	25	
Natural gas	152	241	385	678	72	129	
	Service revenues						
Gathering and processing	2	2	1	2	-	-	
Product and Service Revenues	\$ 2,891	\$ 2,374	\$ 896	\$ 1,163	\$ 793	\$ 1,407	

	Revenues from Customers				Product revenues (1)		Corporate & Other		Consolidated
							2024		2023
Oil			\$ -	\$ -	\$ 3,088	\$ 3,051			
NGLs			-	-	880	841			
Natural gas			-	-	609	1,048			
	Service revenues								
Gathering and processing			-	-	3	4			
Product and Service Revenues			\$ -	\$ -	\$ 4,580	\$ 4,944			

(1) Includes revenues from production and revenues of product purchased from third parties, but excludes intercompany marketing fees transacted between the Company's operating segments.

The Company's revenues from contracts with customers consists of product sales including oil, NGLs and natural gas, as well as the provision of gathering and processing services to third parties. Ovintiv had no contract asset or liability balances during the periods presented. As at June 30, 2024, receivables and accrued revenues from contracts with customers were \$917 million (\$1,070 million as at December 31, 2023).

Ovintiv's product sales are sold under short-term contracts with terms that are less than one year at either fixed or market index prices or under long-term contracts exceeding one year at market index prices.

The Company's gathering and processing services are provided on an interruptible basis with transaction prices that are for fixed prices and/or variable consideration. Variable consideration received is related to recovery of plant operating costs or escalation of the fixed price based on a consumer price index. As the service contracts are interruptible, with service provided on an "as available" basis, there are no unsatisfied performance obligations remaining at June 30, 2024.

As at June 30, 2024, all remaining performance obligations are priced at market index prices or are variable volume delivery contracts. As such, the variable consideration is allocated entirely to the wholly unsatisfied performance obligation or promise to deliver units of production, and revenue is recognized at the amount for which the Company has the right to invoice the product delivered. As the period between when the product sales are transferred and Ovintiv receives payments is generally 30 to 60 days, there is no financing element associated with customer contracts. In addition, Ovintiv does not disclose unsatisfied performance obligations for customer contracts with terms less than 12 months or for variable consideration related to unsatisfied performance obligations.

5.

	Three Months Ended				Six Months Ended June 30, 2024
	June 30, 2024		2023		
	Interest Expense on:				
Debt	\$ 100	\$ 77	\$ 197	\$ 137	
Finance leases	1	1	1	1	
Other	4	2	5	13	
	\$ 105	\$ 80	\$ 203	\$ 151	

6.

	Three Months Ended				Six Months Ended June 30, 2024
	June 30, 2024		2023		
	Unrealized Foreign Exchange (Gain)				

	Loss on:					
Translation of U.S. dollar risk management contracts issued from Canada	\$	1	\$	(9)	\$	7
Translation of intercompany notes		(6)		19		(35)
		(5)		10		(28)
	Foreign Exchange (Gain) Loss on Settlements of:					
U.S. dollar financing debt issued from Canada		1		(1)		1
U.S. dollar risk management contracts issued from Canada		1		3		1
Intercompany notes		(6)		5		(8)
Other Monetary Revaluations		(1)		8		(4)
	\$	(10)	\$	25	\$	(38)
					\$	22

7.

	Three Months Ended				Six Months Ended June 30, 2023
	June 30, 2024		June 30, 2023		
	Current Tax	Deferred Tax	Current Tax	Deferred Tax	
United States	\$ 10	\$ 8	\$ 24	\$ 8	
Canada	13	46	31	108	
Total Current Tax Expense (Recovery)	23	54	55	116	
United States	77	65	135	137	
Canada	26	(18)	26	(26)	
Total Deferred Tax Expense (Recovery)	103	47	161	111	
Income Tax Expense (Recovery)	\$ 126	\$ 101	\$ 216	\$ 227	
Effective Tax Rate	27.0%	23.1%	24.2%	21.6%	

Ovintiv's interim income tax expense is determined using the estimated annual effective income tax rate applied to year-to-date net earnings before income tax plus the effect of legislative changes and amounts in respect of prior periods. The estimated annual effective income tax rate is impacted by expected annual earnings, changes in valuation allowances, income tax related to foreign operations, state taxes, the effect of legislative changes, non-taxable items and tax differences on transactions, which can produce interim effective tax rate fluctuations.

8.

	Three Months Ended				Six Months Ended June 30, 2024
	June 30, 2024		2023		
	Acquisitions				
USA Operations	\$ 5	\$ 15	\$ 195	\$ 208	
Canadian Operations	-	-	-	-	6
Total Acquisitions	5	15	195	214	
	Divestitures				
USA Operations	(2)	(718)	(4)	(730)	
Canadian Operations	-	1	-	-	1
Total Divestitures	(2)	(717)	(4)	(729)	
Net Acquisitions & (Divestitures)	\$ 3	\$ (702)	\$ 191	\$ (515)	

Acquisitions

For the three and six months ended June 30, 2024, acquisitions in the USA Operations were \$5 million and \$195 million, respectively, which primarily included property purchases in Permian with oil and liquids-rich potential.

For the three and six months ended June 30, 2023, acquisitions in the USA Operations were \$15 million and \$208 million, respectively, which primarily included property purchases in Permian and Uinta with oil and liquids-rich potential.

Divestitures

For the three and six months ended June 30, 2024, divestitures in the USA Operations were \$2 million and \$4 million respectively, which primarily included the sale of certain properties that did not complement Ovintiv's existing portfolio of assets.

For the three and six months ended June 30, 2023, divestitures in the USA Operations were \$718 million and \$730 million, respectively, which primarily included the sale of Bakken located in North Dakota for proceeds of approximately \$706 million, after closing and other adjustments.

Amounts received from the Company's divestiture transactions have been deducted from the respective U.S. and Canadian full cost pools.

9.

Acquisition of Midland Basin Assets ("Permian Acquisition")

On June 12, 2023, Ovintiv completed a business combination to purchase all of the outstanding equity interests in seven Delaware limited liability companies ("Permian LLCs") pursuant to the purchase agreement with Black Swan Oil & Gas, LLC, PetroLegacy II Holdings, LLC, Piedra Energy III Holdings, LLC and Piedra Energy IV Holdings, LLC, which were portfolio companies of funds managed by EnCap Investments L.P. ("EnCap"). The Company paid aggregate cash consideration of approximately \$3.2 billion and issued approximately 31.8 million shares of Ovintiv common stock, representing a value of approximately \$1.2 billion. The cash portion of the consideration was funded through a combination of net proceeds from the Company's May 2023 senior notes offering, net proceeds from the sale of Bakken during the second quarter of 2023, cash on hand and proceeds from short-term borrowings.

During the period from June 12, 2023 to December 31, 2023, transaction costs of approximately \$76 million were included in administrative expense.

The acquisition was strategically located in close proximity to Ovintiv's current Permian operations and added approximately 1,050 net well locations to Ovintiv's Permian inventory and approximately 65,000 net acres. The results of operations from the acquired Permian assets have been included in Ovintiv's consolidated financial statements since June 12, 2023.

Purchase Price Allocation

The Permian LLCs were accounted for under the acquisition method and as a single transaction because the purchase agreement was entered into at the same time with EnCap and in contemplation of one another to achieve an overall economic effect. The purchase price allocations represent the consideration paid and the fair values of the assets acquired, and liabilities assumed as of the acquisition date. The purchase price allocation was finalized during the first quarter of 2024.

	Purchase Price Allocation	—	—	—
	Consideration:			
Fair value of shares of Ovintiv common stock issued ⁽¹⁾			\$	1,169
Consideration paid in cash ⁽²⁾				3,229
Total Consideration			\$	4,398
	Assets Acquired:			
Cash and cash equivalents			\$	16
Accounts receivable and accrued revenues ⁽³⁾				202
Proved properties ⁽³⁾				3,727
Unproved properties ⁽³⁾				914
Other property, plant and equipment ⁽³⁾				17
	Liabilities Assumed:			
Accounts payable and accrued liabilities ⁽³⁾				(446)
Asset retirement obligation				(28)
Other liabilities and provisions ⁽³⁾				(4)
Total Purchase Price			\$	4,398

(1)The fair value was based on the issuance of 31.8 million shares of common stock using the NYSE price of \$36.78 on June 12, 2023.

(2)Cash consideration paid reflects final cash settlements of \$12 million which were completed during the first quarter of 2024.

(3)Since the completion of the business combination on June 12, 2023, additional information related to pre-acquisition assets and liabilities was obtained resulting in measurement period adjustments. Changes in the fair value estimates comprised an increase in accounts receivable and accrued revenues of \$22 million, an increase in proved properties of \$134 million, a decrease in unproved properties of \$227 million, a decrease in other property, plant and equipment of \$16 million, a decrease in accounts payable and accrued liabilities of \$73 million and a decrease in other liabilities and provisions of \$2 million.

The Company used the income approach valuation technique for the fair value of assets acquired and liabilities assumed. The carrying amounts of cash, accounts receivable and accounts payable approximate their fair values due to their nature and/or short-term maturity of the instruments. The fair value of tubular inventory in other property, plant and equipment was based on the fair value approach, which utilized subsequent sales of inventory, asset listings and cost records with consideration for the relative age, condition, utilization and economic support of the inventory. The fair values of the proved properties, unproved properties and asset retirement obligation were categorized within Level 3 and were determined using relevant market assumptions, including discount rates, future commodity prices and costs, timing of development activities, projections of oil and gas reserves, and estimates to abandon and reclaim producing wells. Level 3 inputs require significant judgment and estimates to be made.

For income tax purposes, the Permian Acquisition was treated as an asset purchase, and as a result, the tax basis in the assets and liabilities reflect their allocated fair value.

10.

	As at June 30, 2024			As at December 31, 2023		
	Cost		Accumulated DD&A	Net		Accumulated DD&A
USA Operations						
Proved properties	\$ 48,897	\$ (36,786)	\$ 12,111	\$ 47,440	\$ (35,799)	\$ 11,641
Unproved properties	1,121	-	1,121	1,449	-	1,449
Other	54	-	54	39	-	39
	50,072	(36,786)	13,286	48,928	(35,799)	13,129
Canadian Operations						
Proved properties	16,342	(14,963)	1,379	16,644	(15,332)	1,312
Unproved properties	31	-	31	37	-	37
Other	6	-	6	8	-	8
	16,379	(14,963)	1,416	16,689	(15,332)	1,357
Market Optimization	7	(7)	-	7	(7)	-
Corporate & Other	833	(691)	142	853	(699)	154
	\$ 67,291	\$ (52,447)	\$ 14,844	\$ 66,477	\$ (51,837)	\$ 14,640

USA and Canadian Operations' property, plant and equipment include internal costs directly related to exploration, development and construction activities of \$99 million, which have been capitalized during the six months ended June 30, 2024 (2023 - \$76 million).

11.

The following table outlines Ovintiv's estimated future sublease income as at June 30, 2024. All subleases are classified as operating leases.

	(undiscounted) 2024	2025	2026	2027	Thereafter
Sublease Income	\$ 25	\$ 51	\$ 46	\$ 41	\$ 364
					\$ 578

For the three and six months ended June 30, 2024, operating lease income was \$12 million and \$26 million, respectively (2023 - \$12 million and \$24 million, respectively), and variable lease income was \$6 million and \$11 million, respectively (2023 - \$6 million and \$11 million, respectively).

	As at June 30, 2024	As at December 31, 2023
U.S. Dollar Denominated Debt		
Revolving credit and term loan borrowings	\$ 634	\$ 284
U.S. Unsecured Notes:		
5.65% due May 15, 2025	600	600
5.375% due January 1, 2026	459	459
5.65% due May 15, 2028	700	700
8.125% due September 15, 2030	300	300
7.20% due November 1, 2031	350	350
7.375% due November 1, 2031	500	500
6.25% due July 15, 2033	600	600
6.50% due August 15, 2034	599	599
6.625% due August 15, 2037	390	390
6.50% due February 1, 2038	430	430
5.15% due November 15, 2041	148	148
7.10% due July 15, 2053	400	400
Total Principal	6,110	5,760
Increase in Value of Debt Acquired	19	22
Unamortized Debt Discounts and Issuance Costs	(42)	(45)
Total Long-Term Debt	\$ 6,087	\$ 5,737
Current Portion	\$ 1,234	\$ 284
Long-Term Portion	4,853	5,453
	\$ 6,087	\$ 5,737

On May 31, 2023, Ovintiv completed a public offering of senior unsecured notes of \$600 million with a coupon rate of 5.65 percent due May 15, 2025, \$700 million with a coupon rate of 5.65 percent due May 15, 2028, \$600 million with a coupon rate of 6.25 percent due July 15, 2033, and \$400 million with a coupon rate of 7.10 percent due July 15, 2053. The net proceeds of the offering, totaling \$2,278 million, were used to fund a portion of the Company's Permian Acquisition. See Note 9 for further information on the business combination.

As at June 30, 2024, the Company had outstanding commercial paper of \$384 million maturing at various dates with a weighted average interest rate of approximately 6.13 percent. As at June 30, 2024, the Company also had \$250 million drawn on its revolving credit facilities. The credit facilities are unsecured and bear interest at the lenders' U.S. base rate, Canadian prime, Bankers' Acceptances, SOFR or CORRA, plus applicable margins.

As at June 30, 2024, total long-term debt had a carrying value of \$6,087 million and a fair value of \$6,293 million (as at December 31, 2023 - carrying value of \$5,737 million and a fair value of \$5,989 million). The estimated fair value of long-term borrowings is categorized within Level 2 of the fair value hierarchy and has been determined based on market information of long-term debt with similar terms and maturity, or by discounting future payments of interest and principal at interest rates expected to be available to the Company at period end.

13.

		As at June 30, 2024	As at December 31, 2023
Finance Lease Obligations	\$	16	\$ 20
Unrecognized Tax Benefits		36	16
Pensions and Other Post-Employment Benefits		77	74
Other		12	22
	\$	141	\$ 132

Authorized

Ovintiv is authorized to issue 750 million shares of common stock, par value \$0.01 per share, and 25 million shares of preferred stock, par value \$0.01 per share. No shares of preferred stock are outstanding.

Issued and Outstanding

	As at June 30, 2024		As at December 31, 2023	
	Number (millions)	Amount	Number (millions)	Amount
Shares of Common Stock Outstanding, Beginning of Year	271.7	\$ 3	245.7	\$ 3
Shares of Common Stock Purchased	(9.0)	-	(9.9)	-
Shares of Common Stock Issued	1.4	-	35.9	-
Shares of Common Stock Outstanding, End of Period	264.1	\$ 3	271.7	\$ 3

On June 12, 2023, in accordance with the terms of the Permian Acquisition agreement, Ovintiv issued approximately 31.8 million shares of common stock as a component of the consideration paid to EnCap as discussed in Note 9. In conjunction with the share issuance, the Company recognized share capital of \$318 thousand and paid in surplus of \$1,169 million.

Ovintiv's Performance Share Units ("PSU") and Restricted Share Units ("RSU") stock-based compensation plans allow the Company to settle the awards either in cash or in the Company's common stock. Accordingly, Ovintiv issued 1.4 million shares of common stock during the six months ended June 30, 2024 (4.1 million shares of common stock during the twelve months ended December 31, 2023), as certain PSU and RSU grants vested during the period.

Normal Course Issuer Bid and Other Share Buybacks

During the three and six months ended June 30, 2024, the Company purchased approximately 3.6 million shares and 9.0 million shares, respectively, for total consideration of approximately \$184 million and \$434 million, respectively. Of the amounts paid during the same three and six month periods, \$36 thousand and \$90 thousand, respectively, were charged to share capital and \$184 million and \$434 million, respectively, were charged to paid in surplus.

During the three and six months ended June 30, 2023, the Company purchased approximately 2.5 million shares and 7.7 million shares, respectively, for total consideration of approximately \$89 million and \$328 million, respectively. Of the amounts paid during the same three and six month periods, \$25 thousand and \$77 thousand, respectively, were charged to share capital and \$89 million and \$328 million, respectively, were charged to paid in surplus.

For the twelve months ended December 31, 2023, the Company purchased approximately 9.9 million shares for total consideration of approximately \$426 million, of which \$99 thousand was charged to share capital and \$426 million was charged to paid in surplus.

All NCIB purchases were made in accordance with their respective programs at prevailing market prices plus brokerage fees, with consideration allocated to share capital up to the par value of the shares, with any excess allocated to paid in surplus.

Dividends

During the three months ended June 30, 2024, the Company declared and paid dividends of \$0.30 per share of common stock totaling \$80 million (2023 - \$0.30 per share of common stock totaling \$82 million).

During the six months ended June 30, 2024, the Company declared and paid dividends of \$0.60 per share of common stock totaling \$160 million (2023 - \$0.55 per share of common stock totaling \$143 million).

On July 30, 2024, the Board of Directors declared a dividend of \$0.30 per share of common stock payable on September 27, 2024, to shareholders of record as of September 13, 2024.

Earnings Per Share of Common Stock

The following table presents the calculation of net earnings (loss) per share of common stock:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024		2023	
	(US\$ millions, except per share amounts)			
Net Earnings (Loss)	\$ 340	\$ 336	\$ 678	\$ 823
	Number of Shares of Common Stock:			
Weighted average shares of common stock outstanding - Basic	266.2	249.4	267.9	246.9
Effect of dilutive securities	1.9	1.4	2.7	3.9
Weighted Average Shares of Common Stock Outstanding - Diluted	268.1	250.8	270.6	250.8
	Net Earnings (Loss) per Share of Common Stock			
Basic	\$ 1.28	\$ 1.35	\$ 2.53	\$ 3.33
Diluted	1.27	1.34	2.51	3.28

Stock-Based Compensation Plans

Shares issued as a result of awards granted from stock-based compensation plans are funded out of the common stock authorized for issuance as approved by the Company's shareholders. As at June 30, 2024, there were no changes to Ovintiv's compensation plans and the Company has sufficient common stock held in reserve for issuance in accordance with its equity-settled stock-based compensation plans.

	Three Months Ended				Six Months Ended June 30, 2023
	2024		2023		
	June 30,				
	Foreign Currency Translation Adjustment				
Balance, Beginning of Period	\$ 924	\$ 939	\$ 1,000	\$ 937	
Change in Foreign Currency Translation Adjustment	(31)	53	(107)	55	
Balance, End of Period	\$ 893	\$ 992	\$ 893	\$ 992	
	Pension and Other Post-Employment Benefit Plans				
Balance, Beginning of Period	\$ 49	\$ 52	\$ 50	\$ 54	
	Amounts Reclassified from Other Comprehensive Income:				
Reclassification of net actuarial (gains) and losses to net earnings	(2)	(2)	(3)	(4)	
Income taxes	-	1	-	1	
Balance, End of Period	\$ 47	\$ 51	\$ 47	\$ 51	
Total Accumulated Other Comprehensive Income	\$ 940	\$ 1,043	\$ 940	\$ 1,043	

Veresen Midstream Limited Partnership

Veresen Midstream Limited Partnership (“VMLP”) provides gathering, compression and processing services under various agreements related to the Company’s development of liquids and natural gas production in the Montney play. As at June 30, 2024, VMLP provides approximately 1,153 MMcf/d of natural gas gathering and compression and 913 MMcf/d of natural gas processing under long-term service agreements with remaining terms ranging from seven to 21 years and have various renewal terms providing up to a potential maximum of 10 years.

Ovintiv has determined that VMLP is a variable interest entity and that Ovintiv holds variable interests in VMLP. Ovintiv is not the primary beneficiary as the Company does not have the power to direct the activities that most significantly impact VMLP’s economic performance. These key activities relate to the construction, operation, maintenance and marketing of the assets owned by VMLP. The variable interests arise from certain terms under the various long-term service agreements and include: i) a take or pay for volumes in certain agreements; ii) an operating fee of which a portion can be converted into a fixed fee once VMLP assumes operatorship of certain assets; and iii) a potential payout of minimum costs in certain agreements. The potential payout of minimum costs will be assessed in the eighth year of the assets’ service period and is based on whether there is an overall shortfall of total system cash flows from natural gas gathered and compressed under certain agreements. The potential payout amount can be reduced in the event VMLP markets unutilized capacity to third-party users. Ovintiv is not required to provide any financial support or guarantees to VMLP.

As a result of Ovintiv’s involvement with VMLP, the maximum total exposure to loss related to the commitments under the agreements is estimated to be \$1,111 million as at June 30, 2024. The estimate comprises the take or pay volume commitments and the potential payout of minimum costs. The take or pay volume commitments associated with certain gathering and processing assets are included in Note 21 under Transportation and Processing. The potential payout requirement is highly uncertain as the amount is contingent on future production estimates, pace of development and downstream transportation constraints. As at June 30, 2024, accounts payable and accrued liabilities included \$0.6 million related to the take or pay commitment.

17.

As at June 30, 2024, there were no changes to Ovintiv’s compensation plans and the Company has sufficient common stock held in reserve for issuance in accordance with its equity-settled stock-based compensation plans.

The Company has recognized the following share-based compensation costs:

	Three Months Ended				Six Months Ended June 30, 2023	Six Months Ended June 30, 2024
	June 30, 2024		June 30, 2023			
Total Compensation Costs of Transactions Classified as Cash-Settled	\$ (3)	\$ 4	\$ 2	\$ (24)		
Total Compensation Costs of Transactions Classified as Equity-Settled	24	24	48	45		
Less: Total Share-Based Compensation Costs Capitalized	(8)	(5)	(14)	(13)		
Total Share-Based Compensation Expense (Recovery)	\$ 13	\$ 23	\$ 36	\$ 8		
	Recognized in the Condensed Consolidated Statement of Earnings in:					
Operating	\$ 5	\$ 7	\$ 13	\$ 11		
Administrative	8	16	23	(3)		
	\$ 13	\$ 23	\$ 36	\$ 8		

As at June 30, 2024, the liability for cash-settled share-based payment transactions totaled \$14 million (\$14 million as at December 31, 2023), which is recognized in accounts payable and accrued liabilities.

The following weighted average assumptions were used to determine the fair value of SAR and TSAR units outstanding:

	As at June 30, 2024		As at June 30, 2023
	US\$ SAR Share Units	CS TSAR Share Units	
Risk Free Interest Rate	4.04%	4.04%	4.61%
Dividend Yield Expected	2.56%	2.54%	3.25%
Volatility Rate (1)	48.63%	45.21%	59.88%

Expected Term	1.0 yrs	1.0 yrs	1.2 yrs
Market Share Price	US\$46.87	C\$64.13	US\$88.07
Weighted Average Grant Date Fair Value	US\$40.91	C\$54.84	US\$24.67

(1)Volatility was estimated using historical rates.

The following units were granted primarily in conjunction with the Company’s annual grant of long-term incentive awards. The PSUs and RSUs were granted at the volume-weighted average trading price of shares of Ovintiv common stock for the five days prior to the grant date.

	Six Months Ended June 30, 2024 (thousands of units)
RSUs	1,494
PSUs	582
DSUs	5

18.

The fair values of cash and cash equivalents, accounts receivable and accrued revenues, and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term maturity of those instruments. The fair values of restricted cash and marketable securities included in other assets approximate their carrying amounts due to the nature of the instruments held.

Recurring fair value measurements are performed for risk management assets and liabilities and other derivative contracts, as discussed further in Note 19. These items are carried at fair value in the Condensed Consolidated Balance Sheet and are classified within the three levels of the fair value hierarchy in the following tables.

Fair value changes and settlements for amounts related to risk management assets and liabilities are recognized in revenues and foreign exchange gains and losses according to their purpose.

	As at June 30, 2024	Level 1 Quoted Prices in Active Markets	Level 2 Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total Carrying Amount	
Risk Management Assets						
Commodity Derivatives:						
Current assets	\$ -	\$ 126	\$ -	\$ 126	\$ (10)	\$ 116
Long-term assets	-	16	-	16	(6)	10
Foreign Currency Derivatives:						
Current assets	-	1	-	1	-	1
Risk Management Liabilities						
Commodity Derivatives:						
Current liabilities	\$ -	\$ -	\$ 17	\$ 17	\$ (10)	\$ 7
Long-term liabilities	-	12	-	12	(6)	6

	As at December 31, 2023	Level 1 Quoted Prices in Active Markets	Level 2 Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total Carrying Amount	
Risk Management Assets						
Commodity Derivatives:						
Current assets	\$ -	\$ 188	\$ 16	\$ 204	\$ (1)	\$ 203
Long-term assets	-	5	-	5	(1)	4

	Foreign Currency Derivatives:								
Current assets	-	11	-	11	-			11	
	Risk Management Liabilities								
	Commodity Derivatives:								
Current liabilities	\$ -	\$ 1	\$ -	\$ 1	\$ (1)		\$ -		
Long-term liabilities	-	3	-	3	(1)		2		
	Other Derivative Contracts (2)								
Current in accounts payable and accrued liabilities	\$ -	\$ 4	\$ -	\$ 4	\$ -		\$ 4		

(1) Netting to offset derivative assets and liabilities where the legal right and intention to offset exists, or where counterparty master netting arrangements contain provisions for net settlement.

(2) Includes credit derivatives associated with certain prior years' divestitures.

The Company's Level 1 and Level 2 risk management assets and liabilities consist of commodity fixed price contracts, NYMEX three-way options, NYMEX costless collars, foreign currency swaps and basis swaps with terms to 2025. The fair values of these contracts are estimated using inputs which are either directly or indirectly observable from active markets, such as exchange and other published prices, broker quotes and observable trading activity throughout the term of the instruments.

Level 3 Fair Value Measurements

As at June 30, 2024, the Company's Level 3 risk management assets and liabilities consist of WTI costless collars and WTI three-way options with terms to 2025. The WTI three-way options are a combination of a sold call, a bought put and a sold put. The WTI costless collars are a combination of a sold call and a bought put. These contracts allow the Company to participate in the upside of commodity prices to the ceiling of the call option and provide the Company with complete (collars) or partial (three-way) downside price protection through the put options. The fair values of these contracts are determined using an option pricing model using observable and unobservable inputs such as implied volatility. The unobservable inputs are obtained from third parties whenever possible and reviewed by the Company for reasonableness.

A summary of changes in Level 3 fair value measurements for risk management positions is presented below:

	Six Months Ended		2023
	June 30,		
	2024		
Balance, Beginning of Year	\$	16	\$ 12
Total Gains (Losses)		(42)	48
Purchases, Sales, Issuances and Settlements:			
Purchases, sales and issuances		-	-
Settlements		9	-
Transfers Out of Level 3		-	-
Balance, End of Period	\$	(17)	\$ 60
Change in Unrealized Gains (Losses) During the			
Period Included in Net Earnings (Loss)	\$	(33)	\$ 48

Quantitative information about unobservable inputs used in Level 3 fair value measurements is presented below as at June 30, 2024:

Risk Management	Valuation Technique	Weighted Unobservable Input
WTI Options	Option Model	20% Implied Volatility 36%

(1)Unobservable inputs were weighted by the relative fair value of the instruments.

A 10 percent increase or decrease in implied volatility for the WTI options would cause an approximate corresponding \$4 million (\$1 million as at December 31, 2023) increase or decrease to net risk management assets and liabilities.

A) Financial Instruments

Ovintiv's financial assets and liabilities are recognized in cash and cash equivalents, accounts receivable and accrued revenues, other assets, accounts payable and accrued liabilities, risk management assets and liabilities, long-term debt, and other liabilities and provisions.

B) Risk Management Activities

Ovintiv uses derivative financial instruments to manage its exposure to fluctuating commodity prices and foreign currency exchange rates. The Company does not apply hedge accounting to any of its derivative financial instruments. As a result, gains and losses from changes in the fair value are recognized in net earnings (loss).

Commodity Price Risk

Commodity price risk arises from the effect that fluctuations in future commodity prices may have on revenues from production. To partially mitigate exposure to commodity price risk, the Company has entered into various derivative financial instruments. The use of these derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors.

Oil and NGLs - To partially mitigate oil and NGL commodity price risk, the Company uses WTI- and NGL-based contracts such as fixed price contracts, options and costless collars. Ovintiv has also entered into basis swaps to manage against widening price differentials between various production areas, products and price points.

Natural Gas - To partially mitigate natural gas commodity price risk, the Company uses NYMEX-based contracts such as fixed price contracts, options and costless collars. Ovintiv has also entered into basis swaps to manage against widening price differentials between various production areas and benchmark price points.

Foreign Exchange Risk

Foreign exchange risk arises from changes in foreign currency exchange rates that may affect the fair value or future cash flows from the Company's financial assets or liabilities. To partially mitigate the effect of foreign exchange fluctuations on future commodity revenues and expenses, the Company may enter into foreign currency derivative contracts. As at June 30, 2024, the Company has entered into \$236 million notional U.S. dollar denominated currency swaps at an average exchange rate of C\$1.3697 to US\$1, which mature monthly through the remainder of 2024.

Risk Management Positions as at June 30, 2024

			Notional Volumes	Term	Average Value
	Oil and NGL Contracts				US\$/ bbl
	Fixed Price Contracts				
Ethane Fixed Price	5.0 Mbbls/d	2024	10.28	\$	2
	WTI Three-Way Options				
Sold call / bought put / sold put	45.0 Mbbls/d	2024	86.75 / 65.00 / 50.00		(9)
Sold call / bought put / sold put	25.3 Mbbls/d	2025	85.52 / 65.00 / 50.00		(8)
	WTI Costless Collars				
Sold call / bought put	5.0 Mbbls/d	2024	92.06 / 60.00		-
Basis Contracts ⁽¹⁾		2024			-
Oil and NGLs Fair Value Position					(15)
	Natural Gas Contracts				US\$/ Mcf
	Fixed Price Contracts				
NYMEX Fixed Price	200 MMcf/d	2024	3.62		27
	NYMEX Three-Way Options				
Sold call / bought put / sold put	200 MMcf/d	2024	4.51 / 3.00 / 2.25		10
Sold call / bought put / sold put	500 MMcf/d	2025	4.54 / 3.00 / 2.25		(9)
	NYMEX Costless Collars				
Sold call / bought put	400 MMcf/d	2024	4.49 / 3.00		26
Basis Contracts ⁽²⁾		2024			46
		2025			28
Natural Gas Fair Value Position					128
	Foreign Currency Contracts				
Fair Value Position ⁽³⁾		2024			1
Total Fair Value Position					\$ 114

- (1)Ovintiv has entered into oil differential swaps associated with Canadian condensate and WTI.
- (2)Ovintiv has entered into natural gas basis swaps associated with AECO, Waha and NYMEX.
- (3)Ovintiv has entered into U.S. dollar denominated fixed-for-floating average currency swaps to protect against fluctuations between the Canadian and U.S. dollars.

Earnings Impact of Realized and Unrealized Gains (Losses) on Risk Management Positions

	Three Months Ended				2023	Six Months Ended June 30, 2024
	June 30,					
	2024					
	Realized Gains (Losses) on Risk Management					
	Commodity and Other Derivatives:					
Revenues ⁽¹⁾	\$ 69	\$ 5	\$ 115	\$		(71)
	Foreign Currency Derivatives:					
Foreign exchange	(1)	(3)	(1)			(7)
	Interest Rate Derivatives:					
Interest Rate ⁽²⁾	-	1	-			1
	\$ 68	\$ 3	\$ 114	\$		(77)
	Unrealized Gains (Losses) on Risk Management					
	Commodity and Other Derivatives:					
Revenues ⁽³⁾	\$ 8	\$ 142	\$ (92)	\$		160
	Foreign Currency Derivatives:					
Foreign exchange	(2)	9	(10)			15
	\$ 6	\$ 151	\$ (102)	\$		175
	Total Realized and Unrealized Gains (Losses) on Risk					

	Management, net Commodity and Other Derivatives:				
Revenues ⁽¹⁾⁽³⁾	\$ 77	\$	147	\$ 23	\$ 89
Foreign exchange	(3)		6	(11)	8
Interest Rate ⁽²⁾	-		1	-	1
	\$ 74	\$	154	\$ 12	\$ 98

(1)Includes a realized gain of \$4 million for the three and six months ended June 30, 2024, respectively (2023 - nil, respectively), related to other derivative contracts.

(2)The interest rate swap was executed and settled during the three months ended June 30, 2023, in relation to the senior notes issuance described in Note 12. The gain was recognized in interest expense.

(3)There were no unrealized gains or losses related to other derivative contracts for the three or six months ended June 30, 2024 or 2023.

Reconciliation of Unrealized Risk Management Positions from January 1 to June 30

	2024			2023
	Fair Value			Total Unrealized Gain (Loss)
Fair Value of Contracts, Beginning of Year	\$ 212			
Change in Fair Value of Contracts in Place at Beginning of Year				
and Contracts Entered into During the Period	12	\$ 12	\$	98
Settlement of Other Derivative Contracts	4			
Fair Value of Contracts Realized During the Period	(114)	(114)		77
Fair Value of Contracts, End of Period	\$ 114	\$ (102)	\$	175

Risk management assets and liabilities arise from the use of derivative financial instruments and are measured at fair value. See Note 18 for a discussion of fair value measurements.

Unrealized Risk Management Positions

		As at June 30, 2024	As at December 31, 2023
	Risk Management Assets		
Current	\$ 117	\$ 214	
Long-term	10		4
	127		218
	Risk Management Liabilities		
Current	7		-
Long-term	6		2
	13		2
	Other Derivative Contract Liabilities		
Current in accounts payable and accrued liabilities	-		4
	-		4
Net Risk Management Assets (Liabilities) and Other Derivative Contracts	\$ 114	\$ 212	

C) Credit Risk

Credit risk arises from the potential that the Company may incur a loss if a counterparty to a financial instrument fails to meet its obligation in accordance with agreed terms. While exchange-traded contracts are subject to nominal credit risk due to the financial safeguards established by the exchanges and clearing agencies, over-the-counter traded contracts expose Orintiv to counterparty credit risk. Counterparties to the Company's derivative financial instruments consist primarily of major financial institutions and companies within the energy industry. This credit risk exposure is mitigated through the use of credit policies approved by the Board of Directors governing the Company's credit portfolio including credit practices that limit transactions according to counterparties' credit quality. Mitigation strategies may include master netting arrangements, requesting collateral, purchasing credit insurance and/or transacting credit derivatives. The Company executes commodity derivative financial instruments under master agreements that have netting provisions that provide for offsetting payables against receivables. Orintiv actively evaluates the creditworthiness of its counterparties, assigns appropriate credit limits and monitors credit exposures against those assigned limits. As at June 30, 2024, Orintiv's maximum exposure of loss due to credit risk from derivative financial instrument assets on a gross and net fair value basis was \$143 million and \$127 million, respectively, as disclosed in Note 18. The Company had no significant credit derivatives in place and held no collateral at June 30, 2024.

Any cash equivalents include high-grade, short-term securities, placed primarily with financial institutions with investment grade ratings. Any foreign currency agreements entered into are with major financial institutions that have investment grade credit ratings.

A substantial portion of the Company's accounts receivable are with customers and working interest owners in the oil and gas industry and are subject to normal industry credit risks. As at June 30, 2024, approximately 93 percent (91 percent as at December 31, 2023) of Orintiv's accounts receivable and financial derivative credit exposures were with investment grade counterparties.

During 2015 and 2017, the Company entered into agreements resulting from divestitures, which required Orintiv to fulfill certain payment obligations on the take or pay volume commitments assumed by the purchasers. The circumstances that would require Orintiv

to perform under the agreements included events where a purchaser failed to make payment to the guaranteed party and/or a purchaser was subject to an insolvency event. The agreements had a fair value of \$4 million as at December 31, 2023 and expired in June 2024.

Supplemental disclosures to the Condensed Consolidated Statement of Cash Flows are presented below:

A) Net Change in Non-Cash Working Capital

	Three Months Ended				Six Months Ended June 30, 2023	Six Months Ended June 30, 2024
	June 30, 2024		June 30, 2023			
Operating Activities						
Accounts receivable and accrued revenues	\$ 63	\$ 205	\$ 235	\$ 519		
Accounts payable and accrued liabilities	(9)	(103)	(301)	(290)		
Current portion of operating lease liabilities	6	(3)	(3)	9		
Income tax receivable and payable	(23)	45	(258)	128		
	\$ 37	\$ 144	\$ (327)	\$ 366		

B) Non-Cash Activities

	Three Months Ended				Six Months Ended June 30, 2023	Six Months Ended June 30, 2024
	June 30, 2024		June 30, 2023			
Non-Cash Operating Activities						
ROU operating lease assets and liabilities	\$ (25)	\$ (40)	\$ (33)	\$ (69)		
Non-Cash Investing Activities						
Property, plant and equipment accruals	\$ (17)	\$ 93	\$ (2)	\$ 92		
Capitalized long-term incentives	-	-	(7)	(2)		
Property additions/dispositions, including swaps	14	4	31	22		
Non-Cash Financing Activities						
Common shares issued in conjunction with the Permian Acquisition (See Note 9)	\$ -	\$ (1,169)	\$ -	\$ (1,169)		

Commitments

The following table outlines the Company's commitments as at June 30, 2024:

	Expected Future Payments										
	(undiscounted)	2024			2025			2026		2027	Total
Transportation and Processing	\$ 336	\$ 669	\$ 594	\$ 498	\$ 445	\$ 2,145					\$ 4,687
Drilling and Field Services	172	105	7	-	-	-					284
Building Leases & Other Commitments	5	9	8	7	6	19					54
Total	\$ 513	\$ 783	\$ 609	\$ 505	\$ 451	\$ 2,164					\$ 5,025

Operating leases with terms greater than one year are not included in the commitments table above. The table above includes short-term leases with contract terms less than 12 months, such as drilling rigs and field office leases, as well as non-lease operating cost components associated with building leases.

Included within transportation and processing in the table above are certain commitments associated with midstream service agreements with VMLP as described in Note 16. Divestiture transactions can reduce certain commitments disclosed above.

Contingencies

Ovintiv is involved in various legal claims and actions arising in the normal course of the Company's operations. Although the outcome of these claims cannot be predicted with certainty, the Company does not expect these matters to have a material adverse effect on Ovintiv's financial position, cash flows or results of operations. Management's assessment of these matters may change in the future as these matters are subject to a number of uncertainties. For any material matters that the Company believes an unfavorable outcome is reasonably possible, the Company discloses the nature and a range of potential exposures, if reasonably estimable. If an unfavorable outcome were to occur, there exists the possibility of a material impact on the Company's consolidated net earnings or loss for the period in which the effect becomes reasonably estimable. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. Such accruals are based on the Company's information known about the matters, estimates of the outcomes of such matters and experience in handling similar matters.

During the second quarter of 2024, Ovintiv resolved a dispute related to the previous disposition of certain legacy assets. The Company expects to receive net proceeds of approximately \$150 million later in the year, at which time the Company will recognize a contingent gain within Other (gains) losses, net in its Consolidated Statement of Earnings. Ovintiv recognizes contingent gains in its Consolidated Financial Statements when the gain is realized or considered realizable.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The MD&A is intended to provide a narrative description of the Company’s business from management’s perspective, which includes an overview of Ovintiv’s condensed consolidated results for the three and six months ended June 30, 2024, and period-over-period comparison. This MD&A should be read in conjunction with the unaudited interim Condensed Consolidated Financial Statements and accompanying notes for the period ended June 30, 2024 (“Consolidated Financial Statements”), which are included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the audited Consolidated Financial Statements and accompanying notes and MD&A for the year ended December 31, 2023, which are included in Items 8 and 7, respectively, of the 2023 Annual Report on Form 10-K.

Common industry terms and abbreviations are used throughout this MD&A and are defined in the Definitions, Conversions and Conventions sections of this Quarterly Report on Form 10-Q. This MD&A includes the following sections:

- [Executive Overview](#)
- [Results of Operations](#)
- [Liquidity and Capital Resources](#)
- [Non-GAAP Measures](#)

Strategy

Ovintiv aims to be a leading North American energy producer and is focused on developing its high-quality multi-basin portfolio of oil and natural gas producing plays. Ovintiv is committed to delivering quality returns from its capital investment, generating significant cash flows and providing durable cash returns to its shareholders through the commodity price cycle. The Company aims to achieve its strategic priorities through execution excellence, disciplined capital allocation, and commercial acumen and risk management. In addition, the Company is dedicated to driving progress in areas of environmental, social, and governance, aligning with its commitment to corporate responsibility.

In support of the Company’s commitment to enhancing shareholder value, Ovintiv utilizes its capital allocation framework to provide competitive returns to shareholders while strengthening its balance sheet.

Ovintiv continually monitors and evaluates changing market conditions to maximize cash flows, mitigate risks and renew its premium well inventory. The Company’s assets, located in some of the most prolific plays in North America, form a multi-basin, multi-product portfolio which enables flexible and efficient investment of capital that supports the Company’s strategy.

Ovintiv seeks to deliver results in a socially and environmentally responsible manner. Best practices are deployed across its assets, allowing the Company to capitalize on operational efficiencies and decrease emissions intensity. The Company’s sustainability reporting, which outlines its key metrics, targets and relative progress achieved, can be found in the Company Outlook section of this MD&A and on the Company’s sustainability website.

Underpinning Ovintiv’s strategy are core values of one, agile, innovative and driven, which guide the organization to be collaborative, responsive, flexible and determined. The Company is committed to excellence with a passion to drive corporate financial performance and shareholder value.

For additional information on Ovintiv’s strategy, its reporting segments and the plays in which the Company operates, refer to Items 1 and 2 of the 2023 Annual Report on Form 10-K.

In evaluating its operations and assessing its leverage, Ovintiv reviews performance-based measures such as Non-GAAP Cash Flow and debt-based metrics such as Debt to Adjusted Capitalization, Debt to EBITDA and Debt to Adjusted EBITDA, which are non-GAAP measures and do not have any standardized meaning under U.S. GAAP. These measures may not be similar to measures presented by other issuers and should not be viewed as a substitute for measures reported under U.S. GAAP. Additional information

regarding these measures, including reconciliations to the closest GAAP measure, can be found in the Non-GAAP Measures section of this MD&A.

Highlights

During the first six months of 2024, the Company focused on executing its 2024 capital investment plan aimed at maximizing profitability through operational and capital efficiencies, and delivering cash from operating activities. Higher upstream product revenues in the first six months of 2024 compared to 2023, primarily resulted from higher production volumes and liquids prices, partially offset by lower average realized natural gas prices, excluding the impact of risk management activities. Production volumes increased eight percent compared to the first six months of 2023 primarily due to the addition of the Permian assets acquired in the second quarter of 2023. Decreases in average realized natural gas prices of 43 percent were primarily due to lower benchmark prices. Ovintiv continues to focus on optimizing realized prices from the diversification of the Company's downstream markets.

Financial Results

Three months ended June 30, 2024

- Reported net earnings of \$340 million, including net gains on risk management in revenues of \$77 million, before tax.
- Generated cash from operating activities of \$1,020 million and Non-GAAP Cash Flow of \$1,025 million.
- Purchased for cancellation, approximately 3.6 million shares of common stock for total consideration of approximately \$184 million.
- Paid dividends of \$0.30 per share of common stock totaling \$80 million.

Six months ended June 30, 2024

- Reported net earnings of \$678 million, including net gains on risk management in revenues of \$23 million, before tax.
- Generated cash from operating activities of \$1,679 million and Non-GAAP Cash Flow of \$2,060 million.
- Purchased for cancellation, approximately 9.0 million shares of common stock for total consideration of approximately \$434 million.
- Paid dividends of \$0.60 per share of common stock totaling \$160 million.
- Had approximately \$3.1 billion in total liquidity as at June 30, 2024, which included available credit facilities of \$3,250 million, available uncommitted demand lines of \$211 million, and cash and cash equivalents of \$8 million, net of outstanding commercial paper of \$384 million.
- Reported Debt to EBITDA of 1.2 times and Non-GAAP Debt to Adjusted EBITDA of 1.2 times.

Capital Investment

During the six months ended June 30, 2024

- Executed the Company's 2024 capital plan with expenditures totaling \$1,213 million.
- Focused on highly efficient capital activity to benefit from short-cycle high margin and/or low-cost projects which provide flexibility to respond to fluctuations in commodity prices.

Production

During the six months ended June 30, 2024

- Produced average liquids volumes of 301.4 Mbbls/d, which accounted for 52 percent of total production volumes. Average oil and plant condensate volumes 211.3 Mbbls/d, represented 70 percent of total liquids production volumes.
- Produced average natural gas volumes of 1,693 MMcf/d, which accounted for 48 percent of total production volumes.
- Produced average total volumes of 583.8 MBOE/d.

Operating Expenses

During the six months ended June 30, 2024

- Incurred total upstream transportation and processing expenses of \$764 million or \$7.20 per BOE, a decrease of \$66 million compared to 2023, primarily due to the sale of the Bakken assets in the second quarter of 2023, the impact of new downstream contracts in Uinta, and lower variable contract rates in Permian, partially offset by higher production volumes in Permian and Uinta.
- Incurred total upstream operating expenses of \$467 million or \$4.40 per BOE, an increase of \$99 million compared to 2023, primarily due to the Permian assets acquired in the second quarter of 2023, partially offset by the sale of the Bakken assets in the second quarter of 2023.
- Incurred total production, mineral and other taxes of \$172 million, which represents approximately 4.6 percent of upstream product revenues. Total production, mineral and other taxes increased \$12 million compared to 2023, primarily due to higher production volumes and property taxes in Permian relating to the assets acquired in the second quarter of 2023, partially offset by the sale of the Bakken assets in the second quarter of 2023.

The Company's upstream operations refers to the summation of the USA and Canadian operating segments. Additional information on the items above and other expenses can be found in the Results of Operations section of this MD&A.

2024 Outlook

Industry Outlook

Oil Markets

The oil and gas industry is cyclical and commodity prices are inherently volatile. Oil prices reflect global supply and demand dynamics as well as the geopolitical and macroeconomic environment.

Oil prices for the remainder of 2024 are expected to be impacted by the interplay between the pace of global economic growth and demand for oil, continued OPEC+ production restraint and continued supply uncertainties resulting from geopolitical events. Recessionary concerns continue to have an impact on global demand outlooks as central banks evaluate and recalibrate their strategies in response to the prevailing economic environment. Supply and the accumulation of global oil inventories are expected to be impacted by changes in OPEC+ production levels, consumer demand behavior and geopolitical volatility.

Natural Gas Markets

Natural gas prices are primarily impacted by structural changes in supply and demand as well as deviations from seasonally normal weather.

Natural gas prices for the remainder of 2024 are expected to be impacted by the interplay between natural gas production and associated natural gas from oil production, changes in demand from the power generation sector, changes in export levels of U.S. liquefied natural gas, impacts from seasonal weather, as well as supply chain constraints or other disruptions resulting from geopolitical events.

Company Outlook

The Company will continue to exercise discretion and discipline, and intends to optimize capital allocation through the remainder of 2024 as the commodity price environment evolves. Ovintiv pursues innovative ways to maximize cash flows and to reduce upstream operating and administrative expenses.

Markets for oil and natural gas are exposed to different price risks and are inherently volatile. To mitigate price volatility and provide more certainty around cash flows, the Company enters into derivative financial instruments. As at June 30, 2024, the Company has hedged approximately 50.0 Mbbls/d of expected oil production and 800 MMcf/d of expected natural gas production for the remainder of the year. In addition, Ovintiv proactively utilizes transportation contracts to diversify the Company's sales markets, thereby reducing significant exposure to any given market and regional pricing.

Additional information on Ovintiv's hedging program can be found in Note 19 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Capital Investment

The Company continues to execute its 2024 capital investment program, focusing on maximizing returns from high-margin oil and condensate, and generating cash flows in excess of capital expenditures.

During the second quarter of 2024, the Company invested \$622 million, which was in line with the second quarter guidance range of \$610 million to \$650 million. In July 2024, the Company narrowed its full year 2024 capital investment guidance range to \$2,250 million to \$2,350 million.

Ovintiv continually strives to improve well performance and lower costs through innovative techniques. Ovintiv's large-scale cube development model utilizes multi-well pads and advanced completion designs to maximize returns and resource recovery from its reservoirs. The Company continues to enhance its multi-frac technology by shifting, where possible, from simultaneously fracing two wells ("Simulfrac") to fracing three wells ("Trimulfrac") at the same time. Ovintiv's disciplined capital program and continuous innovation create flexibility to allocate capital in changing commodity markets to maximize cash flows while preserving the long-term value of the Company's multi-basin portfolio.

Production

During the second quarter of 2024, total average production volumes were 593.8 MBOE/d, which significantly exceeded the second quarter guidance range of 560.0 MBOE/d to 575.0 MBOE/d, primarily due to the impact of lower than expected royalty rates in the Canadian Operations resulting from lower natural gas benchmark prices, as well as infrastructure royalty credits and allowances in Montney. Average oil and plant condensate production volumes were 211.9 Mbbls/d and average natural gas production volumes were 1,740 MMcf/d, which exceeded second quarter guidance ranges of 205.0 Mbbls/d to 209.0 Mbbls/d and 1,600 MMcf/d to 1,650 MMcf/d, respectively. Average other NGL production volumes were 92.0 Mbbls/d, which were in line with the second quarter guidance range of 89.0 Mbbls/d to 92.0 Mbbls/d.

In July, the Company further updated its full year 2024 total production guidance range to 570.0 MBOE/d to 580.0 MBOE/d, including oil and plant condensate production volumes of approximately 207.0 Mbbls/d to 209.0 Mbbls/d, other NGLs production volumes of approximately 89.0 Mbbls/d to 91.0 Mbbls/d and natural gas production volumes of approximately 1,660 MMcf/d to 1,690 MMcf/d.

Operating Expenses

Ovintiv promotes a collaborative culture that values knowledge exchange, open communication, continuous improvement and learning. This culture stimulates innovation and fosters the creation of best practices resulting in efficiency improvements and enhanced operational performance for the Company.

The Company is on track to achieve its full year upstream transportation and processing cost guidance range of approximately \$7.50 per BOE to \$8.00 per BOE, based on commodity price assumptions of \$75.00 per barrel for WTI oil and \$2.50 per MMBtu for NYMEX natural gas. Upstream transportation and processing costs of \$7.15 per BOE during the three months ended June 30, 2024, was significantly lower than guidance, primarily due to lower than expected natural gas commodity prices.

The Company is also on track to meet the full year guidance for operating expenses of approximately \$4.25 per BOE to \$4.75 per BOE, and total production, mineral and other taxes of approximately four to five percent of upstream product revenues. The Company's upstream operations refers to the summation of the USA and Canadian operating segments.

Additional information on Ovintiv's third quarter and updated full year 2024 Corporate Guidance can be accessed on the Company's website at www.ovintiv.com.

Environmental, Social and Governance

Ovintiv recognizes climate change as a global concern and the importance of reducing its environmental footprint as part of the solution. The Company voluntarily participates in emission reduction programs and has adopted a range of strategies to help reduce emissions from its operations. These strategies include incorporating new and proven technologies, optimizing processes in its operations and working closely with third-party providers to develop best practices. The Company continues to look for innovative techniques and efficiencies in support of its commitment to emission reductions.

In May 2024, Ovintiv published its 2023 Sustainability Report. The report highlights the Company's 2023 environmental, social and governance results, and its progress in emissions intensity reductions with the goal to meet its Scope 1&2 GHG emissions target by 2030. As at the end of 2023, the Company had achieved a greater than 40 percent reduction in the Scope 1&2 GHG emissions intensity from 2019 levels and is on track to meet its emissions intensity reduction target of 50 percent by 2030 measured against the 2019 baseline. The GHG emissions reduction target is tied to the annual compensation program for all employees.

During the second quarter of 2023, the Company acquired assets in Permian which increased both oil production volumes and net premium well inventory. Ovintiv is undergoing an integration period to align the emissions profile of the acquired inventory with the World Bank Zero Routine Flaring initiative. Ovintiv remains committed to its emissions reduction targets.

Ovintiv is committed to diversity, equity and inclusion ("DEI"). The Company's social commitment framework, which is rooted in the Company's foundational values of integrity, safety, sustainability, trust and respect, reflects Ovintiv's positive contributions to the communities where it operates and highlights the Company's approach to enabling an inclusive culture that embraces diversity of thought, background and experience.

Ovintiv remains committed to protecting the health and safety of its workforce. Safety is a foundational value at Ovintiv and plays a critical role in the Company's belief that a safe workplace is a strong indicator of a well-managed business. This safety-oriented mindset enables the Company to quickly respond to emergencies and minimize any impacts to employees and business continuity. Safety performance goals are incorporated into the Company's annual compensation program. Additional information on DEI and employee safety can be found in the Human Capital section of Items 1 and 2 of the 2023 Annual Report on Form 10-K.

Additional information on Ovintiv's sustainable business practices are included in its most recent Sustainability Report on the Company's sustainability website at <https://sustainability.ovintiv.com>.

Selected Financial Information

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(\$ millions)			
Product and Service Revenues				
Upstream product revenues	\$ 1,842	\$ 1,646	\$ 3,771	\$ 3,521
Market optimization	350	703	806	1,419
Service revenues ⁽¹⁾	1	3	3	4
Total Product and Service Revenues	2,193	2,352	4,580	4,944
Gains (Losses) on Risk Management, Net	77	147	23	89
Sublease Revenues	18	18	37	35
Total Revenues	2,288	2,517	4,640	5,068
Total Operating Expenses ⁽²⁾	1,732	1,986	3,590	3,859
Operating Income (Loss)	556	531	1,050	1,209
Total Other (Income) Expenses	90	94	156	159
Net Earnings (Loss) Before Income Tax	466	437	894	1,050
Income Tax Expense (Recovery)	126	101	216	227
Net Earnings (Loss)	\$ 340	\$ 336	\$ 678	\$ 823

(1) Service revenues include amounts related to the USA and Canadian Operations.

(2) Total Operating Expenses include non-cash items such as DD&A, accretion of asset retirement obligations and long-term incentive costs.

Revenues

Ovintiv's revenues are substantially derived from sales of oil, NGLs and natural gas production. Increases or decreases in Ovintiv's revenue, profitability and future production are highly dependent on the commodity prices the Company receives. Prices are market driven and fluctuate due to factors beyond the Company's control, such as supply and demand, seasonality and geopolitical and economic factors. The Company's realized prices generally reflect WTI, NYMEX, Edmonton Condensate and AECO benchmark prices, as well as other downstream benchmarks, including Houston and Dawn. The Company proactively mitigates price risk and optimizes margins by entering into firm transportation contracts to diversify market access to different sales points. Realized prices, excluding the impact of risk management activities, may differ from the benchmarks for many reasons, including quality, location, or production being sold at different market hubs.

Benchmark prices relevant to the Company are shown in the table below.

Benchmark Prices

	Three months ended June 30,	Six months ended June 30,
(average for	2024	2024

the
period)

**Oil
&
NGLs**

WTI (\$/bbl)	\$	80.57	\$	73.78	\$	78.77	\$	74.95
Houston (\$/bbl)		82.21		74.94		80.53		76.26
Edmonton Condensate (C\$/bbl)		105.72		97.39		102.32		102.82

**Natural
Gas**

NYMEX (\$/MMBtu)	\$	1.89	\$	2.10	\$	2.07	\$	2.76
AECO (C\$/Mcf)		1.44		2.35		1.74		3.34
Dawn (C\$/MMBtu)		2.29		2.77		2.84		3.22

Production Volumes and Realized Prices

	Three months ended June 30,				Six months ended June 30,				Realized Prices (2)
	Production Volumes (1)				Realized Prices (2)		Production Volumes (1)		
	2024	2023			2024	2023	2024	2023	
Oil (Mbbbls/ d, \$/bbl)									
USA Operations	166.8	142.4	\$ 78.20	\$ 72.83	168.5	134.8	\$ 77.18	\$ 73.41	
Canadian Operations	0.5	-	74.86	-	0.3	0.1	74.07	71.44	
Total	167.3	142.4	78.19	72.83	168.8	134.9	77.17	73.41	
NGLs - Plant Condensate (Mbbbls/ d, \$/bbl)									
USA Operations	10.9	10.5	59.43	55.09	10.7	10.6	58.71	58.46	
Canadian Operations	33.7	33.0	75.61	70.99	31.8	30.6	73.77	73.84	
Total	44.6	43.5	71.66	67.14	42.5	41.2	69.96	69.89	
NGLs - Other (Mbbbls/ d, \$/bbl)									
USA Operations	75.7	78.1	16.84	13.43	75.1	76.0	18.09	15.99	
Canadian Operations	16.3	18.7	25.36	18.62	15.0	15.6	27.54	25.20	
Total	92.0	96.8	18.35	14.43	90.1	91.6	19.67	17.56	
Total Oil & NGLs (Mbbbls/ d, \$/bbl)									
USA Operations	253.4	231.0	59.09	51.94	254.3	221.4	58.94	52.99	
Canadian Operations	50.5	51.7	59.35	52.06	47.1	46.3	59.03	57.43	
Total	303.9	282.7	59.13	51.96	301.4	267.7	58.95	53.76	
Natural Gas (MMcf/ d, \$/Mcf)									
USA Operations	531	530	1.16	1.79	528	518	1.59	2.57	
Canadian Operations	1,209	1,213	1.36	2.02	1,165	1,131	1.81	3.30	
Total	1,740	1,743	1.30	1.95	1,693	1,649	1.74	3.07	
Total Production (MBOE/ d, \$/BOE)									
USA Operations	341.9	319.2	45.61	40.56	342.5	307.7	46.23	42.45	
Canadian Operations	251.9	253.8	18.40	20.26	241.3	234.7	20.27	27.21	
Total	593.8	573.0	34.08	31.56	583.8	542.4	35.49	35.86	

	Production Mix (%)			
Oil & Plant Condensate	36	32	36	32
NGLs - Other	15	17	16	17
Total Oil & NGLs	51	49	52	49
Natural Gas	49	51	48	51
	Production Change Period Over Period (%) (3)			
Total Oil & NGLs	7	8	13	4
Natural Gas	-	22	3	13
Total Production	4	15	8	8

(1)Average daily.

(2)Average per-unit prices, excluding the impact of risk management activities.

(3)Includes production impacts of acquisitions and divestitures.

Upstream Product Revenues

	Three months ended June 30,					Natural Gas
	(\$ millions)	Oil	NGLs - Plant Condensate		NGLs - Other	
2023 Upstream Product Revenues	\$ 944	\$ 265	\$ 129	\$ 308	\$ 1,646	
Increase (decrease) due to:						
Sales prices	87	20	32	(103)	36	
Production volumes	162	6	(7)	(1)	160	
2024 Upstream Product Revenues	\$ 1,193	\$ 291	\$ 154	\$ 204	\$ 1,842	

	Six months ended June 30,					Natural Gas
	(\$ millions)	Oil	NGLs - Plant Condensate		NGLs - Other	
2023 Upstream Product Revenues	\$ 1,792	\$ 520	\$ 293	\$ 916	\$ 3,521	
Increase (decrease) due to:						
Sales prices	119	1	33	(411)	(258)	
Production volumes	460	21	(3)	30	508	
2024 Upstream Product Revenues	\$ 2,371	\$ 542	\$ 323	\$ 535	\$ 3,771	

Oil Revenues

Three months ended June 30, 2024 versus June 30, 2023

Oil revenues were higher by \$249 million compared to the second quarter of 2023 primarily due to:

- Higher average oil production volumes of 24.9 Mbbls/d increased revenues by \$162 million. Higher volumes were primarily due to the Permian assets acquired in the second quarter of 2023 (37.6 Mbbls/d) and successful drilling in Uinta and Permian (14.1 Mbbls/d), partially offset by the sale of the Bakken assets in the second quarter of 2023 (16.1 Mbbls/d) and natural declines in Anadarko (11.1 Mbbls/d); and
- An increase of \$5.36 per bbl, or seven percent, in the average realized oil prices which increased revenues by \$87 million. The increase reflected higher Houston and WTI benchmark prices which were up 10 percent and nine percent, respectively, partially offset by lower regional pricing relative to the benchmark prices.

Six months ended June 30, 2024 versus June 30, 2023

Oil revenues were higher by \$579 million compared to the first six months of 2023 primarily due to:

- Higher average oil production volumes of 33.9 Mbbls/d increased revenues by \$460 million. Higher volumes were primarily due to the Permian assets acquired in the second quarter of 2023 (42.6 Mbbls/d) and successful drilling in Permian and Uinta (20.5 Mbbls/d), partially offset by the sale of the Bakken assets in the second quarter of 2023 (18.8 Mbbls/d) and natural declines in Anadarko (10.0 Mbbls/d); and

- An increase of \$3.76 per bbl, or five percent, in the average realized oil prices which increased revenues by \$119 million. The increase reflected higher Houston and WTI benchmark prices which were up six percent and five percent, respectively.

NGL Revenues

Three months ended June 30, 2024 versus June 30, 2023

NGL revenues were higher by \$51 million compared to the second quarter of 2023 primarily due to:

- An increase of \$3.92 per bbl, or 27 percent, in the average realized other NGL prices which increased revenues by \$32 million. The increase reflected higher regional pricing and Other NGL benchmark prices; and
- An increase of \$4.52 per bbl, or seven percent, in the average realized plant condensate prices which increased revenues by \$20 million. The increase reflected the higher Edmonton Condensate benchmark price which was up nine percent.

Six months ended June 30, 2024 versus June 30, 2023

NGL revenues were higher by \$52 million compared to the first six months of 2023 primarily due to:

- An increase of \$2.11 per bbl, or 12 percent, in the average realized other NGL prices which increased revenues by \$33 million. The increase reflected higher regional pricing and Other NGL benchmark prices; and
- Higher average plant condensate production volumes of 1.3 Mbbls/d increased revenues by \$21 million. Higher volumes were primarily due to successful drilling in Permian and Montney (2.2 Mbbls/d), and lower effective royalty rates resulting from lower commodity prices in Montney (1.6 Mbbls/d), partially offset by natural declines in Montney (2.3 Mbbls/d) and the sale of the Bakken assets in the second quarter of 2023 (1.2 Mbbls/d).

Natural Gas Revenues

Three months ended June 30, 2024 versus June 30, 2023

Natural gas revenues were lower by \$104 million compared to the second quarter of 2023 primarily due to:

- A decrease of \$0.65 per Mcf, or 33 percent, in the average realized natural gas prices which decreased revenues by \$103 million. The decrease reflected lower AECO, Dawn and NYMEX benchmark prices which were down 39 percent, 17 percent and 10 percent, respectively, and lower regional pricing relative to benchmark prices; and
- Lower average natural gas production volumes of 3 MMcf/d decreased revenues by \$1 million. Lower volumes were primarily due to natural declines in Montney and Anadarko (67 MMcf/d), the sale of the Bakken assets in the second quarter of 2023 (44 MMcf/d), and the shut-in of production in Other Canadian Operations in the second quarter of 2024 due to low commodity prices (27 MMcf/d). The lower production volumes were partially offset by higher volumes in Montney due to lower effective royalty rates resulting from lower commodity prices (61 MMcf/d), successful drilling in Permian and Uinta (54 MMcf/d), and the Permian assets acquired in the second quarter of 2023 (21 MMcf/d).

Six months ended June 30, 2024 versus June 30, 2023

Natural gas revenues were lower by \$381 million compared to the first six months of 2023 primarily due to:

- A decrease of \$1.33 per Mcf, or 43 percent, in the average realized natural gas prices which decreased revenues by \$411 million. The decrease reflected lower AECO, NYMEX and Dawn benchmark prices which were down 48 percent, 25 percent and 12 percent, respectively, and lower regional pricing relative to benchmark prices in the USA Operations; and
- Higher average natural gas production volumes of 44 MMcf/d increased revenues by \$30 million. Higher volumes were primarily due to lower effective royalty rates resulting from lower commodity prices in Montney (91 MMcf/d), successful drilling in Permian and Uinta (55 MMcf/d), and the Permian assets acquired in the second quarter of 2023 (23 MMcf/d). The higher production volumes were partially offset by natural declines in Montney and Anadarko (69 MMcf/d), the sale of the Bakken assets in the second quarter of 2023 (46 MMcf/d), and the shut-in of production in Other Canadian Operations in the second quarter of 2024 due to low commodity prices (14 MMcf/d).

Gains (Losses) on Risk Management, Net

As a means of managing commodity price volatility, Ovintiv enters into commodity derivative financial instruments on a portion of its expected oil, NGLs and natural gas production volumes. Additional information on the Company's commodity price positions as at June 30, 2024, can be found in Note 19 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The following tables provide the effects of the Company's risk management activities on revenues.

	Three months ended June 30,				Six months ended June 30,
	2024		2023		2024
(\$ millions)					
Realized Gains (Losses) on Risk Management Commodity Price ⁽¹⁾					
Oil	\$ (25)	\$ -	\$ (33)	\$ -	
NGLs - Other	1	-	2	-	
Natural Gas	89	5	142	(71)	
Other ⁽²⁾	4	-	4	-	
Total	69	5	115	(71)	
Unrealized Gains (Losses) on Risk Management	8	142	(92)	160	
Total Gains (Losses) on Risk Management, Net	\$ 77	\$ 147	\$ 23	\$ 89	

	Three months ended June 30,				Six months ended June 30,
	2024		2023		2024
(Per-unit)					
Realized Gains (Losses) on Risk Management Commodity Price ⁽¹⁾					
Oil (\$/bbl)	\$ (1.61)	\$ -	\$ (1.06)	\$ -	
NGLs - Other (\$/bbl)	\$ 0.12	\$ -	\$ 0.12	\$ -	
Natural Gas (\$/Mcf)	\$ 0.56	\$ 0.03	\$ 0.46	\$ (0.24)	
Total (\$/BOE)	\$ 1.21	\$ 0.10	\$ 1.05	\$ (0.72)	

(1) Primarily includes realized gains and losses related to the USA and Canadian Operations.

(2) Other primarily includes realized gains from other derivative contracts with no associated production volumes.

Ovintiv recognizes fair value changes from its risk management activities each reporting period. The changes in fair value result from new positions and settlements that occur during each period, as well as the relationship between contract prices and the associated forward curves. Realized gains or losses on risk management activities related to commodity price mitigation are included in the USA Operations, Canadian Operations and Market Optimization revenues as the contracts are cash settled. Unrealized gains or losses on fair value changes of unsettled contracts are included in the Corporate and Other segment. Additional information on fair value changes can be found in Note 18 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Market Optimization Revenues

Market Optimization product revenues relate to activities that provide operational flexibility and cost mitigation for transportation commitments, product type, delivery points and customer diversification. Ovintiv also purchases and sells third-party volumes under marketing arrangements associated with the Company's previous divestitures.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Market Optimization	\$ 350	\$ 703	\$ 1,419	\$ 806

Three months ended June 30, 2024 versus June 30, 2023

Market Optimization product revenues decreased \$353 million compared to the second quarter of 2023 primarily due to:

- Lower sales of third-party purchased volumes primarily relating to price optimization activities in the USA Operations (\$355 million) and lower natural gas benchmark prices (\$27 million);

partially offset by:

- Higher oil benchmark prices (\$29 million).

Six months ended June 30, 2024 versus June 30, 2023

Market Optimization product revenues decreased \$613 million compared to the first six months of 2023 primarily due to:

- Lower sales of third-party purchased volumes primarily relating to price optimization activities in the USA Operations (\$595 million) and lower natural gas benchmark prices (\$53 million);

partially offset by:

- Higher oil benchmark prices (\$35 million).

Sublease Revenues

Sublease revenues primarily include amounts related to the sublease of office space in The Bow office building recorded in the Corporate and Other segment. Additional information on office sublease income can be found in Note 11 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Operating Expenses

Production, Mineral and Other Taxes

Production, mineral and other taxes include production and property taxes. Production taxes are generally assessed as a percentage of oil, NGLs and natural gas production revenues. Property taxes are generally assessed based on the value of the underlying assets.

	Three months ended June 30, 2024		Three months ended June 30, 2023		Six months ended June 30, 2024
	(\$ millions)		(\$ millions)		
USA Operations	\$ 85	\$ 73	\$ 165	\$ 153	
Canadian Operations	4	3	7	7	
Total	\$ 89	\$ 76	\$ 172	\$ 160	

	Three months ended June 30, 2024		Three months ended June 30, 2023		Six months ended June 30, 2024
	(\$/BOE)		(\$/BOE)		
USA Operations	\$ 2.74	\$ 2.49	\$ 2.65	\$ 2.74	
Canadian Operations	\$ 0.17	\$ 0.14	\$ 0.17	\$ 0.17	
Production, Mineral and Other Taxes	\$ 1.65	\$ 1.43	\$ 1.62	\$ 1.63	

Three months ended June 30, 2024 versus June 30, 2023

Production, mineral and other taxes increased \$13 million compared to the second quarter of 2023 primarily due to:

- Higher production volumes and property taxes in Permian primarily due to the assets acquired in the second quarter of 2023 (\$21 million), and higher oil and NGLs commodity prices (\$6 million);

partially offset by:

- The sale of the Bakken assets in the second quarter of 2023 (\$10 million) and lower production volumes in Anadarko (\$5 million).

Six months ended June 30, 2024 versus June 30, 2023

Production, mineral and other taxes increased \$12 million compared to the first six months of 2023 primarily due to:

- Higher production volumes and property taxes in Permian primarily due to the assets acquired in the second quarter of 2023 (\$51 million);

partially offset by:

- The sale of the Bakken assets in the second quarter of 2023 (\$25 million), and production tax recoveries and lower production volumes in Anadarko (\$13 million).

Transportation and Processing

Transportation and processing expense includes transportation costs incurred to move product from production points to sales points including gathering, compression, pipeline tariffs, trucking and storage costs. Ovintiv also incurs costs related to processing provided by third parties or through ownership interests in processing facilities.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(\$ millions)			
USA Operations	\$ 126	\$ 148	\$ 253	\$ 295
Canadian Operations	260	268	511	535
Upstream Transportation and Processing	386	416	764	830
Market Optimization	27	36	68	77
Total	\$ 413	\$ 452	\$ 832	\$ 907

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(\$/BOE)			
USA Operations	\$ 4.05	\$ 5.10	\$ 4.06	\$ 5.29
Canadian Operations	11.37	11.57	11.65	12.59
Upstream Transportation and Processing	7.15	7.97	7.20	8.45

Three months ended June 30, 2024 versus June 30, 2023

Transportation and processing expense decreased \$39 million compared to the second quarter of 2023 primarily due to:

- The impact of new contracts in Uinta (\$23 million), the sale of the Bakken assets in the second quarter of 2023 (\$21 million), an expired contract relating to previously divested assets (\$16 million), lower midstream transportation costs in Montney (\$9 million), lower variable contract rates in Permian (\$6 million), lower production volumes in Anadarko (\$5 million), and a higher U.S./Canadian dollar exchange rate (\$5 million);

partially offset by:

- Higher production volumes in Permian and Uinta (\$32 million), and higher downstream transportation costs in Montney due to third-party adjustments (\$11 million).

Six months ended June 30, 2024 versus June 30, 2023

Transportation and processing expense decreased \$75 million compared to the first six months of 2023 primarily due to:

- The sale of the Bakken assets in the second quarter of 2023 (\$45 million), the impact of new contracts in Uinta (\$33 million), lower variable contract rates in Permian (\$30 million), an expired contract relating to previously divested assets (\$16 million), lower production volumes in Anadarko (\$9 million), and a higher U.S./Canadian dollar exchange rate (\$5 million);

partially offset by:

- Higher production volumes in Permian and Uinta (\$69 million).

Operating

Operating expense includes costs paid by the Company, net of amounts capitalized, on oil and natural gas properties in which Ovintiv has a working interest. These costs primarily include labor, service contract fees, chemicals, fuel, water hauling, electricity and workovers.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(\$ millions)			
USA Operations	\$ 205	\$ 167	\$ 416	\$ 337
Canadian Operations	26	2	51	31
Upstream Operating Expense	231	169	467	368
Market Optimization	6	6	13	13
Total	\$ 237	\$ 175	\$ 480	\$ 381

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(\$/BOE)			
USA Operations	\$ 6.58	\$ 5.73	\$ 6.67	\$ 6.05
Canadian Operations	1.18	0.10	1.19	0.73
Upstream Operating Expense	4.29	3.23	4.40	3.75

Three months ended June 30, 2024 versus June 30, 2023

Operating expense increased \$62 million compared to the second quarter of 2023 primarily due to:

- Higher activity in Permian primarily related to the assets acquired in the second quarter of 2023 (\$56 million) and updates to operating contract terms, including a recovery of prior years' costs in 2023 (\$23 million);

partially offset by:

- The sale of the Bakken assets in the second quarter of 2023 (\$18 million) and decreased activity in Anadarko (\$8 million).

Six months ended June 30, 2024 versus June 30, 2023

Operating expense increased \$99 million compared to the first six months of 2023 primarily due to:

- Higher activity in Permian primarily related to the assets acquired in the second quarter of 2023 (\$124 million) and updates to operating contracts terms, including a recovery of prior years' costs in 2023 (\$23 million);

partially offset by:

- The sale of the Bakken assets in the second quarter of 2023 (\$41 million) and decreased activity in Anadarko (\$17 million).

Purchased Product

Purchased product expense includes purchases of oil, NGLs and natural gas from third parties that are used to provide operational flexibility and cost mitigation for transportation commitments, product type, delivery points and customer diversification. Ovintiv also purchases and sells third-party volumes under marketing arrangements associated with the Company's previous divestitures.

	Three months ended June 30,				Six months ended June 30,
	2024		2023		2024
	(\$ millions)				
Market Optimization	\$	333	\$	692	\$ 773
					\$ 1,393

Three months ended June 30, 2024 versus June 30, 2023

Purchased product expense decreased \$359 million compared to the second quarter of 2023 primarily due to:

- Lower third-party purchased volumes primarily relating to price optimization activities in the USA Operations (\$356 million) and lower natural gas benchmark prices (\$32 million);

partially offset by:

- Higher oil benchmark prices (\$29 million).

Six months ended June 30, 2024 versus June 30, 2023

Purchased product expense decreased \$620 million compared to the first six months of 2023 primarily due to:

- Lower third-party purchased volumes primarily relating to price optimization activities in the USA Operations (\$596 million) and lower natural gas benchmark prices (\$59 million);

partially offset by:

- Higher oil benchmark prices (\$35 million).

Depreciation, Depletion & Amortization

Proved properties within each country cost center are depleted using the unit-of-production method based on proved reserves as discussed in Note 1 to the Consolidated Financial Statements included in Item 8 of the 2023 Annual Report on Form 10-K. Depletion rates are impacted by impairments, acquisitions, divestitures and foreign exchange rates, as well as fluctuations in 12-month average trailing prices which affect proved reserves volumes. Corporate assets are carried at cost and depreciated on a straight-line basis over the estimated service lives of the assets.

Additional information can be found under Upstream Assets and Reserve Estimates in the Critical Accounting Estimates section of the MD&A included in Item 7 of the 2023 Annual Report on Form 10-K.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
USA Operations	\$ 498	\$ 336	\$ 987	\$ 630
Canadian Operations	76	78	148	143
Upstream DD&A	574	414	1,135	773
Corporate & Other	6	5	11	10
Total	\$ 580	\$ 419	\$ 1,146	\$ 783

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
USA Operations	\$ 15.99	\$ 11.56	\$ 15.84	\$ 11.31
Canadian Operations	3.34	3.36	3.38	3.37

Three months ended June 30, 2024 versus June 30, 2023

DD&A increased \$161 million compared to the second quarter of 2023 primarily due to:

- Higher depletion rates and production volumes in the USA Operations (\$137 million and \$25 million, respectively).

The depletion rate in the USA Operations increased \$4.43 per BOE compared to the second quarter of 2023 primarily due to a higher depletable base associated with the Permian assets acquired in the second quarter of 2023.

Six months ended June 30, 2024 versus June 30, 2023

DD&A increased \$363 million compared to the first six months of 2023 primarily due to:

- Higher depletion rates and production volumes in the USA Operations (\$282 million and \$75 million, respectively).

The depletion rate in the USA Operations increased \$4.53 per BOE compared to the first six months of 2023 primarily due to a higher depletable base associated with the Permian assets acquired in the second quarter of 2023.

Administrative

Administrative expense represents costs associated with corporate functions provided by Ovintiv staff. These expenses primarily include salaries and benefits, operating lease, office, information technology, legal and long-term incentive costs.

	Three months ended June 30,				Six months ended June 30,
	2024		2023		2023
(\$ millions)					
Administrative, excluding Long-Term Incentive, and Transaction and Legal Costs ⁽¹⁾	\$ 69	\$ 66	\$ 144	\$ 137	
Long-term incentive costs	8	16	23	(3)	
Transaction and legal costs	(1)	86	11	92	
Total Administrative	\$ 76	\$ 168	\$ 178	\$ 226	

	Three months ended June 30,				Six months ended June 30,
	2024		2023		2023
(\$/BOE)					
Administrative, excluding Long-Term Incentive, and Transaction and Legal Costs ⁽¹⁾	\$ 1.28	\$ 1.28	\$ 1.34	\$ 1.39	
Long-term incentive costs	0.14	0.30	0.22	(0.03)	
Transaction and legal costs	(0.01)	1.65	0.11	0.94	
Total Administrative	\$ 1.41	\$ 3.23	\$ 1.67	\$ 2.30	

(1)The second quarter and first six months of 2024 includes costs related to The Bow office lease of \$29 million and \$58 million, respectively (2023 - \$29 million and \$57 million, respectively), half of which is recovered from sublease revenues.

Three months ended June 30, 2024 versus June 30, 2023

Administrative expense decreased \$92 million compared to the second quarter of 2023 primarily due to:

- Transaction costs incurred mainly related to the Permian assets acquired in the second quarter of 2023 (\$82 million) and lower long-term incentive costs resulting from changes in the Company's share price in the second quarter of 2024 (\$8 million).

Six months ended June 30, 2024 versus June 30, 2023

Administrative expense decreased \$48 million compared to the first six months of 2023 primarily due to:

- Transaction costs incurred mainly related to the Permian assets acquired in the second quarter of 2023 (\$82 million);

partially offset by:

- Higher long-term incentive costs resulting from changes in the Company's share price in 2023 (\$26 million).

Additional information on the Company's long-term incentive costs can be found in Note 17 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Other (Income) Expenses

	Three months ended June 30,				Six months ended June 30,
	2024		2023		2024
(\$ millions)					
Interest	\$ 105	\$ 80	\$ 203	\$ 151	
Foreign Exchange (Gain) Loss, Net	(10)	25	(38)	22	
Other (Gains) Losses, Net	(5)	(11)	(9)	(14)	
Total Other (Income) Expenses	\$ 90	\$ 94	\$ 156	\$ 159	

Interest

Interest expense primarily includes interest on Ovintiv's short-term and long-term debt. Additional information on changes in interest can be found in Note 5 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Three months ended June 30, 2024 versus June 30, 2023

Interest expense increased \$25 million compared to the second quarter of 2023 primarily due to:

- Interest expense related to the senior unsecured notes issued in May 2023 (\$21 million).

Six months ended June 30, 2024 versus June 30, 2023

Interest expense increased \$52 million compared to the first six months of 2023 primarily due to:

- Interest expense related to the senior unsecured notes issued in May 2023 (\$57 million);

partially offset by:

- An assessment related to certain prior years' tax items in the first quarter of 2023 (\$8 million).

Foreign Exchange (Gain) Loss, Net

Foreign exchange gains and losses primarily result from the impact of fluctuations in the Canadian to U.S. dollar exchange rate. Additional information on changes in foreign exchange gains or losses can be found in Note 6 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Additional information on foreign exchange rates and the effects of foreign exchange rate changes can be found in Part I, Item 3 of this Quarterly Report on Form 10-Q.

Three months ended June 30, 2024 versus June 30, 2023

Net foreign exchange gain of \$10 million compared to a loss of \$25 million during the second quarter of 2023 primarily due to:

- Unrealized foreign exchange gains on the translation of intercompany notes compared to losses in 2023 (\$25 million), realized foreign exchange gains on the settlement of intercompany notes compared to losses in 2023 (\$11 million) and gains on other monetary revaluations compared to losses in 2023 (\$9 million);

partially offset by:

- Unrealized foreign exchange losses on the translation of U.S. dollar risk management contracts issued from Canada compared to gains in 2023 (\$10 million).

Six months ended June 30, 2024 versus June 30, 2023

Net foreign exchange gain of \$38 million compared to a loss of \$22 million during the first six months of 2023 primarily due to:

- Unrealized foreign exchange gains on the translation of intercompany notes compared to losses in 2023 (\$55 million), realized foreign exchange gains on the settlement of intercompany notes compared to losses in 2023 (\$13 million) and gains on other monetary revaluations compared to losses in 2023 (\$11 million);

partially offset by:

- Unrealized foreign exchange losses on the translation of U.S. dollar risk management contracts issued from Canada compared to gains in 2023 (\$22 million).

Other (Gains) Losses, Net

Other (gains) losses, net, primarily includes other non-recurring revenues or expenses and may also include items such as interest income, interest received from tax authorities, reclamation charges relating to decommissioned assets, and adjustments related to other assets.

Income Tax

During the three and six months ended June 30, 2024, current income tax expense in the U.S. of \$10 million and \$24 million, respectively, is higher than the comparative periods in 2023 primarily due to the impact of the corporate alternative minimum tax. In Canada, the current income tax expense for the three and six months ended June 30, 2024 of \$13 million and \$31 million, respectively, is lower than the comparative periods in 2023 due to lower expected full year taxable earnings.

The determination of income and other tax liabilities of the Company and its subsidiaries requires interpretation of complex domestic and foreign tax laws and regulations, that are subject to change. The Company's interpretation of tax laws may differ from the interpretation of the tax authorities. As a result, there are tax matters under review for which the timing of resolution is uncertain. The Company believes that the provision for income taxes is adequate.

On June 20, 2024, Canada enacted its Global Minimum Tax Act ("GMTA"), which implements the Organization for Economic Cooperation and Development Pillar II framework, providing a global minimum tax of 15 percent. The Company continues to evaluate the GMTA but does not anticipate any material impact in 2024.

Additional information on income taxes can be found in Note 7 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Sources of Liquidity

The Company has the flexibility to access cash equivalents and a range of funding alternatives at competitive rates through committed revolving credit facilities as well as debt and equity capital markets. Ovintiv closely monitors the accessibility of cost-effective credit and ensures that sufficient liquidity is in place to fund capital expenditures and dividend payments. In addition, the Company may use cash and cash equivalents, cash from operating activities, or proceeds from asset divestitures to fund its operations and capital allocation framework or to manage its capital structure as discussed below.

The Company's capital structure consists of total shareholders' equity plus long-term debt, including any current portion. The Company's objectives when managing its capital structure are to maintain financial flexibility to preserve Ovintiv's access to capital markets and its ability to meet financial obligations and finance internally generated growth, as well as potential acquisitions. Ovintiv has a practice of maintaining capital discipline and strategically managing its capital structure by adjusting capital spending, adjusting dividends paid to shareholders, issuing new shares of common stock, purchasing shares of common stock for cancellation or return to treasury, issuing new debt and repaying or repurchasing existing debt.

	As at June 30,	
	2024	2023
	(\$ millions, except as indicated)	
Cash and Cash Equivalents	\$ 8	\$ 52
Available Credit Facilities	3,250	3,150
Available Uncommitted Demand Lines ⁽¹⁾	211	278
Issuance of U.S. Commercial Paper	(384)	(330)
Total Liquidity	\$ 3,085	\$ 3,150
Long-Term Debt, including current portion	\$ 6,087	\$ 6,134
Total Shareholders' Equity	\$ 10,328	\$ 9,316
Debt to Capitalization (%) ⁽²⁾	37	40
Debt to Adjusted Capitalization (%) ⁽²⁾	25	26

(1)Includes three uncommitted demand lines totaling \$283 million, net of \$72 million in related undrawn letters of credit (2023 - \$326 million and \$48 million, respectively).

(2)These measures are defined in the Non-GAAP Measures section of this MD&A.

The Company has full access to two committed revolving U.S. dollar denominated credit facilities totaling \$3.5 billion, which include a \$2.2 billion revolving credit facility for Ovintiv Inc. and a \$1.3 billion revolving credit facility for a Canadian subsidiary (collectively, the "Credit Facilities"). The Credit Facilities, which mature in July 2026, provide financial flexibility and allow the Company to fund its operations or capital investment program. At June 30, 2024, \$250 million was outstanding under the revolving Credit Facilities.

Depending on the Company's credit rating and market demand, the Company may issue from its two U.S. CP programs, which include a \$1.5 billion program for Ovintiv Inc. and a \$1.0 billion program for a Canadian subsidiary. As at June 30, 2024, the Company had \$384 million of commercial paper outstanding under its U.S. CP program maturing at various dates with a weighted average interest rate of approximately 6.13 percent, which is supported by the Company's Credit Facilities. All of Ovintiv's credit ratings are investment grade as at June 30, 2024.

The available Credit Facilities, uncommitted demand lines, and cash and cash equivalents, net of outstanding commercial paper, provide Ovintiv with total liquidity of approximately \$3.1 billion as at June 30, 2024. At June 30, 2024, Ovintiv also had approximately \$72 million in undrawn letters of credit issued in the normal course of business primarily as collateral security related to sales arrangements.

Ovintiv has a U.S. shelf registration statement under which the Company may issue from time to time, debt securities, common stock, preferred stock, warrants, units, share purchase contracts and share purchase units in the U.S. The U.S. shelf registration statement expires in March 2026.

The obligations under the Company's existing debt securities are fully and unconditionally guaranteed on a senior unsecured basis by Ovintiv Canada ULC, an indirect wholly-owned subsidiary of the Company. Additional information on the Company's Canadian Operations segment and the Bow office lease can be found in the Results of Operations section in this MD&A and

the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and the MD&A and audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2023, which are included in Items 7 and 8, respectively, of the 2023 Annual Report on Form 10-K.

Ovintiv is currently in compliance with all financial covenants under the Credit Facilities. Management monitors Debt to Adjusted Capitalization, which is a non-GAAP measure defined in the Non-GAAP Measures section of this MD&A, as a proxy for Ovintiv's financial covenant under the Credit Facilities, which requires Debt to Adjusted Capitalization to be less than 60 percent. As at June 30, 2024, the Company's Debt to Adjusted Capitalization was 25 percent. The definitions used in the covenant under the Credit Facilities adjust capitalization for cumulative historical ceiling test impairments recorded in conjunction with the Company's January 1, 2012 adoption of U.S. GAAP. Additional information on financial covenants can be found in Note 15 to the Consolidated Financial Statements included in Item 8 of the 2023 Annual Report on Form 10-K.

Sources and Uses of Cash

In the first six months of 2024, Ovintiv primarily generated cash through operating activities. The following table summarizes the sources and uses of the Company's cash and cash equivalents.

(\$ millions)	Activity Type	Three months ended June 30,		2023	Six months ended June 30, 2024
		2024	2024		
Sources of Cash and Cash Equivalents					
Cash from operating activities	Operating	\$ 1,020	\$ 831	\$ 1,679	\$ 1,899
Proceeds from divestitures	Investing	2	717	4	729
Corporate acquisition	Investing	-	-	12	-
Net issuance of revolving debt	Financing	-	100	350	287
Issuance of long-term debt	Financing	-	2,278	-	2,278
Other	Investing	-	155	-	89
		1,022	4,081	2,045	5,282
Uses of Cash and Cash Equivalents					
Capital expenditures	Investing	622	640	1,213	1,250
Acquisitions	Investing	5	15	195	214
Net repayment of revolving debt	Financing	111	-	-	-
Corporate acquisition, net of cash acquired	Investing	-	3,225	-	3,225
Purchase of shares of common stock	Financing	184	89	434	328
Dividends on shares of common stock	Financing	80	82	160	143
Other	Investing/Financing	17	1	40	72
		1,019	4,052	2,042	5,232
Foreign Exchange Gain (Loss) on Cash, Cash Equivalents and Restricted Cash Held in Foreign Currency		-	(3)	2	(3)
Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash		\$ 3	\$ 26	\$ 5	\$ 47

Operating Activities

Net cash from operating activities in the second quarter and first six months of 2024 was \$1,020 million and \$1,679 million, respectively, and was primarily a reflection of the impacts from production volumes, average realized commodity prices, realized gains/losses on risk management and changes in non-cash working capital.

Additional detail on changes in non-cash working capital can be found in Note 20 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Ovintiv expects it will continue to meet the payment terms of its suppliers.

Non-GAAP Cash Flow in the second quarter and first six months of 2024 was \$1,025 million and \$2,060 million, respectively, and was primarily impacted by the items affecting cash from operating activities which are discussed below and in the Results of Operations section of this MD&A.

Three months ended June 30, 2024 versus June 30, 2023

Net cash from operating activities increased \$189 million compared to the second quarter of 2023 primarily due to:

- Higher production volumes (\$160 million), lower administrative expense, excluding non-cash long-term incentive costs (\$86 million), higher realized gains on risk management in revenues compared to 2023 (\$64 million), lower transportation and processing expense (\$39 million), higher realized commodity prices (\$36 million), and a decrease in current income tax expense (\$31 million);

partially offset by:

- Changes in non-cash working capital (\$107 million), higher operating expense, excluding non-cash long-term incentive costs (\$64 million), and higher interest expense (\$24 million).

Six months ended June 30, 2024 versus June 30, 2023

Net cash from operating activities decreased \$220 million compared to the first six months of 2023 primarily due to:

- Changes in non-cash working capital (\$693 million), lower realized commodity prices (\$258 million), higher operating expense, excluding non-cash long-term incentive costs (\$106 million) and higher interest expense (\$51 million);

partially offset by:

- Higher production volumes (\$508 million), realized gains on risk management in revenues compared to losses in 2023 (\$186 million), lower administrative expense, excluding non-cash long-term incentive costs (\$86 million), lower transportation and processing expense (\$75 million), and a decrease in current income tax expense (\$61 million).

Investing Activities

Cash used in investing activities in the first six months of 2024 was \$1,402 million primarily due to capital expenditures and acquisitions in the USA Operations. Capital expenditures, and acquisition and divestiture activities are summarized in Notes 3 and 8, respectively, to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Capital expenditures decreased \$37 million compared to the first six months of 2023, primarily due to decreased activity in Anadarko and Montney, and the sale of the Bakken assets in the second quarter of 2023, partially offset by increased activity in Permian and Uinta.

Acquisitions in the first six months of 2024 were \$195 million, which primarily included property purchases with oil and liquids-rich potential in the USA Operations (2023 - \$214 million).

Corporate acquisitions in the first six months of 2024 reflect the final cash settlements of \$12 million completed in the first quarter of 2024 related to the Permian assets acquired in the second quarter of 2023. Additional information regarding the Permian Acquisition can be found in Note 9 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Financing Activities

Net cash from and/or used in financing activities has been impacted by Ovintiv's strategic objective to return value to shareholders by repaying or repurchasing existing debt, purchasing shares of common stock and paying dividends.

Net cash used in financing activities in the first six months of 2024 was \$274 million compared to net cash from financing activities in 2023 of \$2,022 million. The change was primarily due to the net issuance of long-term debt in 2023 of \$2,278 million and increased purchases of shares of common stock in 2024 compared to 2023 (\$106 million), partially offset by an increase in the net issuance of revolving debt (\$63 million).

From time to time, Ovintiv may seek to retire or purchase the Company's outstanding debt through cash purchases and/or exchanges for other debt or equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or

exchanges, if any, will depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors.

The Company's long-term debt, including the current portion of \$1,234 million, totaled \$6,087 million at June 30, 2024. The Company's long-term debt at December 31, 2023, including the current portion of \$284 million, totaled \$5,737 million. As at June 30, 2024, the Company has \$600 million of fixed rate long-term debt due within the next year.

In support of the Company's commitment to enhancing shareholder value, Ovintiv utilizes its capital allocation framework to provide competitive returns to shareholders while strengthening its balance sheet. Ovintiv expects to continue to deliver shareholder returns through share buybacks.

For additional information on long-term debt, refer to Note 12 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Further details on the Company's debt-based metrics can be found in the Non-GAAP measures section of this MD&A.

Dividends

The Company pays quarterly dividends to common shareholders at the discretion of the Board of Directors.

	Three months ended June 30,				Six months ended June 30,	
	2024		2023		2024	
	(\$ millions, except as indicated)		(\$ millions, except as indicated)		(\$ millions, except as indicated)	
Dividend Payments	\$ 80	\$ 82	\$ 160	\$ 143		
Dividend Payments (\$/share)	\$ 0.30	\$ 0.30	\$ 0.60	\$ 0.55		

On July 30, 2024, the Board of Directors declared a dividend of \$0.30 per share of common stock payable on September 27, 2024, to common shareholders of record as of September 13, 2024.

Dividends increased \$17 million compared to the first six months of 2023 as a result of Ovintiv increasing its annualized dividend to \$1.20 per share of common stock in the second quarter of 2023. The dividend increase reflects the Company's commitment to returning capital to shareholders.

Normal Course Issuer Bid

In the second quarter and first six months of 2024, under the NCIB program, the Company purchased, for cancellation, approximately 3.6 million and 9.0 million shares of common stock, respectively, for total consideration of approximately \$184 million and \$434 million, respectively. The Company expects to continue to execute the NCIB program in conjunction with its capital allocation framework. For additional information on the NCIB, refer to Note 14 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Material Cash Requirements

For information on material cash requirements, refer to the Material Cash Requirements section of the MD&A included in Item 7 of the 2023 Annual Report on Form 10-K.

Commitments and Contingencies

For information on commitments and contingencies, refer to Note 21 to the Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Critical Accounting Estimates

There have been no significant changes to the Company's critical accounting policies and use of estimates from the disclosures reported in the "Critical Accounting Estimates" section of the MD&A included in Item 7 of the 2023 Annual Report on Form 10-K.

Certain measures in this document do not have any standardized meaning as prescribed by U.S. GAAP and, therefore, are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers and should not be viewed as a substitute for measures reported under U.S. GAAP. These measures are commonly used in the oil and gas industry and by Ovintiv to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Non-GAAP measures include: Non-GAAP Cash Flow, Debt to Adjusted Capitalization, Debt to EBITDA and Debt to Adjusted EBITDA. Management's use of these measures is discussed further below.

Cash from Operating Activities and Non-GAAP Cash Flow

Non-GAAP Cash Flow is a non-GAAP measure defined as cash from (used in) operating activities excluding net change in other assets and liabilities, and net change in non-cash working capital.

Management believes this measure is useful to the Company and its investors as a measure of operating and financial performance across periods and against other companies in the industry, and is an indication of the Company's ability to generate cash to finance capital investment programs, to service debt and to meet other financial obligations. This measure is used, along with other measures, in the calculation of certain performance targets for the Company's management and employees.

	Three months ended June 30,		Six months ended June 30,	
(\$ millions)	2024	2023	2024	2023
Cash From (Used in) Operating Activities	\$ 1,020	\$ 831	\$ 1,679	\$ 1,899
Net change in other assets and liabilities	(42)	(12)	(54)	(17)
Net change in non-cash working capital	37	144	(327)	366
Non-GAAP Cash Flow	\$ 1,025	\$ 699	\$ 2,060	\$ 1,550

Debt to Capitalization and Debt to Adjusted Capitalization

Debt to Adjusted Capitalization is a non-GAAP measure which adjusts capitalization for historical ceiling test impairments that were recorded as at December 31, 2011. Management monitors Debt to Adjusted Capitalization as a proxy for the Company's financial covenant under the Credit Facilities which require Debt to Adjusted Capitalization to be less than 60 percent. Adjusted Capitalization includes debt, total shareholders' equity and an equity adjustment for cumulative historical ceiling test impairments recorded as at December 31, 2011 in conjunction with the Company's January 1, 2012 adoption of U.S. GAAP.

	(\$ millions, except as indicated)		December 31,
	June 30, 2024	June 30, 2023	2023
Debt (Long-Term Debt, including Current Portion)	\$ 6,087	\$ 5,737	
Total Shareholders' Equity	10,328	10,370	
Capitalization	\$ 16,415	\$ 16,107	
Debt to Capitalization	37%		36%

Debt (Long-Term Debt, including Current Portion)	\$	6,087	\$	5,737
Total Shareholders' Equity		10,328		10,370
Equity Adjustment for Impairments at December 31, 2011		7,746		7,746
Adjusted Capitalization	\$	24,161	\$	23,853
Debt to Adjusted Capitalization			25%	24%

Debt to EBITDA and Debt to Adjusted EBITDA

Debt to EBITDA and Debt to Adjusted EBITDA are non-GAAP measures. EBITDA is defined as trailing 12-month net earnings (loss) before income taxes, depreciation, depletion and amortization, and interest. Adjusted EBITDA is EBITDA adjusted for impairments, accretion of asset retirement obligation, unrealized gains/losses on risk management, foreign exchange gains/losses, gains/losses on divestitures and other gains/losses.

Management believes these measures are useful to the Company and its investors as a measure of financial leverage and the Company's ability to service its debt and other financial obligations. These measures are used, along with other measures, in the calculation of certain financial performance targets for the Company's management and employees.

	(\$ millions, except as indicated)	June 30, 2024	December 31, 2023
Debt (Long-Term Debt, including Current Portion)	\$	6,087	\$ 5,737
Net Earnings (Loss)		1,940	2,085
Add back (deduct):			
Depreciation, depletion and amortization		2,188	1,825
Interest		407	355
Income tax expense (recovery)		414	425
EBITDA	\$	4,949	\$ 4,690
Debt to EBITDA (times)		1.2	1.2
Debt (Long-Term Debt, including Current Portion)	\$	6,087	\$ 5,737
Net Earnings (Loss)		1,940	2,085
Add back (deduct):			
Depreciation, depletion and amortization		2,188	1,825
Accretion of asset retirement obligation		19	19
Interest		407	355
Unrealized (gains) losses on risk management		58	(194)
Foreign exchange (gain) loss, net		(41)	19
Other (gains) losses, net		(15)	(20)
Income tax expense (recovery)		414	425
Adjusted EBITDA	\$	4,970	\$ 4,514
Debt to Adjusted EBITDA (times)		1.2	1.3

Item 3: Quantitative and Qualitative Disclosures About Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about Ovintiv's potential exposure to market risks. The term "market risk" refers to the Company's risk of loss arising from adverse changes in oil, NGL and natural gas prices, foreign currency exchange rates and interest rates. The following disclosures are not meant to be precise indicators of expected future losses but rather indicators of reasonably possible losses. The forward-looking information provides indicators of how the Company views and manages ongoing market risk exposures.

COMMODITY PRICE RISK

Commodity price risk arises from the effect fluctuations in future commodity prices, including oil, NGLs and natural gas, may have on future revenues, expenses and cash flows. Realized pricing is primarily driven by the prevailing worldwide price for oil and spot market prices applicable to the Company's natural gas production. Pricing for oil, NGLs and natural gas production is volatile and unpredictable as discussed in Part 1, Item 2 of this Quarterly Report on Form 10-Q in the Executive Overview section in Management's Discussion and Analysis of Financial Condition and Results of Operations and in Item 1A. "Risk Factors" of the 2023 Annual Report on Form 10-K. To partially mitigate exposure to commodity price risk, the Company may enter into various derivative financial instruments including futures, forwards, swaps, options and costless collars. The use of these derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors and may vary from time to time. Both exchange traded and over-the-counter traded derivative instruments may be subject to margin-deposit requirements, and the Company may be required from time to time to deposit cash or provide letters of credit with exchange brokers or counterparties to satisfy these margin requirements. For additional information relating to the Company's derivative and financial instruments, see Note 19 to the Condensed Consolidated Financial Statements under Part I, Item 1 of this Quarterly Report on Form 10-Q.

The table below summarizes the sensitivity of the fair value of the Company's risk management positions to fluctuations in commodity prices, with all other variables held constant. The Company has used a 10 percent variability to assess the potential impact of commodity price changes. Fluctuations in commodity prices could have resulted in unrealized gains (losses) impacting pre-tax net earnings as follows:

	(US\$ millions)	June 30, 2024	
		10% Price Increase	10% Price Decrease
Oil price	\$	(64)	\$ 46
NGL price		(1)	1
Natural gas price		(44)	43

FOREIGN EXCHANGE RISK

Foreign exchange risk arises from changes in foreign exchange rates that may affect the fair value or future cash flows from the Company's financial assets or liabilities. As Ovintiv operates primarily in the United States and Canada, fluctuations in the exchange rate between the U.S. and Canadian dollars can have a significant effect on the Company's reported results.

The table below summarizes selected foreign exchange impacts on Ovintiv's financial results when compared to the same periods in 2023.

	Three Months Ended June 30,		Six Months Ended June 30,
	\$		\$
	millions		/BOE millions

	Increase (Decrease)			
	in:			
Capital Investment	\$	(2)	\$	(2)
Transportation and Processing Expense ⁽¹⁾		(5) \$	(0.10)	(4) \$ (0.04)
Operating Expense ⁽¹⁾		-	-	-
Administrative Expense		-	-	-
Depreciation, Depletion and Amortization ⁽¹⁾		(1)	(0.03)	(1) (0.01)

(1)Reflects upstream operations.

Foreign exchange gains and losses also arise when monetary assets and monetary liabilities denominated in foreign currencies are translated and settled, and primarily include:

- U.S. dollar denominated financing debt issued from Canada
- U.S. dollar denominated risk management assets and liabilities held in Canada
- U.S. dollar denominated cash and short-term investments held in Canada
- Foreign denominated intercompany loans

To partially mitigate the effect of foreign exchange fluctuations on future commodity revenues and expenses, the Company may enter into foreign currency derivative contracts. As at June 30, 2024, Ovintiv has entered into \$236 million notional U.S. dollar denominated currency swaps at an average exchange rate of C\$1.3697 to US\$1, which mature monthly through the remainder of 2024.

As at June 30, 2024, Ovintiv did not have any U.S. dollar denominated financing debt issued from Canada that was subject to foreign exchange exposure.

The table below summarizes the sensitivity to foreign exchange rate fluctuations, with all other variables held constant. The Company has used a 10 percent variability to assess the potential impact from Canadian to U.S. foreign currency exchange rate changes. Fluctuations in foreign currency exchange rates could have resulted in unrealized gains (losses) impacting pre-tax net earnings as follows:

	(US\$ millions)	June 30, 2024	
		10% Rate Increase	10% Rate Decrease
Foreign currency exchange	\$	122	\$ (149)

INTEREST RATE RISK

Interest rate risk arises from changes in market interest rates that may affect the fair value or future cash flows from the Company's financial assets or liabilities. The Company may partially mitigate its exposure to interest rate changes by holding a mix of both fixed and floating rate debt and may also enter into interest rate derivatives to partially mitigate effects of fluctuations in market interest rates.

As at June 30, 2024, Ovintiv had floating rate revolving credit and term loan borrowings of \$634 million. Accordingly, on a before-tax basis, the sensitivity for each one percent change in interest rates on floating rate revolving credit and term loan borrowings was \$6 million.

Item 4: Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

Ovintiv's Chief Executive Officer and Chief Financial Officer performed an evaluation of the effectiveness of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and to ensure that the information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is accumulated and communicated to the Company's management, including the principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of June 30, 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal controls over financial reporting during the second quarter of 2024 that have materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

PART II

Item 1. Legal Proceedings

Please refer to Item 3 of the 2023 Annual Report on Form 10-K and Note 21 to the Condensed Consolidated Financial Statements under Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Item 1A., "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchase of Equity Securities

On September 26, 2023, the Company announced it had received regulatory approval to purchase, for cancellation or return to treasury, up to approximately 26.7 million shares of common stock pursuant to a NCIB over a 12-month period from October 3, 2023 to October 2, 2024. The number of shares of common stock authorized for purchase represented approximately 10 percent of Ovintiv's issued and outstanding shares of common stock as of such time.

During the three months ended June 30, 2024, the Company purchased approximately 3.6 million shares of common stock for approximately \$182 million, excluding excise tax, at a weighted average price of \$49.96. The following table presents the common shares purchased during the three months ended June 30, 2024.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽²⁾	Maximum Number of Shares Purchased Under the Programs
April 1 to April 30, 2024	837,417	\$ 53.22	19,317,730
May 1 to May 31, 2024	1,249,583	49.96	18,068,147
June 1 to June 30, 2024	1,555,636	48.21	16,512,511
Total	3,642,636	\$ 49.96	16,512,511

(1) For the three months ended June 30, 2024, 1,137,584 shares of common stock were repurchased through our broker in accordance with a Rule 10b5-1 compliant plan initially adopted by the Company on September 30, 2021.

(2) Includes commissions but excludes excise taxes.

In the first quarter of 2022, Ovintiv obtained an exemption order (the "NCIB Exemption") from the Alberta Securities Commission and the Ontario Securities Commission, which permits Ovintiv to make repurchases (the "Proposed Bids"), under its current and any future normal course issuer bids, through the facilities of the NYSE and other U.S.-based trading systems (collectively, "U.S. Markets"), in excess of the maximum allowable purchases under applicable Canadian securities laws. The NCIB Exemption applies to any Proposed Bid commenced within 36 months of the date of the exemption order and is subject to several other conditions, including that Ovintiv remain a U.S. and SEC foreign issuer under applicable Canadian securities laws. The purchases of common stock under a Proposed Bid must also be made in compliance with other applicable Canadian securities laws and applicable U.S. rules. Additionally, the NCIB Exemption imposes restrictions on the number of shares of common stock that may be acquired under the exemption, including that: (a)

Ovintiv may not acquire common stock in reliance upon the exemption under subsection 4.8(3) of Canadian National Instrument 62-104 – Take-Over Bids and Issuer Bids (“NI 62-104”) from the requirements applicable to issuer bids (the “Other Published Markets Exemption”) if the aggregate number of shares of common stock purchased by Ovintiv, and any person or company acting jointly or in concert with Ovintiv, in reliance on the NCIB Exemption and the Other Published Markets Exemption within any period of 12 months exceeds 5 percent of the outstanding common stock on the first day of such 12-month period; and (b) the aggregate number of shares of common stock purchased pursuant to (i) a Proposed Bid in reliance on the NCIB Exemption; (ii) exempt issuer bid purchases made in the normal course through the facilities of the TSX; and (iii) the Other Published Markets Exemption does not exceed, over the 12-month period of its current NCIB, 10 percent of Ovintiv’s public float. As a result, the NCIB Exemption effectively allows Ovintiv to purchase up to 10 percent of its public float on U.S. Markets under its NCIB. Without the NCIB Exemption this amount would be limited to 5 percent of Ovintiv’s outstanding common stock within a 12-month period under applicable Canadian securities law.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

<u>Exhibit</u>	<u>Descrip</u>
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No	
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[June](#)
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[2022,](#)
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[Canada](#)
[ULC,](#)
[as](#)
[Borrowe](#)
[Ovintiv](#)
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[the](#)
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[and](#)

31.1

31.2

32.1*

32.2*

[Royal Bank of Canada](#), as administrative agent, [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) of the Securities Exchange Act of 1934](#), [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) of the Securities Exchange Act of 1934](#), [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350](#), [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350](#).

101.INS

101.SCH

104

Inline
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are
embedde
within
the
Inline
XBRL
document
Inline
XBRL
Taxonom
Extensio
Schema
With
Embedd
Linkbase
Docume
The
cover
page
from
the
Compan
Quarterl
Report
on
Form
10-Q
for
the
quarter
ended
June
30,
2024,
has
been
formatte
in
Inline
XBRL.

* The certifications on Exhibits 32.1 and 32.2 hereto are deemed not “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. Such certifications will not be deemed incorporated by reference to any filings under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ovintiv Inc.

By: /s/ Corey D. Code

Name: Corey D. Code
Title: Executive Vice-President & Chief Financial Officer

Dated: July 30, 2024

FIRST AMENDING AGREEMENT

THIS FIRST AMENDING AGREEMENT (this “**Amending Agreement**”) is dated as of June 26, 2024 among Ovintiv Canada ULC, as borrower, (the “**Borrower**”), Ovintiv Inc., as guarantor, (the “**Guarantor**” and together with the Borrower, the “**Obligors**”), Royal Bank of Canada, as agent (the “**Agent**”) and the lenders party hereto (collectively, the “**Lenders**”).

WHEREAS:

A. Reference is made to the Amended and Restated Credit Agreement dated as of April 1, 2022 among the Borrower, the Guarantor, the Agent and the Lenders (the “**Credit Agreement**”).

B. The Borrowers, the Agent and the Lenders wish to amend and supplement the Credit Agreement on the terms and conditions set out herein.

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained in this Amending Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms. In this Amending Agreement, unless something in the subject matter or context is inconsistent:

(a) terms defined in the description of the parties or in the recitals have the respective meanings given to them in the description or recitals, as applicable; and

(b) all other capitalized terms have the respective meanings given to them in the Credit Agreement, as amended by Article 2 of this Amending Agreement (the “**Amended Credit Agreement**”).

1.2 Headings. The headings of the Articles and Sections of this Amending Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Amending Agreement.

1.3 References. All references to Articles, Sections, Exhibits and Schedules, unless otherwise specified, are to Articles, Sections, Exhibits and Schedules of the Credit Agreement.

ARTICLE 2 AMENDMENTS

2.1 Amendments to Credit Agreement. Effective as of the Effective Date (as hereinafter defined), the Credit Agreement (including the Schedules attached thereto) is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages attached as Exhibit 1 hereto. For certainty, any Schedule to the Credit Agreement that is not amended as set forth in such Exhibit 1 shall remain in full force and effect as such Schedule existed immediately prior to the execution of this Amending Agreement.



ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Confirmation of Representations. Each of the Obligors represents and warrants to the Agent and each of the Lenders that, as at the date of this Amending Agreement and assuming that the amendments made to the Credit Agreement by this Amending Agreement have become effective:

(a) the execution and delivery by each Obligor of this Amending Agreement and the performance by each Obligor of this Amending Agreement and the Amended Credit Agreement and the consummation of the transactions contemplated thereby, are within each Obligor's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the articles or by-laws of such Obligor or (ii) Applicable Law or any contractual restriction binding on or affecting such Obligor;

(b) each Obligor and each Material Subsidiary (i) is a Person duly organized, formed, incorporated or amalgamated, validly existing and in good standing under the laws of the jurisdiction of its organization, formation or incorporation, (ii) is duly qualified to carry on business in all jurisdictions in which it carries on any business, except to the extent the failure to be so qualified would not have a Material Adverse Effect, and (iii) has full power and authority to own its properties and conduct its business as presently conducted;

(c) this Amending Agreement has been duly executed by each of the Obligors. This Amending Agreement and the Amended Credit Agreement is the legal, valid and binding obligation of each Obligor, enforceable against each such Obligor in accordance with its terms, except to the extent that such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and may be subject to the discretion of courts with respect to granting of equitable remedies and to the powers of courts to stay proceedings for the execution of judgments;

(d) no Default or Event of Default has occurred and is continuing; and

(e) the representations and warranties contained in Article 2 of the Amended Credit Agreement are true and correct in all material respects with the same effect as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date; provided that, any representation and warranty that is qualified as to materiality or "Material Adverse Effect" shall not be further qualified to be true and correct in all material respects.

ARTICLE 4 CONDITIONS PRECEDENT

4.1 Conditions Precedent. The amendments set forth in this Amending Agreement shall become effective on the date on which all of the following conditions are satisfied (such date being the "**Effective Date**"):

(a) receipt by the Agent of a duly executed copy of this Amending Agreement; and

(b)the representations and warranties contained in Section 3.1 above shall be true and correct in all material respects (other than those representations and warranties which are already subject to a materiality threshold (such as Material Adverse Effect), which shall be true and accurate in all respects) as of the Effective Date.

ARTICLE 5 GENERAL

5.1 Confirmation. The Credit Agreement and the other Loan Documents to which each of the Borrower and the Guarantor is a party and all covenants, terms and provisions thereof, except as expressly amended and supplemented by this Amending Agreement, shall be and continue to be in full force and effect and the Amended Credit Agreement and each of the other Loan Documents to which each of the Borrower and the Guarantor is a party are hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect as herein amended and supplemented, with such amendments and supplements being effective upon the Effective Date.

5.2 Interpretation. All references to “this Agreement” or the “Credit Agreement” and all similar references in any of the other Loan Documents shall hereafter include, mean and be a reference to the Amended Credit Agreement without any requirement to amend such Loan Documents. This Amending Agreement shall constitute a “Loan Document” under, and as defined in, the Amended Credit Agreement.

5.3 Binding Nature. This Amending Agreement shall enure to the benefit of and be binding upon the Borrowers, the Lenders and the Agent, and their respective successors and permitted assigns.

5.4 Conflicts. If, after the Effective Date, any provision of this Amending Agreement is inconsistent with any provision of the Credit Agreement, the relevant provision of this Amending Agreement shall prevail.

5.5 Governing Law. This Amending Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

5.6 Counterpart and Facsimile. This Amending Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page to this Amending Agreement by any party by facsimile or other form of electronic transmission shall be as effective as delivery of a manually executed copy of this Amending Agreement by such party.

5.7 Electronic Execution of Documents. The words “execution,” “execute,” “executed,” “signed,” “signature,” and words of like import in this Amending Agreement, or in or related to any document to be signed in connection with this Amending Agreement and the transactions contemplated hereby, shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in (a) Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act (Canada)*, the *Electronic Commerce Act, 2000 (Ontario)*, the *Electronic Transactions Act (British Columbia)*, the *Electronic Transactions Act (Alberta)*, or any other similar laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or (b) any other applicable law.

[signatures on the following pages]

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement.

Notice
Address:
500
Centre
Street
S.E.
P.O.

Box By:
2850
Calgary,
Alberta
T2P
2S5
Attention:
Chief
Financial
Officer

Facsimile:
(403)
645-4853

with By:
a
copy
to:
Treasury
Department
Facsimile:
(403)
645-4613

**OVINT
CANADIAN
ULC,**
as
Borrower

/s/
L.
Troy
Cudmore
Name:
L.
Troy
Cudmore
Title:

/s/
Evan
A.
J.
Anders
Name:
Evan
A.
J.
Anders
Title:

Notice
Address:
370
17th Street,
Suite
1700

Denver,
Colorado
80202
Attention:
Treasurer
Facsimile:

**OVINT
INC.,**
as
Guarantor

/s/
Michael
J.
Liedtke
Name:
Michael
J.
Liedtke

(303)
623-2400

Title:

By:

/s/
Aaron
Carlson
Name:
Aaron
Carlson
Title:
Vice-P
&
Deput
Gener
Couns

[Signature Page to First Amending Agreement - 2024 Credit Agreement – (OVV)]

**ROYAL
BANK
OF
CANADA**
as
Agent

By:

/s/
Casey
Clark
Name:
Casey
Clark
Title:
Associate
Director

By:
Name:
Title:

[Signature Page to First Amending Agreement - 2024 Credit Agreement – (OVV)]

**ROYAL
BANK
OF
CANADA**

By:
/s/
Bryn
Davies

Name:
Bryn
Davies
Title:
Authori
Signat

By:

Name:
Title:

[Signature Page to First Amending Agreement - 2024 Credit Agreement – (OVV)]



JPMORGAN
CHASIE
BANK,
N.A.,
TORONTO
BRANC

By:
/s/
Jeffery
Coleman

Name:
Jeffery
Coleman
Title:
Executive
Director

By:
Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

CANADIAN
IMPERIAL
BANK
OF
COMMERCIAL

By:
/s/
Adam
Fellows

Name:
Adam
Fellows
Title:
Executive
Director

By:
/s/
Eric
Hamilton

Name:
Eric
Hamilton
Title:
Director

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**THE
TORONTO
BANK**

By:
/s/
Cathy
McGee

Name:
Cathy
McGee
Title:
Director

By:
/s/
Anil
Nayak

Name:
Anil
Nayak
Title:
Managing
Director

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

**CITIBA
N.A.,
CANADIAN
BRANCH**

By:
/s/
Daljeet
Lamba

Name:
Daljeet
Lamba
Title:
Authori
Signato

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**BANK
OF
MONTANA**

By:
/s/
Morgan
Driscoll

Name:
Morgan
Driscoll
Title:
Director

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**THE
BANK
OF
NOVA
SCOTIA**

By:
/s/
Michael
Linder

Name:
Michael
Linder
Title:
Director

By:
/s/
Claire
Bergh

Name:
Claire
Bergh
Title:
Associate

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**NATIO
BANK
OF
CANAD**

By:
/s/
James
Dexter

Name:
James
Dexter
Title:
Authori
Signat

By:
/s/
Tara
Yates

Name:
Tara
Yates
Title:
Authori
Signat

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

FÉDÉR
DES
CAISS
DESJA
DU
QUÉB

By:
/s/
Oliver
Sumug

Name:
Oliver
Sumug
Title:
Manag
Directo

By:
/s/
Matt
van
Remme

Name:
Matt
van
Remme
Title:
Manag
Directo

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

SUMIT
MITSU
BANK
CORP
CANAD
BRAN

By:
/s/
Alfred
Lee

Name:
Alfred
Lee
Title:
Manag
Directo

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

**BANC
OF
AMER
CREDI
PRODI
INC.**

By:
/s/
Alexan
Watts

Name:
Alexan
Watts
Title:
Assista
Vice
Preside

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

**WELLS
FARGO
BANK,
N.A.**

By:
/s/
Borden
Tennar

Name:
Borden
Tennar
Title:
Execut
Directo

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**BANK
OF
AMERICA
N.A.,
CANADIAN
BRANCH**

By:
/s/
Adrian
Plumm

Name:
Adrian
Plumm
Title:
Director

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**MUFG
BANK,
LTD.,
CANADA
BRANCH**

By:
/s/
Samin
Atique

Name:
Samin
Atique
Title:
Authori
Signat

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**BARC
BANK
PLC**

By:
/s/
Joseph
Tauro

Name:
Joseph
Tauro
Title:
Assista
Vice
Preside

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

**MIZUHO
BANK,
LTD.,
CANADIAN
BRANCH**

By:
/s/
James
K.G.
Campbell

Name:
James
K.G.
Campbell
Title:
Director

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**PNC
BANK
CANADA
BRANCH**

By:
/s/
Cameron
Ruff

Name:
Cameron
Ruff
Title:
SVP
PNC
Bank
Canada
Branch

By:

Name:
Title:

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]



**TRUIS
BANK**

By:
/s/
James
Giorda

Name:
James
Giorda
Title:
Manag
Directo

[Signature Page to First Amending Agreement– 2024 Credit Agreement – (OVV)]

**MORG
STANL
BANK,
N.A.**

By:
/s/
Taylor
Tripuck

Name:
Taylor
Tripuck
Title:
Vice
Preside

By:
/s/
Taylor
Tripuck

Name:
Taylor
Tripuck
Title:
Vice
Preside

[Signature Page to Amending Agreement No.1 – ARCA - 2024 Credit Agreement – (OVV)]

**BANK
OF
CHINA
(CANADA)**

By:
/s/
David
Liang

Name:
David
Liang
Title:
Head
of
Corporate
Banking
Department

By:

Name:
Title:

[Signature Page to Amending Agreement No.1 – ARCA - 2024 Credit Agreement – (OVV)]



Exhibit 1
Amended Credit Agreement

(See attached)

US\$1,300,000,000 (OR EQUIVALENT)
EXTENDIBLE REVOLVING - TERM CREDIT FACILITY

AMENDED AND RESTATED CREDIT AGREEMENT

AMONG

OVINTIV CANADA ULC
(as Borrower)

AND

OVINTIV INC.
(as Guarantor)

AND

THE FINANCIAL AND OTHER INSTITUTIONS NAMED HEREIN
FROM TIME TO TIME IN THEIR
CAPACITIES AS LENDERS
(as Lenders)

AND

ROYAL BANK OF CANADA
(as Agent)

Dated as of April 1, 2022

RBC CAPITAL MARKETS

**JPMORGAN CHASE BANK, N.A., TORONTO BRANCH
CANADIAN IMPERIAL BANK OF COMMERCE
TD SECURITIES
CITIBANK, N.A., CANADIAN BRANCH
(as Joint-Lead Arrangers and Joint Bookrunners)**

AND

**BMO CAPITAL MARKETS
THE BANK OF NOVA SCOTIA
(as Joint-Lead Arrangers)**

AND

**BANK OF MONTREAL
THE BANK OF NOVA SCOTIA
(as Documentation Agents)**

**Norton Rose Fulbright Canada LLP
Blake, Cassels & Graydon LLP**

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~~Repay~~
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Notice
of
Drawdown
Repayment
or
Cancellation
of
Commitment
Notice
of
~~Drawdown~~
~~by~~
~~way~~
~~of~~
~~Bankers~~
~~Acceptance~~
Notice
of
~~Conversion~~
Notice
of
~~Rollover~~
Request
for
Extension
Compliance
Certificate
~~Intention~~
~~Deleted~~
~~Power~~
~~of~~
~~Attorney~~
—
~~Bankers~~
~~Acceptance~~
Lender
Transfer
Agreement
Commitment

THIS AMENDED AND RESTATED CREDIT AGREEMENT is dated as of April 1, 2022

AMONG:

OVINTIV CANADA ULC, a corporation continued under the laws of the Province of British Columbia, having an office in Calgary, Alberta, Canada (the **"Borrower"**)

AND

OVINTIV INC., a corporation incorporated under the laws of the State of Delaware, having its executive office in Denver, Colorado, United States of America (the **"Guarantor"**)

AND

each of the financial and other institutions named on Schedule "JG" from time to time, in their capacities as Lenders

AND

ROYAL BANK OF CANADA, a Canadian chartered bank having its head office in Toronto, Ontario, Canada, in its capacity from time to time as administrative agent of the Lenders hereunder (in such capacity, the **"Agent"**)

WHEREAS the Borrower, the Guarantor, certain of the Lenders and the Agent are parties to the Existing Credit Agreement;

AND WHEREAS the Borrower has requested and the Lenders have agreed to amend and restate the Existing Credit Agreement upon the terms and conditions, and in the form, of this Agreement;

NOW THEREFORE, in consideration of the premises, the mutual covenants and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Agreement:

"Acceleration Notice" has the meaning ascribed thereto in Section 9.2;

"Accounts" means the accounts and records established by the Agent to record the Borrower's liability to each of the Lenders in respect of the Borrowings and other Loan Indebtedness owing by the Borrower to each of the Lenders hereunder in accordance with Section 4.4;

"Additional Compensation" has the meaning ascribed to that term in Section 10.2;

"Adjusted Daily Compounded CORRA" means for the purposes of any calculation, the rate per annum equal to (i) Daily Compounded CORRA for such calculation plus (ii) the Daily Compounded CORRA Adjustment;

provided that, if Adjusted Daily Compounded CORRA as so determined for any day shall be less than the Floor, then Adjusted Daily Compounded CORRA shall be deemed to be the Floor for such day;

“Adjusted Daily Simple SOFR” means, for any day, an interest rate per annum equal to (a) Daily Simple SOFR for such day plus (ii) the Daily Simple SOFR, ~~plus (b) 0.10% per annum Adjustment~~; provided that, if the Adjusted Daily Simple SOFR as so determined would above for any day shall be less than the Floor, such rate shall be deemed to be ~~equal to~~ the Floor for ~~the purposes of this Agreement~~ such day;

“Adjusted Term CORRA” means, for the purposes of any calculation, the rate per annum equal to (i) Term CORRA for such calculation plus (ii) the Term CORRA Adjustment; provided that, if the Interest Period with respect to the applicable Term CORRA Loan is a Non-Standard Interest Period, then Adjusted Term CORRA shall be the CORRA Interpolated Rate; and provided further that, if Adjusted Term CORRA as so determined for any day shall be less than the Floor, then Adjusted Term CORRA shall be deemed to be the Floor for such day;

“Adjusted Term SOFR Rate” means, for any Interest Period, an interest the purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (ii) the Term SOFR Rate for such Adjustment; provided that, if the Interest Period with respect to the applicable SOFR Loan is a Non-Standard Interest Period, plus (b) 0.10% per annum for all Interest Periods; provided that if then Adjusted Term SOFR Rate shall be the SOFR Interpolated Rate; and provided further that, if Adjusted Term SOFR as so determined would above for any day shall be less than the Floor, such rate shall be deemed to be ~~equal to~~ the Floor for ~~the purposes of this Agreement~~ such day;

“Administrative Questionnaire” means an administrative questionnaire in the form supplied by the Agent;

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution;

“Affiliate” means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person; and, for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” or “under common control with”) means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or other economic interests, the holding of voting rights or contractual rights or otherwise;

“Agent” means Royal when acting in its capacity as agent hereunder, and includes any successor agent appointed pursuant to Section 12.16;

“Agent’s Account for Payments” means:

(i) for all payments in Canadian Dollars, the following account maintained by the Agent at its Toronto main branch, to which payments and transfers are to be effected as follows:

Royal Bank of Canada
Swift Address: ROYCCAT2
Favour: /00002-266-760-8
RBC Agency Services Group
Toronto, Ontario
Ref: Ovintiv Canada ULC

(ii) for all payments in US Dollars, the following account maintained by the Agent at its Toronto main branch, to which payments and transfers are to be effected as follows:

JPMorgan Chase Bank, New York, New York
ABA 021000021, Swift code: CHASUS33
Swift Address: ROYCCAT2
Beneficiary: Favour: /00002-408-919-9
RBC Agency Services Group
Toronto, Ontario
Ref: Ovintiv Canada ULC

or such other places or accounts in Canada as may be stipulated by the Agent from time to time and notified in writing to the Borrower and the Lenders;

“Agent’s Branch of Account” means:

Royal Bank of Canada
RBC Agency Services Group
RBC Centre
155 Wellington Street West
8th Floor
Toronto, Ontario
M5V 3K7

Email: rbcmagnt@rbccm.com
Fax: (416) 842-4023

or such other office or branch of the Agent in Canada as the Agent may from time to time advise the Borrower and the Lenders in writing;

“Agreement” or **“Credit Agreement”** means this agreement, including Schedule “A” to Schedule “JG” inclusive, and any further amendments or supplements to it;

“AML Legislation” has the meaning given to it in Section 16.10;

“Anti-Corruption Laws” means all laws, rules, and regulations of Sanctions Authorities that apply to the Borrower and its Subsidiaries from time to time concerning or relating to bribery of government officials or public corruption;

“Applicable Law” means, with respect to any Person, property, transaction or event, and whether or not having the force of law, all applicable provisions of laws, statutes, regulations, rules, guidelines, by-laws, treaties, orders, policies, judgments, decrees and official directives of Governmental/Judicial Bodies or Persons acting under the authority of any Governmental/Judicial Body;

“Applicable Pricing Margin” means, with respect to any applicable Borrowing or the standby fees payable under Section 5.89, a rate per annum set forth opposite the applicable Debt Rating:

Level

Debt Rating (S&P/

Standby Fees Instances /

1

3

**Moody's/
Fitch)**

A/A2/A or
higher

**Term-
Benchmark
Loans
/
Letters
USBR
Coasis
(in
bps)
00**

2	A-/A3/A-	200
3	BBB+/Baa1/ BBB+	220
4	BBB/Baa2/ BBB	235
5	BBB-/Baa3/ BBB-	270
6	Lower than Level 5, or unrated by each of S&P, Moody's and Fitch	225

provided that, in each case, as applicable:

(i)if at any time the Guarantor has three Debt Ratings and the Debt Rating assigned by any one Rating Agency is lower than the Debt Rating assigned by any other Rating Agency, then such lowest Debt Rating (the “**Disregarded Debt Rating**”) shall be disregarded for the purposes of this definition; provided that if the Debt Rating assigned by any two Rating Agencies is the same and is lower than the Debt Rating assigned by the third Rating Agency, then only one of the two lowest Debt Ratings shall be treated as the Disregarded Debt Rating;

(ii)if at any time the Guarantor has either (A) two Debt Ratings, or (B) three Debt Ratings but one is a Disregarded Debt Rating, and if at any time the Debt Rating assigned by one Rating Agency differs from the Debt Rating assigned by the other Rating Agency by only one rating subcategory, then the Applicable Pricing Margin shall be the applicable rate per annum set forth opposite the higher of the two Debt Ratings;

(iii)if at any time the Guarantor has either (A) two Debt Ratings, or (B) three Debt Ratings but one is a Disregarded Debt Rating, and if at any time the Debt Rating assigned by one Rating Agency differs from the Debt Rating assigned by the other Rating Agency by two or more rating subcategories, then the Applicable Pricing Margin shall be the average of the applicable rates per annum set forth opposite those two Debt Ratings;

(iv)the Applicable Pricing Margin for ~~Bankers' Acceptances and~~ Letters of Credit shall be determined on the date of issuance and shall be subject to adjustment in accordance with Section 5.67;

(v)with respect to Letters of Credit which are not characterized as Direct Credit Substitutes (as determined by the Fronting Bank, acting reasonably), the Applicable Pricing Margin shall be 662/3% of the applicable rates described above; provided that if any such Letter of Credit is determined by the Office of the Superintendent of Financial Institutions Canada to be a Direct Credit Substitute after the issuance thereof, the Applicable Pricing Margin shall be adjusted to 100% of the applicable rates described above with retroactive effect to the date of issuance and the incremental issuance fee payable for the period from the date of issuance to the date of such determination shall be payable on the first Business Day of the next Fiscal Quarter; and

(vi) if any or all of S&P, Moody's and Fitch ceases to carry on the business of providing ratings of the long term debt of corporate borrowers based on creditworthiness assessments, then the provisions of Section 1.8 (and not Level 6 pricing) shall apply;

“**Available Tenor**” means, as of any date of determination and with respect to ~~the~~any then-current Benchmark, as applicable, (i) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) ~~or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable,~~ that is or may be used for determining the length of an Interest Period ~~for any term rate or~~ (ii) otherwise, any payment period for interest calculated with reference

to such Benchmark (or any component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 10.5(d);

~~“BA Equivalent Loan” means, in relation to a Drawdown of, Conversion into or Rollover of, Bankers’ Acceptances, a Borrowing advanced by a Non-Acceptance Lender pursuant to Section 3.5(f) as part of such Drawdown, Conversion or Rollover;~~

~~“BA Suspension Notice” has the meaning given to it in Section 10.1(b)(ii);~~

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution;

“**Bail-In Legislation**” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliates (other than through liquidation, administration or other insolvency proceedings);

~~“Bankers’ Acceptance” means either a depository bill, as defined by the *Depository Bills and Notes Act* (Canada), or a blank non-interest bearing bill of exchange, as defined by the *Bills of Exchange Act* (Canada), in either case drawn by the Borrower and accepted by a Lender as a bankers’ acceptance, as evidenced by the Lender’s endorsement thereof at the request of the Borrower pursuant to Section 3.3, 3.8 or 3.9;~~

“**basis point**” or “**bp**” means one one-hundredth of a percent;

“**Benchmark**” means, initially, with (i) in respect to of any Term Benchmark SOFR Loan, the Term SOFR Reference Rate, (ii) in respect of any Term CORRA Loan, the Term CORRA Reference Rate and (iii) in respect of any Daily Compounded CORRA Loan, CORRA; provided in each case that if a Benchmark Transition Event, ~~and the related Benchmark Replacement Date have~~ has occurred with respect to ~~the Term SOFR Rate or the any~~ then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 10.5(~~da~~);

“Benchmark Fallback Loans” means (i) in respect of any SOFR Loans, USBR Loans, (ii) in respect of any Term CORRA Loans, Daily Compounded CORRA Loans and (iii) in respect of any Daily Compounded CORRA Loans, Prime Loans;

“Benchmark Loan” means any Loan that bears interest with reference to any Benchmark (or any Benchmark Replacement thereof);

“Benchmark Replacement” means, with respect to any Benchmark Transition Event for any then-current Benchmark;

(i) ~~“Benchmark Replacement” means, for any Available Tenor~~ with respect to obligations, interest, fees, commissions or other amounts calculated with respect to the Term SOFR Reference Rate (or any Benchmark replacing the Term SOFR Reference Rate), the first

alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Replacement Date:

~~(A)(1) the~~ Adjusted Daily Simple SOFR; or

~~(B)(2) the sum of: (a) the alternate benchmark rate that has been selected by the Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for to the then-current Benchmark for US Dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment;~~

(ii) with respect to obligations, interest, fees, commissions or other amounts calculated with respect to the Term CORRA Reference Rate (or any Benchmark replacing the Term CORRA Reference Rate), the first alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Replacement Date:

(A) Adjusted Daily Compounded CORRA; or

(B) the sum of: (I) the alternate benchmark rate that has been selected by the Agent and the Borrower giving due consideration to (y) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (z) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Canadian Dollar-denominated syndicated credit facilities and (II) the related Benchmark Replacement Adjustment; and

(iii) with respect to obligations, interest, fees, commissions or other amounts calculated with respect to CORRA (or any Benchmark replacing CORRA), the sum of: (A) the alternate benchmark rate that has been selected by the Agent and the Borrower giving due consideration to (I) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (II) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Canadian Dollar-denominated syndicated credit facilities and (B) the related Benchmark Replacement Adjustment,

~~If provided that, if~~ the Benchmark Replacement as so determined ~~pursuant to clause (1) or (2) above~~ for any day would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for ~~the purposes of this Agreement and the other Loan Documents~~ such day;

“Benchmark Replacement Adjustment” means, with respect to any replacement of ~~the any~~ then-current Benchmark with an ~~Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such~~ Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower ~~for the applicable Corresponding Tenor~~ giving due consideration to ~~(a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread~~

adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body ~~on the applicable Benchmark Replacement Date and/~~ or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with

the applicable Unadjusted Benchmark Replacement for US Dollar or Canadian Dollar ~~dollar~~-denominated syndicated credit facilities (as applicable) at such time;

~~“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of “US Base Rate,” the definition of “Business Day,” the definition of “US Government Securities Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides in its reasonable discretion in consultation with the Borrower may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides in its reasonable discretion that adoption of any portion of such market practice is not administratively feasible or if the Agent determines in its reasonable discretion that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Agent, in consultation with the Borrower, decides is reasonably necessary in connection with the administration of this Agreement);~~

~~“Benchmark Replacement Date” means, with respect to any Benchmark, the~~ a date and time determined by the Agent, which date shall be no later than the earliest ~~to~~ occur of the following events with respect to ~~such any~~ then-current Benchmark:

~~(i)(4)~~ in the case of clause ~~(4i)~~ or ~~(2ii)~~ of the definition of “Benchmark Transition Event,” the later of ~~(aA)~~ the date of the public statement or publication of information referenced therein and ~~(bB)~~ the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof); or

~~(ii)(2)~~ in the case of clause ~~(3iii)~~ of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be ~~no longer~~ non-representative; ~~provided,~~ that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause ~~(eiii)~~ and even if such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date~~;~~

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (i) or (ii) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).;

~~“Benchmark Transition Event” means, with respect to any Benchmark,~~ the occurrence of one or more of the following events with respect to ~~such any~~ then-current Benchmark:

~~(i)(4)~~ a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or

will cease to provide [such Benchmark \(or such component thereof\) or, if such Benchmark is a term rate](#), all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will

continue to provide [such Benchmark \(or such component thereof\) or, if such Benchmark is a term rate,](#) any Available Tenor of such Benchmark (or such component thereof);

~~(ii)(2)~~ a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the ~~CME Term SOFR Administrator~~ Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide [such Benchmark \(or such component thereof\) or, if such Benchmark is a term rate,](#) all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide [such Benchmark \(or such component thereof\) or, if such Benchmark is a term rate,](#) any Available Tenor of such Benchmark (or such component thereof); or

~~(iii)(3)~~ a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that [such Benchmark \(or such component thereof\) or, if such Benchmark is a term rate,](#) all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, [if such Benchmark is a term rate,](#) a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof);

“**Benchmark Unavailability Period**” means, ~~with~~in respect ~~to~~of any Benchmark, the period (if any) ~~(xi)~~ beginning at the time that a Benchmark Replacement Date ~~pursuant to clauses (1) or (2) of that definition~~ has occurred [in respect of such Benchmark](#) if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any other Loan Document in accordance with Section 10.5 and ~~(y)~~(ii) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any other Loan Document in accordance with Section 10.5;

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation;

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230;

“**Borrower**” means Ovintiv Canada ULC, an unlimited liability corporation continued under the laws of British Columbia and any successor thereto permitted pursuant to Section 8.2(c);

“**Borrower’s Accounts**” means, for all payments in Canadian Dollars, account no. 100-994-3, and, for all payments in US Dollars, account no. 400-284-6, in each case maintained by the Borrower with the Agent at the Agent’s Main Branch in Calgary, Alberta, or such other account or accounts maintained by the Borrower with the Agent as the Borrower may from time to time designate and advise the Agent in writing;

“**Borrowing**” means (i) an advance by way of Prime Loans, (ii) an advance by way of USBR Loans, (iii) an advance by way of ~~Term Benchmark~~[CORRA](#) Loans, (iv) an ~~acceptance of drafts or Depository Bills to become Bankers’ Acceptances having the same issuance and maturity dates~~

~~(or BA Equivalent Loans made in lieu thereof)~~ [advance by way of SOFR Loans](#) or (v) an issuance of any Letter(s) of Credit, in each case made pursuant to a Notice of Drawdown, Notice of Conversion or Notice of Rollover, or as a result of applying Section 3.4(a); [or 3.5\(g\)](#) ~~or 3.7(d)~~;

“Borrowing Conversion Date” means the date on which the Borrower has elected, pursuant to Section 3.86, or is deemed pursuant to Section 3.4(a) ~~or 3.5(g)~~ to have elected, to convert a Borrowing (or a portion thereof) to another type of Borrowing;

“Borrowing Rollover Date” means the date on which the Borrower has elected, pursuant to Section 3.97, (i) to Rollover a ~~Term~~ Benchmark Loan (or a portion thereof) for a further Interest Period, [or](#) (ii) to Rollover ~~a Bankers’ Acceptance (or a BA Equivalent Loan made in lieu thereof) (or a portion thereof) to a new Bankers’ Acceptance (or a BA Equivalent Loan in lieu thereof), or~~ (iii) to Rollover a Letter of Credit (or a portion thereof) to a new or extended Letter of Credit;

“Bow Office Lease” means, collectively and individually, the Headlease, the Sublease and the Encana Indemnity and all amendments, supplements, renewals, extensions, replacements and restatements of any of the foregoing and any other agreements entered into pursuant to any of the foregoing relating to The Bow office tower or any properties ancillary thereto. For purposes of this definition, **“Headlease”** means, collectively, the lease made as of February 7, 2007 between EDP (as landlord) and Encana Leasehold Limited Partnership (**“ELLP”**) (as tenant), as assigned by EDP to Centre Street Trust pursuant to an assignment and assumption agreement dated February 8, 2007 between EDP and Centre Street Trust, as amended pursuant to letter agreements dated December 10, 2007, February 11, 2008, February 14, 2008 and February 25, 2009 among Centre Street Trust, ELLP and EDP, and as amended by a lease amending agreement made as of April 22, 2009 among, inter alia, Centre Street Trust and ELLP, as same may be further assigned or amended, restated, superseded, supplemented, extended, replaced or modified from time to time; **“Sublease”** means the Sublease with respect to a portion of the premises located in The Bow entered into between ELLP as sublandlord and the Borrower as subtenant dated November 29, 2009 and effective on or about November 30, 2009, as such sublease may be amended, restated, superseded, supplemented, extended, replaced or modified from time to time; and **“Encana Indemnity”** means the indemnity entered into by the Borrower and Encana Developments Partnership (**“EDP”**) dated February 7, 2007, as assigned by EDP to Centre Street Trust pursuant to an assignment and assumption agreement dated February 8, 2007 between EDP and Centre Street Trust, as same may be amended, restated, superseded, supplemented, extended, replaced or modified from time to time;

“Branch of Account” means, with respect to each Lender, the branch or office of such Lender at the address set forth in such Lender’s Administrative Questionnaire provided to the Agent or such other branch or office in Canada as such Lender may from time to time advise the Borrower and the Agent in writing; provided that, for purposes of delivering any notice required to be delivered by the Agent to a Lender pursuant to Section 12.8 and for purposes of effecting any payments to a Lender in connection with this Agreement, a Lender may specify to the Borrower and the Agent in writing any other branch or office of such Lender in Canada, and such branch or office shall thereafter be the Branch of Account of such Lender for such purpose;

“Business Day” means a day, excluding Saturday and Sunday, on which Canadian chartered banks are open for business in Calgary, Alberta, Canada and Toronto, Ontario, Canada and, in respect of any payments in US Dollars, a day on which banking institutions are also open for business in New York, New York, USA; provided, that, ~~if such matter relates to any~~ [when used in connection with a SOFR Loan, or any other calculation or determination of the Adjusted Term SOFR Rate or a Borrowing or payment in respect of Term Benchmark Loans involving SOFR](#), the term “Business Day” means any day that is also a US Government Securities Business Day;

“Canadian Dollars”, “Cdn. Dollar” and the symbol “Cdn. \$” each mean lawful currency of Canada;

“Capital Adequacy Guidelines” means the capital adequacy guidelines from time to time issued by the Office of the Superintendent of Financial Institutions Canada or any other governmental agency or regulatory authority in Canada regulating or having jurisdiction with respect to any Lender;

“Cash Coverage Account” means an account maintained by the Agent (i) which bears interest for the Borrower’s account at the rates prevailing at the time of deposit for deposits of similar amounts and for similar terms, (ii) which contains amounts received by the Agent from the Borrower pursuant to Sections ~~3.10(c), 3.10(d)~~, 4.2 or 9.6 and (iii) from which the Borrower shall have no withdrawal rights or other entitlement to such amounts ~~(except for any accrued interest thereon unless such interest is required to yield the face amount of any Bankers’ Acceptances)~~ to the extent and for so long as such amounts may be required to satisfy any unmatured or contingent obligations or liabilities of the Borrower to the Agent and the Lenders pursuant to the above sections or are actually used to satisfy any such obligations and liabilities pursuant to the above sections; and, for the purposes hereof and to the foregoing extent, each such account shall be considered to be the Agent’s or Lender’s account and not the Borrower’s account;

~~“CDOR Discontinuation Date” has the meaning given to it in Section 10.1(b);~~

~~“CDOR One Month Rate” means, on any day, the annual rate of interest determined by the Agent as being the arithmetic average of the “BA 1 mth” rate per annum applicable to Canadian Dollar bankers’ acceptances displayed and identified as such on the “Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page” (or any display substituted therefor) as at approximately 10:00 a.m. (Toronto time) on such day, or if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Agent in good faith after approximately 10:00 a.m. (Toronto time) to reflect any error in a posted rate or in the posted average annual rate); provided, however, if such a rate does not appear on the Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page as contemplated, then CDOR One Month Rate, on any day, shall be the 30 day discount rate quoted to the Agent by the Schedule “I” Reference Bank (determined as of approximately 10:00 a.m. (Toronto time) on such day) which would be applicable in respect of an issue of one month Bankers’ Acceptances accepted by the Schedule “I” Reference Bank and in an aggregate amount of Cdn. \$10,000,000, and issued on such day, or if such day is not a Business Day, then on the immediately preceding Business Day; provided further that if and for so long as the long term debt of the Schedule “I” Reference Bank is assigned a rating of A2 or lower by Moody’s, the Borrower shall be entitled to designate another Lender for the purposes of determination of CDOR One Month Rate pursuant to the preceding proviso and CDOR One Month Rate shall be the average of (i) the rate determined in the absence of this proviso and (ii) the aforesaid rate, determined with the designated Lender substituted for the Schedule “I” Reference Bank; and provided, further, that if the CDOR One Month Rate would be less than zero on any day, then the CDOR One Month Rate will be deemed to be zero on such day;~~

~~“CDOR Rate” means, on any day, the annual rate of interest determined by the Agent as being the arithmetic average of the annual yield rates applicable to Canadian Dollar bankers’ acceptances having identical issue and comparable maturity dates as the Bankers’ Acceptances proposed to be issued by the Borrower displayed and identified as such on the display referred to as the “Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page” (or any display substituted therefor) as at approximately 10:00 a.m. (Toronto time) on such day, or if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Agent in good faith after approximately 10:00 a.m. (Toronto time) to reflect any error in a posted rate of interest or in the posted average annual rate of interest); provided, however, if such a rate does not appear on such Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page, then the CDOR Rate, on any day, shall be the discount rate quoted to the Agent by the Schedule “I” Reference Bank (determined as of approximately 10:00 a.m. (Toronto~~

~~time) on such day) which would be applicable in respect of an issue of bankers' acceptances accepted by the Schedule "I" Reference Bank in a comparable~~

~~amount and with comparable maturity dates to the Bankers' Acceptances proposed to be issued by the Borrower on such day, or if such day is not a Business Day, then on the immediately preceding Business Day; provided that if the CDOR Rate would be less than zero on any day, then the CDOR Rate will be deemed to be zero on such day;~~

“Centralized Banking Arrangements” means any centralized banking arrangements entered into by the Borrower and/or any of its Subsidiaries with any financial institution in the ordinary course of business for the purpose of obtaining cash management services (which arrangements may include, without limitation, the pooling and set-off of account balances between accounts belonging to different entities, the provision of guarantees or indemnities or the assumption of joint and several liabilities by one or more entities in regard to obligations of one or more other entities, or other similar arrangements);

“Change in Control” means the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the US Securities and Exchange Commission thereunder in effect on the date hereof), of Voting Shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Voting Shares of the Guarantor;

~~**“CME Term SOFR Administrator”** means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator);~~

“Code” means the *United States Internal Revenue Code of 1986*, as amended from time to time, and the rules and regulations promulgated thereunder from time to time;

“Commitment” means, in relation to a Lender, such Lender’s Syndicated Commitment or Fronting Bank Commitment, as the context may require;

“Common Equity Securities” means the securities of a Person which are entitled to share without limitation in a distribution of the assets of such Person upon any liquidation, dissolution or winding-up of such Person;

“Compliance Certificate” means a compliance certificate substantially in the form attached hereto as Schedule “~~F~~E” executed by any Senior Financial Officer;

“Conforming Changes” means, with respect to either the use or administration of any Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definitions of “Prime Rate”, “US Base Rate,” “Business Day,” “US Government Securities Business Day”, “Interest Period”, “Interest Date” or any similar or analogous definition in respect of the foregoing, the timing and frequency of determining rates and making payments of interest, the timing of Notices of Drawdown, Notices of Conversion, Notices of Rollover or notices of prepayment, the applicability and length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that the Agent decides, acting reasonably, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Agent decides, acting reasonably, is necessary in connection with the administration of this Agreement and the other Loan Documents);

“Consolidated” refers to the consolidation of accounts in accordance with GAAP;

“Consolidated Assets” means the aggregate amount of assets of the Guarantor as set forth in the Guarantor’s most recent Consolidated financial statements prepared in accordance with GAAP;

“Consolidated Capitalization” means, at the end of a Fiscal Quarter, and as determined on a Consolidated basis in accordance with GAAP, the aggregate of:

(i) Consolidated Net Worth; and

(ii) Consolidated Debt;

“Consolidated Debt” means, at the end of a Fiscal Quarter and as determined on a Consolidated basis in accordance with GAAP, all Financing Debt of the Guarantor at such time but excluding any Financing Debt referred to in the proviso to the definition of Consolidated Debt to Consolidated Capitalization Ratio;

“Consolidated Debt to Consolidated Capitalization Ratio” means, at the end of a Fiscal Quarter, the ratio of Consolidated Debt at such date to Consolidated Capitalization at such date; provided that, for the purposes of calculating such ratio, Consolidated Debt shall exclude:

(i) any Financing Debt where the Guarantor or a Subsidiary has irrevocably deposited with the proper depository in trust the necessary cash or marketable debt instruments for the defeasance, redemption or satisfaction of such Financing Debt prior to its scheduled maturity date in accordance with the provisions of the indenture, agreement or other instrument governing such Financing Debt (and such deposits shall be excluded in any calculation of the Consolidated Tangible Assets); and

(ii) any new Financing Debt borrowed or issued for the purpose of repaying or satisfying any existing Financing Debt prior to its maturity date provided that (A) such existing Financing Debt matures within 12 months of the date on which the new Financing Debt is borrowed or issued, (B) such new Financing Debt will only be excluded to the extent it is deposited into a segregated account of the Guarantor or the applicable Subsidiary (as certified by the President or a Senior Financial Officer of the Guarantor or the Borrower in an officer’s certificate delivered to the Agent promptly after such deposit) and (C) such deposits shall be excluded in any calculation of Consolidated Tangible Assets. Any such deposit and the Guarantor’s or the applicable Subsidiary’s, as the case may be, intention to repay such existing Financing Debt with such deposit shall be confirmed in each regularly scheduled Compliance Certificate which is delivered prior to repayment of such existing Financing Debt;

“Consolidated Net Tangible Assets” means the total amount of assets of the Guarantor on a Consolidated basis (less applicable reserves and other properly deductible items) after deducting therefrom:

~~(i)(a)~~ all current liabilities (excluding any Indebtedness classified as a current liability and any current liabilities which are by their terms extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed);

~~(ii)(b)~~ all goodwill, trade names, trademarks, patents and other like intangibles; and

~~(iii)(e)~~ appropriate adjustments on account of minority interests of other Persons holding shares of the Subsidiaries of the Guarantor,

and adding back the non-cash ceiling test impairments and other changes in aggregate of \$11,251,000,000 as at December 31, 2011 as a consequence of Encana's adoption of US GAAP, in each case, as shown on the most recent annual audited or quarterly unaudited Consolidated balance sheet of the Guarantor computed in accordance with GAAP;

"Consolidated Net Worth" means, at the end of a Fiscal Quarter and as determined in accordance with GAAP on a Consolidated basis for the Guarantor, the consolidated shareholders' equity as shown on the Consolidated balance sheet of the Guarantor (including, for certainty, to the extent included as shareholders' equity on such balance sheet, preferred securities and minority interests, but excluding all amounts included in shareholders' equity attributable to Non-Recourse Assets and without giving effect to the non-cash ceiling test impairments and other changes in aggregate of US\$ 7,746,000,000 as at December 31, 2011 as a consequence of Encana's adoption of US GAAP);

"Consolidated Tangible Assets" means, at the end of a Fiscal Quarter and as determined in accordance with GAAP on a Consolidated basis for the Guarantor, the total assets of the Guarantor shown on the Consolidated balance sheet of the Guarantor ((i) excluding goodwill, trademarks, copyrights and other similar intangible assets; (ii) excluding Non-Recourse Assets; and (iii) without giving effect to the non-cash ceiling test impairments and other changes in aggregate of US\$10,585,000,000 as at December 31, 2011 as a consequence of Encana's adoption of US GAAP); provided that Consolidated Tangible Assets shall not include any deposits referred to in either (A) or (B) of the proviso to the definition of Consolidated Debt to Consolidated Capitalization Ratio;

"Conversion" means a conversion or deemed conversion of one type of Borrowing or a portion thereof into another type of Borrowing in accordance with the provisions of this Agreement;

~~"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor;~~

"CORRA" means the [Canadian Overnight Repo Rate Average administered and published by the CORRA Administrator](#);

"CORRA Administrator" means the [Bank of Canada, or any successor administrator of the Canadian Overnight Repo Rate Average](#);

"CORRA Business Day" means [any day except for \(i\) a Saturday, \(ii\) a Sunday or \(iii\) a day on which commercial banks are authorized or required by law to be closed for business in Toronto, Ontario, Canada](#);

"CORRA Loans" means, collectively, [Term CORRA Loans and Daily Compounded CORRA Loans](#);

"Credit Facility" means the credit facility established pursuant to Section 3.1;

"Daily ~~Simple SOFR~~ Compounded CORRA" means, for any day (a ~~"SOFR Rate Day"~~), ~~a rate per annum equal SOFR for the day that is five (5) US Government Securities Business Days prior to (i) if such SOFR Rate Day is a US Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a US Government Securities Business Day, the US Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR~~

~~Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective~~

~~date of such change in SOFR without notice to the Borrower;~~ in any applicable period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a five (5) Business Day lookback period, or as selected by the Agent in consultation with the Borrower a two (2) Business Day lookback period, in each case, without observational shift) being established by the Agent in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Agent decides that any such methodology or convention is not administratively feasible for the Agent, then the Agent may establish another methodology or convention in its discretion, acting reasonably; and provided that if the CORRA Administrator has not provided or published CORRA and a Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA;

“Daily Compounded CORRA Adjustment” means 0.29547% (29.547 basis points) per annum for an Interest Period of one-month’s duration, and 0.32138% (32.138 basis points) per annum for an Interest Period of three-months’ duration;

“Daily Compounded CORRA Loan” means a Loan that bears interest at a rate based on Adjusted Daily Compounded CORRA;

“Daily Simple SOFR” means, for any day, a rate per annum equal to SOFR for such day, with the conventions for this rate (which will include a lookback) being established by the Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Agent decides, acting reasonably, that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its discretion, acting reasonably;

“Daily Simple SOFR Adjustment” means, with respect to Daily Simple SOFR, 0.10% (10 basis points) per annum;

“Debt Ratings” means the ratings that have been most recently announced by S&P, Moody’s and Fitch (or, as applicable under Section 1.8, a Substitute Rating Entity) for any class of senior unsecured non-convertible publicly-held long term debt of the Guarantor;

“Default” means any event or circumstance which, with the giving of notice, lapse of time (or both) or the fulfillment of any other event or condition (including, for certainty and as applicable, the making of a Borrowing) would become an Event of Default;

“Defaulting Lender” means any Lender, as reasonably determined by the Agent:

(i) that has failed to fund any payment or its portion of any Borrowings required to be made by it hereunder or to purchase or fund any participation required to be purchased or funded by it hereunder in each case within one (1) Business Day after the date that such funding was required hereunder;

(ii) that has notified the Borrower, the Agent or any Lender (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;

(iii) that has failed, within three (3) Business Days after request by the Agent or the Borrower, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Borrowings including participations in then outstanding Letters of Credit;

(iv) that has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute;

(v) in respect of which a Lender Insolvency Event or a Lender Distress Event has occurred in respect of such Lender or its Lender Parent;

(vi) that is generally in default of its obligations under other existing credit or loan documentation under which it has commitments to extend credit; or

(vii) that becomes, or its Lender Parent has become, the subject of a Bail-In Action;

“**Depository Bill**” has the meaning ascribed thereto in the *Depository Bills and Notes Act* (Canada);

“**Direct Credit Substitutes**” has the meaning contemplated within the Capital Adequacy Guidelines;

“**Director**” means a director of the Guarantor for the time being and “**Directors**” or “**Board of Directors**” means the board of directors of the Guarantor or, if duly constituted and whenever duly empowered, the executive committee of the board of directors of the Guarantor for the time being, and reference to action by the Directors means action by the Directors of the Guarantor as a board or action by the said executive committee as such committee;

~~“**Discount Proceeds**” means the net cash proceeds to the Borrower from the sale of Bankers’ Acceptances at the applicable Discount Rate, before deduction or payment of stamping fees to be paid to the Lenders pursuant to Section 5.4;~~

~~“**Discount Rate**” means:~~

~~(i) with respect to an issue of Bankers’ Acceptances accepted by a Lender that is a Schedule “I” Bank:~~

~~(A) in the case of a standard term of one (1) month, two (2) months or three (3) months, the annual rate of interest determined by the Agent as being the arithmetic average of the yield rates per annum (calculated on a year of 365 days) applicable to Canadian Dollar bankers’ acceptances having identical issue and comparable maturity dates as the Bankers’ Acceptances proposed to be issued by the Borrower, displayed and identified as such on the “Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page” (or any display substituted therefor) as at approximately 10:00 a.m. (Toronto time) on such day, or if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Agent in good faith after approximately 10:00 a.m. (Toronto time) to reflect any error in a posted rate of interest or in the posted average annual rate of interest); provided, however, if such rates do not appear on such Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page as contemplated, then the Discount Rate for purposes of this paragraph (i), on any day, shall be the discount rate quoted to the Agent by the Schedule “I” Reference Bank (determined as of approximately 10:00 a.m. (Toronto time) on such day) which would be applicable in respect of an issue of Canadian Dollar bankers’ acceptances accepted by the Schedule “I” Reference Bank having comparable face~~

~~values and identical issue and comparable maturity dates as the Bankers' Acceptances proposed to be issued by the Borrower, and~~

~~issued on such day, or if such day is not a Business Day, then on the immediately preceding Business Day; provided further that if and for so long as the long term debt of the Schedule "I" Reference Bank is assigned a rating of A2 or lower by Moody's, the Borrower shall be entitled to designate another Lender for the purposes of the determination of Discount Rate pursuant to the preceding proviso and the Discount Rate for purposes of this paragraph (i) shall be the average of (A) the rate determined in the absence of the proviso and (B) the aforesaid rate, determined with the designated Lender substituted for the Schedule "I" Reference Bank; and~~

~~(B) in the case of any other term:~~

~~(1) if such term is less than one (1) month, such rate of interest as may be determined by the Agent (acting reasonably); and~~

~~(2) if such term is greater than one (1) month, such rate of interest as may be determined by the Agent (acting reasonably) in accordance with its customary practices by interpolating between the rates of interest determined in accordance with subparagraph (A) above for the immediately shorter and immediately longer standard terms; and~~

~~(ii) with respect to an issue of Bankers' Acceptances accepted by a Lender that is a Schedule II Bank or a Schedule III Bank, the lesser of:~~

~~(A) the arithmetic average of the yield rates per annum (calculated on a year of 365 days) quoted to the Agent by the Schedule II/III Reference Banks (determined as of approximately 10:00 a.m. (Toronto time) on the date of determination), which rates would be applicable in respect of the purchase by the Schedule II/III Reference Banks of Canadian Dollar bankers' acceptances accepted by the Schedule II/III Reference Banks having comparable face values and identical issue dates and comparable maturity dates as the Bankers' Acceptances proposed to be issued by the Borrower, and issued on such day, or if such day is not a Business Day, then on the immediately preceding Business Day; and~~

~~(B) the sum of the Discount Rate, determined in accordance with paragraph (i) above, and 10 bps per annum;~~

~~provided that if the Discount Rate as determined above is less than zero on any day, then the Discount Rate shall be deemed to be zero on such day;~~

"Drawdown" means an advance or deemed advance of funds or other extension of credit in accordance with the provisions of this Agreement, and for certainty includes the issuance of a Letter of Credit but does not include a Conversion or a Rollover;

"Drawdown Date" means a Business Day, at the expiration of the notice period specified pursuant to Section 3.3, on which the Borrower obtains a Drawdown;

"EEA Financial Institution" means (a*i*) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b*ii*) any entity established in an EEA Member Country which is a Lender Parent of an institution described in clause (a*i*) of this definition, or (c*iii*) any institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a*i*) or (b*ii*) of this definition and is subject to consolidated supervision with its Lender Parent;

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway;

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution;

“Effective Date” means the date on which all conditions in Section 7.1 are satisfied or waived by the Lenders;

“Encana” means Encana Corporation, as predecessor to the Borrower;

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Material or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any Governmental/Judicial Body for enforcement, cleanup, removal, response, remedial or other similar actions or damages and (b) by any Governmental/Judicial Body or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief;

“Environmental Law” means any applicable federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance having the force or effect of law relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials;

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law;

“Equivalent Amount” in one currency (the **“First Currency”**) of an amount in another currency (the **“Other Currency”**) means, as of the date of determination, the amount of the First Currency which would be required to purchase such amount of the Other Currency at the average exchange rate quoted by the Bank of Canada at approximately the close of business on the Business Day that such determination is required to be made (or, if such determination is required to be made before close of business on such Business Day, then at approximately close of business on the immediately preceding Business Day); provided that, in either case, if no such rate is quoted, it shall mean the spot rate of exchange for wholesale transactions quoted by the Agent at approximately noon (Toronto time) on such date of determination in accordance with its normal practice or, if such date of determination is not a Business Day, on the Business Day immediately preceding such date of determination;

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder;

“ERISA Affiliate” means any Person that for purposes of Title IV of ERISA is a member of the controlled group of the Guarantor, or under common control with the Guarantor, within the meaning of Section 414(b), (c), (m) and (o) of the Code;

“ERISA Event” means (a) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC; (b) the application for a minimum funding waiver under Section 412(c) of the Code with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan in a distress

termination pursuant to Section 4041(a)(2) of ERISA (including any such notice of a distress termination with respect to a plan

amendment referred to in Section 4041(e) of ERISA); (d~~iv~~) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e~~y~~) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f~~vi~~) the conditions for the imposition of a Lien under Section 303(k) of ERISA shall have been met with respect to any Plan; or (g~~vii~~) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that is reasonably expected to result in the termination of, or the appointment of a trustee to administer, a Plan;

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time;

“Event of Default” means any of the occurrences referred to in Section 9.1 if, at the time of, or during the continuance of any such occurrence, a Borrowing is outstanding;

“Excluded Taxes” means:

(i) all taxes on, based on, measured by or with respect to the Agent’s or a Lender’s net or gross income, gains, capital, receipts, franchises, excess profits or conduct of business (unless such taxes are in lieu of any Taxes the Borrower or a Guarantor Subsidiary would otherwise be required to pay hereunder) that are taxes imposed in a jurisdiction or any political subdivision thereof as a consequence of the Agent or applicable Lender carrying on a trade or business or having a permanent establishment in that jurisdiction or otherwise being organized under the laws of or being a resident in that jurisdiction;

(ii) all U.S. federal withholding Taxes imposed under FATCA, and any Taxes or penalties arising from a Lender’s failure to properly comply with such Lender’s obligations imposed under the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) or the similar provisions of legislation of any other jurisdiction that has entered into an agreement with the United States of America to provide for the implementation of FATCA-based reporting in that jurisdiction; and

(iii) any Taxes imposed on a payment or deemed payment by reason of the recipient not dealing at arm’s length (within the meaning of the *Income Tax Act* (Canada)) with the Borrower or being a “specified shareholder” of the Borrower (within the meaning of subsection 18(5) of the *Income Tax Act* (Canada)) at the time of payment or deemed payment, or by reason of such recipient not dealing at arm’s length (within the meaning of the *Income Tax Act* (Canada)) with the Borrower or a “specified shareholder” of the Borrower at the time of payment or deemed payment;

“Existing Credit Agreement” means the restated credit agreement dated as of January 27, 2020 among Ovintiv Canada ULC as “Borrower”, Ovintiv Inc. as “Guarantor”, the Existing Lenders and the Agent, as amended prior to the Effective Date;

“Existing Lenders” means those financial and other institutions which are parties as “Lenders” to the Existing Credit Agreement;

“Extension Date” has the meaning ascribed to that term in Section 3.120(a);

“Facilities” means any drilling equipment, production equipment and platforms or mining equipment; pipelines, pumping stations and other pipeline facilities; terminals, warehouses and storage facilities; bulk plants; production, separation, dehydration, extraction, treating and processing facilities; gasification or natural gas liquefying facilities, flares, stacks and burning towers; floatation mills, crushers and ore handling facilities; tank cars, tankers, barges, ships,

trucks, automobiles, airplanes and other marine, automotive, aeronautical and other similar moveable facilities or equipment; computer systems and associated programs or office equipment; roads, airports, docks (including drydocks); reservoirs and waste disposal facilities; sewers; generating plants (including power plants) and electric lines; telephone and telegraph lines, radio and other communications facilities; townsites, housing facilities, recreation halls, stores and other related facilities; and similar facilities and equipment of or associated with any of the foregoing;

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention entered into in connection with the implementation of such Sections of the Code;

“**Fed Funds Rate**” means, for any day, the rate per annum calculated by the NYFRB, based on such day’s federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time and as published on the next succeeding Business Day by the NYFRB as the federal funds effective rate, provided that if the Fed Funds Rate would be less than zero on any day, then the Fed Funds Rate shall be deemed to be zero on such day;

“**Federal Reserve Board**” means the Board of Governors of the Federal Reserve System of the United States of America;

“**Finance Co.**” means Encana Holdings Finance Corp., an unlimited liability company incorporated under the laws of Nova Scotia, and any successor thereto;

“**Finance Lease**” means, at any time, any finance lease or other arrangement providing for the right of the lessee thereunder to use property, real or personal, moveable or immovable (whether or not such lease or other arrangement is intended as security), and in respect of which the present value of the minimum rental commitment or other amounts payable by the lessee thereunder would, in accordance with GAAP, be accounted for as a finance lease on a balance sheet of the lessee thereunder; provided that any real property leases (including the Bow Office Lease) and any other leases (whether entered into before or after December 31, 2021) that are or would be characterized as operating leases under GAAP as at December 31, 2021 shall be deemed to be operating leases and shall be excluded from this definition;

“**Financial Instrument Obligations**” means obligations arising under:

(i) interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into by a Person relating to interest rates or pursuant to which the price, value or amount payable thereunder is dependent or based upon interest rates in effect from time to time or fluctuations in interest rates occurring from time to time (but, for certainty, excluding conventional floating rate debt);

(ii) currency swap agreements, cross-currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into by a Person relating to currency exchange rates or pursuant to which the price, value or amount payable thereunder is dependent or based upon currency exchange rates in effect from time to time or fluctuations in currency exchange rates occurring from time to time; and

(iii)commodity swap or hedging agreements, floor, cap or collar agreements, commodity futures or options or other similar agreements or arrangements, or any combination thereof, entered into by a Person relating to one or more commodities or pursuant to which the price, value or amount payable thereunder is dependent or based upon the price of one or more commodities in effect from time to time or fluctuations in the price of one or more commodities occurring from time to time;

“Financing Debt” means, with respect to any Person and at any time, all indebtedness for borrowed money of such Person at such time and specifically includes (without duplication):

(i)indebtedness of such Person arising pursuant to bankers’ acceptance facilities, note purchase facilities and commercial paper programs;

(ii)indebtedness of such Person for borrowed money evidenced by and owed under a bond, note, debenture or similar instrument;

(iii)all indebtedness of such Person representing the deferred purchase price of any property which, in accordance with its terms is, or after giving effect to any renewal or extension provisions of such arrangements may be, payable by such Person more than 12 months after the date of acquisition;

(iv)the amounts under Finance Leases under which such Person is the lessee which, in accordance with GAAP, are capitalized on the balance sheet of such Person;

(v)indebtedness of such Person arising pursuant to letters of credit or letters of guarantee securing or supporting any indebtedness referred to in the foregoing parts of this definition and in paragraph (vi) of this definition; and

(vi)(yA) obligations of such Person under guarantees, indemnities or other contingent obligations securing or supporting any indebtedness or other obligations of any other Person referred to in the foregoing parts of this definition, and (zB) all other obligations of such Person incurred for the purpose of or having the effect of providing financial assistance to another Person to secure or support any indebtedness or other obligations of any other Person referred to in the foregoing parts of this definition, including endorsements with recourse of bills of exchange constituting or evidencing any such indebtedness or obligations (other than for collection or deposit in the ordinary course of business);

provided that Financing Debt of a Person shall not include (A) any Non-Recourse Debt of such Person, (B) indebtedness under any real property leases (including the Bow Office Lease) and any other leases (whether entered into before or after December 31, 2021) that are or would be characterized as operating leases under GAAP as at December 31, 2021 and (C) where such Person is a Wholly-Owned Subsidiary, any of the foregoing which is owed to the Guarantor, the Borrower or another Wholly-Owned Subsidiary or owed by the Guarantor or the Borrower to a Wholly-Owned Subsidiary;

“Fiscal Quarter” means the first three (3) months of a Fiscal Year, and each successive period of three (3) months in such Fiscal Year;

“Fiscal Year” means the fiscal year as adopted by the Guarantor from time to time and which is currently the one year period commencing on January 1 of each year and ending on December 31 of such year;

“Fitch” means Fitch Ratings Inc., its Affiliates and their respective successors;

"Floor" means ~~the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate. For the avoidance of doubt the initial Floor for each of Adjusted Term SOFR Rate shall be~~ 0.00% per annum;

"Fronting Bank Commitment" means, in relation to a Fronting Bank, the amount set forth opposite such Fronting Bank's name in the second column on Schedule "JG" from time to time, as such Fronting Bank Commitment may hereafter be increased, cancelled, reduced or terminated from time to time pursuant to this Agreement;

"Fronting Banks" means, from time to time, any Lenders selected by the Borrower and the Agent which have agreed to act as a fronting bank to issue Letters of Credit up to their respective Fronting Bank Commitments; provided that with respect to any particular Letter of Credit issued hereunder, **"Fronting Bank"** shall mean the Lender which issued that Letter of Credit;

"GAAP" means, with respect to any Person at any time, generally accepted accounting principles in the United States of America which are in effect from time to time, unless such Person's most recent audited annual or unaudited interim financial statements are not prepared in accordance with generally accepted accounting principles in the United States, in which case GAAP shall mean generally accepted accounting principles in Canada in effect from time to time;

"Governmental/Judicial Body" means:

(i) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board (including any board having jurisdiction in respect of pipelines or the oil and gas industry generally) and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances;

(ii) any Person to whom a government, parliament or legislature, any regulatory or administrative authority, agency, commission or board or any other statute, rule or regulation making entity referred to in paragraph (i) has delegated power or authority under a statute, rule or regulation thereof; and

(iii) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances;

"Guarantor" means Ovintiv Inc., a corporation incorporated under the laws of the State of Delaware and any successor thereto, in its capacity as covenantor and guarantor under this Agreement;

"Guarantor Subsidiary" means, at any time, a Subsidiary which is then guaranteeing the Obligations pursuant to a guarantee in a form acceptable to the Agent (acting reasonably);

"Hazardous Material" means any waste, material or substance that is defined as hazardous in or pursuant to any Environmental Law or which is subject to regulation or control pursuant thereto;

"Indebtedness" means indebtedness created, issued or assumed for borrowed funds, or for the unpaid purchase price of property of the Guarantor or a Restricted Subsidiary, and includes such indebtedness guaranteed by the Guarantor or a Restricted Subsidiary;

"Interest Date" means 

(i) in respect of Borrowings by way of Prime Loans and USBR Loans, the first Business Day of each Fiscal Quarter; and

(ii) in respect of CORRA Loans and SOFR Loans, the date falling on the last day of each Interest Period; provided that if the Borrower selects an Interest Period for a period longer than three (3) months, the Interest Date shall be each date falling every three (3) months after the beginning of such Interest Period and the date falling on the last day of such Interest Period;

“Interest Period” means,

(i) in respect of ~~a Borrowing by way of a Term Benchmark~~ each SOFR Loan, a period of one, three or six months or such shorter period as may be agreed to by the Agent and all of the Lenders (in each case, subject to the market availability thereof), with respect to such ~~Term Benchmark Loan, selected by the Borrower upon giving to the Agent a Notice of Drawdown or Notice of Conversion, as applicable;~~ SOFR Loan; and

(ii) in respect of each CORRA Loan, a period of one or three months or such shorter period as may be agreed to by the Agent and all of the Lenders (in each case, subject to the market availability thereof), with respect to such CORRA Loan;

provided that (iA) the Interest Period shall commence on the date of a Drawdown or Rollover of or a Conversion to ~~a Term Benchmark~~ such Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the ~~next~~ immediately preceding Interest Period ~~expires~~ ends; (iiB) if any Interest Period with respect to such Loan would otherwise ~~expire~~ end on a day that is not a Business Day, such Interest Period shall ~~expire~~ end on the next succeeding Business Day; ~~provided, further~~ that, if any Interest Period ~~with respect to a Term Benchmark Loan~~ would otherwise ~~expire~~ end on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall ~~expire~~ end on the ~~next~~ immediately preceding Business Day; (iiiC) any Interest Period with respect to ~~a Term Benchmark~~ such Loan that begins on the last Business Day of a calendar month (or on a day for which there is ~~not~~ no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period; (ivD) no Interest Period shall extend beyond the Maturity Date; and (vE) no tenor that has been removed from this definition pursuant to Section 10.5(d) shall be available for specification in such Notice of Drawdown, Notice of Rollover or Notice of Conversion ~~or interest election~~;

“Investment Grade” means a Debt Rating from at least two Rating Agencies of not lower than BBB- from S&P, Baa3 from Moody’s and BBB- from Fitch (or, if applicable, an equivalent Debt Rating from a Substitute Rating Entity);

“LC Draft” means any draft, bill of exchange, receipt, acceptance, demand or other request for payment presented to a bank as provided in a Letter of Credit;

“Lead Arrangers” means RBC Capital Markets, JPMorgan Chase Bank, N.A., Toronto Branch, Canadian Imperial Bank of Commerce, TD Securities, Citibank, N.A., Canadian Branch, BMO Capital Markets and The Bank of Nova Scotia;

“Lender Distress Event” means, in respect of a given Lender, such Lender or its Lender Parent is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by guarantees or other support (including, without limitation, the nationalization or assumption of ownership or operating control by the Government of the United States, Canada or any other Governmental/Judicial Body) or is otherwise adjudicated as, or determined by any Governmental/Judicial Body having regulatory authority over such Lender or Lender Parent or their respective assets to be, insolvent or bankrupt or deficient in meeting any capital adequacy or liquidity standard of any such Governmental/Judicial Body; provided that a Lender shall not become a Defaulting

Lender solely as the result of the acquisition or maintenance of an ownership interest in such Lender or its Lender Parent (including the exercise of control over such Lender or its Lender

Parent through such ownership interest) by a Governmental/Judicial Body or an instrumentality thereof;

“Lender Insolvency Event” means, in respect of a given Lender, such Lender or its Lender Parent:

(i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(ii) becomes insolvent, is deemed insolvent by Applicable Law or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(iv) (A) institutes, or has instituted against it by a regulator, supervisor or any similar Governmental/Judicial Body with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, (xI) a proceeding pursuant to which such Governmental/Judicial Body takes control of such Lender’s or Lender Parent’s assets, (yII) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors’ rights, or (zIII) a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar Governmental/Judicial Body; or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a Person or entity not described in clause (A) above and either (xI) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (yII) is not dismissed, discharged, stayed or restrained in each case within fifteen (15) days of the institution or presentation thereof;

(v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial portion of all of its assets;

(vii) has a secured party take possession of all or a substantial portion of all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case, within fifteen (15) days thereafter;

(viii) causes or is subject to any event with respect to it which, under the Applicable Law of any jurisdiction, has an analogous effect to any of the events specified in subparagraphs (i) to (vii) above, inclusive; or

(ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing;

“Lender Parent” means any Person that directly or indirectly controls a Lender and, for the purposes of this definition, “control” shall have the same meaning as set forth in the definition of “Affiliate” contained herein;

“Lender’s Proportion” means, at any time and from time to time with respect to each Lender:

(i) if there has been delivered an Acceleration Notice, or during the continuance of an Event of Default specified in Section 9.1(b) or 9.1(c), in each such case at a time during which there are Outstandings, the proportion that the amount of such Lender’s Outstandings at such time bears to the amount of the total Outstandings of all Lenders at such time; and

(ii) at any other time, the proportion that the amount of such Lender’s Syndicated Commitment at such time bears to the Total Syndicated Commitment;

“Lenders” means each of the financial and other institutions named on Schedule “~~JG~~” hereto as a Lender which has executed this Agreement or, as a Permitted Assignee, an agreement substantially in the form of Schedule “~~F~~”, and includes Royal in its capacity as a Lender, but excludes any such financial or other institution, the Commitment of which has been reduced to zero, and also excludes the Agent in its capacity as the Agent; and **“Lender”** means any one of such Lenders, as applicable;

“Letter of Credit” means a performance, standby or documentary letter of credit issued by the Fronting Bank at the request of the Borrower pursuant to Section 3.75;

“Lien” means any lien, security interest, mortgage, hypothecation or other charge or encumbrance of any kind;

“Loan Documents” means this Agreement (including Schedule “~~H~~ and Schedule “~~JG~~”), the letter agreements referred to in Sections 3.75(g) and 5.910 and, when executed and delivered, Schedules “~~A~~”, “B”, “C”, “D”, “E”, and “~~F~~” and “~~I~~”;

“Loan Indebtedness” means the aggregate, at any time, of:

(i) all Outstandings; and

(ii) all interest, fees and other amounts payable by the Borrower hereunder or under the other Loan Documents,

but, for certainty, shall not include contingent obligations under the Loan Documents not then due or owing, including such obligations under indemnities contained therein;

“Loans” means Prime Loans, USBR Loans, CORRA Loans and ~~Term Benchmark~~ SOFR Loans;

“Majority Lenders” means any Lender or group of Lenders having Lender’s Proportions, in aggregate, of 50.1% or more;

“Margin Stock” has the meaning specified in Regulation U of the Board of Governors of the Federal Reserve Board, as in effect from time to time;

“Material Adverse Effect” means any act, event or condition that has a material adverse effect on (i) the consolidated financial condition and operations of the Guarantor and its Subsidiaries, taken as a whole, (ii) the ability of the Guarantor to pay any amounts owing from time to time under this Agreement or (iii) the validity or

enforceability of this Agreement, provided that in no event shall fluctuations in commodity prices for oil and/or natural gas be regarded as an act, event or condition that in and of itself has a Material Adverse Effect;

“Material Subsidiary” means from time to time (i) the Borrower, (ii) any other Subsidiary of the Guarantor which, on a Consolidated basis for such Subsidiary and its Subsidiaries, has assets which have a value, as reflected on the Consolidated balance sheet of the Guarantor most recently delivered to the Lenders hereunder, in excess of 10% of the value of the Consolidated Assets of the Guarantor as reflected therein (without giving effect to the non-cash ceiling test impairments and other changes as at December 31, 2011 as a consequence of Encana’s adoption of US GAAP) and (iii) any other Subsidiary so designated by the Borrower;

“Maturity Date” means, with respect to a Commitment, July 15, 2026, as such date may, from time to time, be extended pursuant to Section 3.120 in respect of such Commitment;

“Moody’s” means Moody’s [Ratings, a division of Moody’s Investors Service, Inc.](#), ~~its Affiliates and their respective~~ [and any](#) successors [thereto](#);

“Multiemployer Plan” means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Guarantor or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions;

“Multiple Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Guarantor or any ERISA Affiliate and at least one Person other than the Guarantor and the ERISA Affiliates or (b) was so maintained and in respect of which the Guarantor or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated;

~~**“Non-Acceptance Discount Rate”** means, for any day, the simple average of the Discount Rate in paragraph (i) of the definition of Discount Rate and the Discount Rate in paragraph (ii) of such definition;~~

~~**“Non-Acceptance Lender”** means a Lender which does not accept bankers’ acceptances in the ordinary course of its business;~~

“Non-Defaulting Lender” means a Lender that is not a Defaulting Lender;

“Non-Guarantor Subsidiary” means, at any time, a Subsidiary which is not then a Guarantor Subsidiary;

“Non-Recourse Assets” means the Guarantor’s proportion (determined on a Consolidated basis in accordance with GAAP) of assets owned directly or indirectly by the Guarantor or any Subsidiary which meet all of the following conditions: (i) the assets represent a specific Project, whether alone or in association with others, (ii) debt for borrowed money is owed to one or more Non-Recourse Creditor(s), was incurred for the purpose of financing the costs of such Project and the recourse of such creditors in relation to such debt is limited to the assets of such Project (including equity interests and investments in any Non-Recourse Subsidiary), and (iii) neither the Guarantor nor any Subsidiary is liable or has issued a guarantee in respect of any such debt, other than any such debt or any such guarantee in respect of which the recourse thereunder is limited to the assets of such Project (including equity interests and investments in any Non-Recourse Subsidiary); provided that upon all such debt to all such creditors in respect of any such assets being repaid, such assets shall then cease to be Non-Recourse Assets;

“Non-Recourse Creditor” means an arm’s length creditor whose recourse is limited to Non-Recourse Assets, to the exclusion of any and all other recourse, whether directly or indirectly, by way of guarantees or otherwise, against the Guarantor or any Subsidiary in respect of any such debt or liability referred to in the definition of Non-Recourse Assets except for non-recourse

guarantees and/or non-recourse pledges which are limited in recourse to equity interests and investments in any Non-Recourse Subsidiary;

“**Non-Recourse Debt**” means debt incurred for the purpose of financing the costs of a specific Project and due or otherwise owing to a Non-Recourse Creditor;

“**Non-Recourse Subsidiary**” means a Subsidiary whose material assets are Non-Recourse Assets;

“**Non-Standard Interest Period**” means, (a) with respect to a SOFR Loan, an Interest Period which is for a term other than one, three or six months not exceeding six months and (b) with respect to a Term CORRA Loan, an Interest Period which is for a term other than one or three months not exceeding three months;

“**Notice of Conversion**” means a notice substantially in the form of Schedule “~~CB~~” to this Agreement, duly completed with all information necessary to effect a Conversion, given or to be given by the Borrower to the Agent pursuant to this Agreement;

“**Notice of Drawdown**” means a notice substantially in the form of Schedule “A” ~~or, in the case of a Drawdown by way of Bankers’ Acceptances (or BA Equivalent Loans in lieu thereof), Schedule “B”~~ to this Agreement, duly completed with all information necessary to effect a Drawdown, given or to be given by the Borrower to the Agent pursuant to this Agreement;

“**Notice of Extension**” means a written notice by the Agent, on behalf of some or all of the Lenders for a period of not more than five (5) years from the Extension Date, to the Borrower pursuant to Section 3.1~~20~~ extending the then current Maturity Date in respect of the Commitments of such Lenders;

“**Notice of Rollover**” means a notice substantially in the form of Schedule “~~DC~~” to this Agreement, duly completed with all information necessary to effect a Rollover, given or to be given by the Borrower to the Agent pursuant to this Agreement;

“**NYFRB**” means Federal Reserve Bank of New York;

“**NYFRB Rate**” means, for any day, the greater of (a) the Fed Funds Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day; provided, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to zero for the purposes of calculating such rate;

“**Obligations**” means, collectively and at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Borrower to the Agent and the Lenders under, pursuant or relating to this Agreement and the other Loan Documents and including all Outstandings and all interest, commissions, legal and other costs, charges and expenses payable by the Borrower under this Agreement and such other Loan Documents, whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again;

“**Obligors**” means, collectively, the Borrower and the Guarantor and “**Obligor**” means either of them;

“**OFAC**” means the Office of Foreign Assets Control of the United States Treasury Department;



“Outstanding Principal” means, at any time, the Equivalent Amount in US Dollars of the Outstandings at such time disregarding any due and unpaid interest;

“Outstandings” at any time means the aggregate at such time of:

(i) the principal amounts outstanding of, and all due and unpaid interest in respect of, Prime Loans and CORRA Loans;

(ii) the principal amounts outstanding of, and all due and unpaid interest in respect of, USBR Loans and ~~Term-Benchmark~~ SOFR Loans; and

~~(iii) the amounts payable at maturity of all outstanding Bankers' Acceptances and BA Equivalent Loans; and~~

(iii) ~~(iv)~~ the aggregate undrawn face amount of all outstanding Letters of Credit;

provided that (A) for the purpose of calculating the Outstandings owing to any Lender at any time, such Lender shall be deemed to have issued its Lender's Proportion of all outstanding Letters of Credit for which it has a reimbursement or indemnification obligation in the circumstances contemplated in Section 3.75(d) and (B) where the context requires, the Outstandings shall mean only those Outstandings owing to a particular Lender;

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in US Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate);

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001);

“PBGC” means the Pension Benefit Guaranty Corporation (or any successor);

“Periodic Term CORRA Determination Day” has the meaning set out in the definition of “Term CORRA”;

“Permitted Assignee” has the meaning ascribed thereto in Section 16.9(a);

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof;

“Plan” means a Single Employer Plan or a Multiple Employer Plan, in each case that is subject to ERISA;

“Prime Loans” means the loans made available by the Lenders to the Borrower pursuant to Section 3.3, 3.86 or 3.97 with respect to which the Borrower has agreed to pay interest thereon in accordance with Section 5.1 or which are made available to the Borrower by the Lenders as a result of applying Section 3.5(g) ~~or 3.7(d)~~;



“Prime Rate” means, ~~with respect to outstanding Prime Loans,~~ on any day, a rate per annum equal to the greater of:

(i) ~~the annual rate of interest most recently~~ announced from time to time by the ~~Schedule “I” Reference Bank~~ ~~(and, if not the Agent, notified to the Agent)~~ Agent as being its reference rate then in effect on such day for determining interest rates on Canadian Dollar denominated commercial loans made by the ~~Schedule “I” Reference Bank~~ Agent in Canada; and

(ii) ~~the annual rate of interest equal to the aggregate of CDOR One Month Rate and~~ Adjusted Term CORRA for a one-month tenor in effect for such day plus 0.75% ~~per annum;~~

provided that, (x) if all such rates are equal, then the “Prime Rate” shall be the rate specified in (i) above and (y) if the Prime Rate as so determined ~~above~~ for any day would be less than ~~zero on any day, then~~ the Floor, the Prime Rate ~~shall~~ will be deemed to be ~~zero on~~ the Floor for such day;

“Project” means the acquisition, construction and development of previously undeveloped or newly acquired assets forming an economic unit capable of generating sufficient cash flow, on the basis of reasonable initial assumptions, to cover the operating costs and debt service required to finance the undertaking relating to such assets over a period of time which is less than the projected economic life of the assets, and includes any commercial operation for which such assets were so acquired, constructed or developed and which is subsequently carried on with such assets by such economic unit and, for certainty, includes each such Project which exists at the Effective Date or which is acquired, created or comes into existence after the Effective Date;

“Public Material Subsidiary” means any Material Subsidiary whose Common Equity Securities have been listed on any stock exchange at all times since such Material Subsidiary first became a Material Subsidiary;

“Publicly Traded Securities” means (a) securities of a corporation which are listed on any stock exchange and are entitled to share without limitation in a distribution of the assets of such corporation upon any liquidation, dissolution or winding-up of such corporation and includes any securities convertible or exchangeable into such securities; and (b) with respect to a partnership, limited liability company or other entity, means securities of such partnership, limited liability company or other entity which are listed on any stock exchange and represent income interests or capital interests in such partnership, limited liability company or other entity and includes any securities convertible or exchangeable into such securities;

“Purchase Money Mortgage” means any mortgage, hypothecation, charge or other encumbrance on property or assets created, issued or assumed to secure a Purchase Money Obligation in respect of such property or assets and also means any agreement or other instrument entered into for the acquisition of or right to acquire any property or assets or any interest therein in which agreement or instrument there is reserved or which obligates the Guarantor or a Restricted Subsidiary to pay a royalty, rent or percentage of profits or proceeds won from such property or assets and which charges or secures such property or assets or interest therein or the lands containing the same with the payment thereof and includes any extension, renewal, refunding or refinancing thereof so long as the principal amount outstanding immediately prior to the date of such extension, renewal, refunding or refinancing is not increased; provided, however, that such mortgage, hypothecation, charge, encumbrance, agreement or other instrument is created, issued or assumed prior to, concurrently with or within 180 days following the acquisition of such property or assets, except in the case of property or assets on which improvements are constructed, installed or added, in which case the same shall be created or issued within a period of 180 days after Substantial Completion of such improvements;

“Purchase Money Obligation” means any Indebtedness assumed as, or issued and incurred to provide funds to pay, all or part of (i) the purchase price (which shall be deemed to include any costs of construction or installation) of any property or assets acquired after the date of this Agreement or (ii) the cost of improvements made after the date of this Agreement to any property or assets;

~~“Reference Time” with respect to any setting of the then-current Benchmark means (i) if such Benchmark is the Term SOFR Rate or Daily Simple SOFR, 5:00 a.m. (Chicago time) on the day that is two Business Days preceding the date of such setting or (ii) if such Benchmark is none of the Term SOFR Rate or Daily Simple SOFR, the time determined by the Agent in its reasonable discretion;~~

“Release” means a releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, spraying, abandonment, depositing, seeping, placing or dumping;

“Relevant Governmental Body” means:

(i) in respect of any SOFR Loan (or any Benchmark Replacement thereof), the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB, or, ~~in each case,~~ any successor thereto; and

(ii) in respect of any CORRA Loan (or any Benchmark Replacement thereof), the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto;

“Request for Extension” means a written request by the Borrower to the Agent on behalf of some or all of the Lenders pursuant to Section 3.1~~20~~ requesting such Lenders to issue a Notice of Extension in respect of the Commitments of such Lenders, in the form attached as Schedule “~~ED~~”;

“Relevant Subsidiary” means, on any date, any corporation or other Person of which Voting Shares or other interests carrying more than 50% of the voting rights attached to all outstanding Voting Shares or other interests are owned, directly or indirectly, by or for the Guarantor and/or by or for any corporation in like relation to the Guarantor and includes any corporation in like relation to a Relevant Subsidiary; provided, however, such term shall not include any corporations or other Persons (or their respective Relevant Subsidiaries) which have Publicly Traded Securities where the aggregate amount of assets of all such corporations or other Persons does not exceed 20% of the Consolidated Assets of the Guarantor at the time and from time to time;

“Resolution Authority” means, with respect to any EEA Financial Institution, an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority;

“Restricted Property” means any oil, gas or mineral property of a primary nature located in Canada or the United States and any facilities located in Canada or the United States directly related to the mining, processing or manufacture of hydrocarbons or minerals, or any of the constituents thereof or the derivatives therefrom and includes Voting Shares or other interests of a corporation or other Person which owns such property or facilities, but does not include (i) any property or facilities used in connection with or necessarily incidental to the purchase, sale, storage, transportation or distribution of Restricted Property, (ii) any property which, in the opinion of the Board of Directors of the Guarantor, is not materially important to the total business conducted by the Guarantor and its Subsidiaries as an entirety, or (iii) any portion of a particular property which, in the opinion of the Board of Directors of the Guarantor, is not materially important to the use or operation of such property;

“Restricted Subsidiary” means, on any date, any Relevant Subsidiary which owns at the time Restricted Property; provided, however, such term shall not include a Relevant Subsidiary of the Guarantor if the amount of the Guarantor’s share of Shareholders’ Equity of such Subsidiary constitutes, at the time of determination, less than 2% of the Consolidated Net Tangible Assets of the Guarantor;

“Rollover” means:

(i) with respect to any ~~Term~~ Benchmark Loan, the continuation of all or a portion of such Loan for an additional Interest Period subsequent to the initial or any subsequent Interest Period applicable thereto; and

~~(ii) with respect to any Bankers’ Acceptance (or BA Equivalent Loan made in lieu thereof), the issuance of new Bankers’ Acceptances (or making of new BA Equivalent Loans) in respect of all or any portion of such Bankers’ Acceptance (or BA Equivalent Loans made in lieu thereof) on the maturity date thereof; and~~

(ii) ~~(iii)~~ with respect to any Letter of Credit, the extension or replacement of an existing Letter of Credit in respect of all or any portion of such Letter of Credit effective on the expiry date thereof including, for certainty, any extension referred to in the proviso in Section 3.97(eb); provided that the beneficiary thereof (including any successor or permitted assigns thereof) remains the same, the maximum amount available to be drawn thereunder is not increased, the currency in which the same is denominated remains the same and the terms upon which the same may be drawn remain the same;

all in accordance with the provisions of this Agreement;

“Royal” means Royal Bank of Canada, a Canadian chartered bank;

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions;

“Sanctioned Person” means, at any time, any Person listed in any Sanctions-specific list of designated Persons maintained by OFAC, the United States Department of State, or by the United Nations Security Council, in all cases, to the extent not inconsistent with Applicable Law in Canada;

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by a Sanctions Authority that are applicable to the Borrower or its Subsidiaries; provided that, with respect to economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the United Nations Security Council, to the extent such sanctions or trade embargoes are not inconsistent with Applicable Law in Canada;

“Sanctions Authority” means any of: (a) the federal government of Canada; (b) the federal government of the United States of America; (c) the United Nations Security Council (to the extent not inconsistent with Applicable Law in Canada); or (d) the respective governmental institutions, departments and agencies of any of the foregoing, including OFAC and the United States Department of State; and **“Sanctions Authorities”** means all of the foregoing Sanctions Authorities, collectively;

~~**“Schedule I Bank”** means a bank under Schedule “I” of the Bank Act (Canada);~~

~~“Schedule I Reference Bank” means Royal, or such other Lender as may from time to time be appointed as the Schedule “I” Reference Bank pursuant to Section 12.17;~~

~~“Schedule II Bank” means a bank under Schedule II of the *Bank Act* (Canada);~~

~~“Schedule II/III Reference Banks” means, other than Bank of America, N.A., Canada Branch, (i) any two or more Lenders which are Schedule II Banks or Schedule III Banks, as selected from time to time by the Agent and approved by the Borrower, each acting reasonably, and shall include any other Lender that is a Schedule II Bank or Schedule III Bank selected from time to time by the Agent and approved by the Borrower, each acting reasonably, in substitution for or replacement of any then existing Schedule II/III Reference Banks, or (ii) if there is only one Schedule II Bank or Schedule III Bank that is a Lender, that Lender alone;~~

“Schedule III Bank” means an authorized foreign bank under Schedule III of the *Bank Act* (Canada);

“Senior Financial Officer” means the Chief Financial Officer, Chief Accounting Officer, Vice-President Finance, Comptroller, Assistant Comptroller, Treasurer or Assistant Treasurer or any other officer of the Guarantor and/or the Borrower, as applicable, having a similar title or position;

“Shareholders’ Equity” means the aggregate amount of shareholders’ equity (including but not limited to share capital, contributed surplus and retained earnings) of a Person as shown on the most recent annual audited or unaudited interim Consolidated balance sheet of such Person and computed in accordance with GAAP;

“Similar Business” means any business, the majority of whose revenues are derived from (i) business or activities conducted by the Guarantor and its Subsidiaries on the Effective Date, (ii) any business that is a natural outgrowth or reasonable extension, development or expansion of any such business or any business similar, reasonably related, incidental, complementary or ancillary to any of the foregoing or (iii) any business that in the Borrower’s good faith business judgment constitutes a reasonable diversification of businesses conducted by the Guarantor and the Subsidiaries;

“Single Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Guarantor or any ERISA Affiliate and no Person other than the Guarantor and the ERISA Affiliates or (b) was so maintained and in respect of which the Guarantor or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated;

“SOFR” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator;

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate);

~~“SOFR Administrator’s Website” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time;~~

“SOFR Loan” means a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to clause (iii) of the definition of “US Base Rate”.

“**S&P**” means S&P Global Ratings, a division of S&P Global Inc., its Affiliates and their respective successors;

“**Subsidiary**” of any Person means: (a) any corporation of which Voting Shares issued by such corporation and carrying more than 50% of the voting rights attached to all outstanding Voting Shares issued by such corporation are owned, directly or indirectly, by or for such Person and/or by or for any corporation in like relation to such Person and includes any corporation in like relation to a Subsidiary; and (b) any partnership, limited liability company or other business entity of which at least a majority of the outstanding income interest or capital interests are at the time directly, indirectly or beneficially owned or controlled by such Person or one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries;

“**Substantial Completion**” means, with respect to an improvement, the point at which the improvement is ready for use or is being used for the purpose for which it was intended;

“**Substitute Rating Entity**” has the meaning assigned thereto in Section 1.8(b)(i);

“**Syndicated Borrowings**” means Borrowings made available by the Syndicated Lenders pursuant to the Syndicated Commitments;

“**Syndicated Commitment**” means, in relation to a Syndicated Lender, the amount set forth opposite such Syndicated Lender’s name in the first column on Schedule “**JG**” from time to time, as such Syndicated Commitment may hereafter be increased, cancelled, reduced or terminated from time to time pursuant to this Agreement;

“**Syndicated Lenders**” means, from time to time, those Lenders then providing Syndicated Commitments;

“**Tax**” means all present and future taxes, levies, duties, imposts, stamp and documentary taxes, deductions, charges or withholdings imposed by any Governmental/Judicial Body, and all liabilities with respect thereto, including all income taxes, capital taxes, excise taxes, financial institution duties, debit taxes and similar levies, and any interest, additions to tax and penalties imposed with respect to any of the foregoing;

~~“**Term Benchmark**” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Adjusted Term SOFR Rate;~~

“**Term CORRA**” means, for any calculation with respect to a Term CORRA Loan or a Prime Loan, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term CORRA Determination Day**”) that is two (2) CORRA Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; provided, however, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding CORRA Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding CORRA Business Day is not more than three (3) CORRA Business Days prior to such Periodic Term CORRA Determination Day. If such first preceding CORRA Business Day is more than three (3) CORRA Business Days prior to such Periodic Term CORRA Determination Day, Section 10.1 will apply;

“Term CORRA Adjustment” means 0.29547% (29.547 basis points) per annum for an Interest Period of one-month’s duration or 0.32138% (32.138 basis points) per annum for an Interest Period of three-months’ duration;

“Term CORRA Administrator” means CanDeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator of the Term CORRA Reference Rate;

“Term CORRA Loan” means a Loan that bears interest at a rate based on Adjusted Term CORRA, other than pursuant to clause (ii) of the definition of “Prime Rate”;

“Term CORRA Reference Rate” means the forward-looking term rate based on CORRA;

~~“Term Benchmark Interest Date~~SOFR” means:

~~(i) the last day of each Interest Period; and~~

~~(ii) if the Borrower selects an Interest Period for a period longer than three (3) months, the dates falling every three (3) months after the beginning of such Interest Period and on the last day of such Interest Period;~~

~~“Term Benchmark Loans” means the loans made available by the Lenders to the Borrower pursuant to Sections 3.3, 3.8 or 3.9, which the Borrower has elected to denominate in US Dollars and has agreed to pay interest thereon in accordance with Section 5.3;~~

~~“Term SOFR Rate” means, with respect to any Borrowing in respect of any Term Benchmark Loans denominated in US Dollars for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two US Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator;~~

~~(i) “for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate” means, for any (rounded upward to the nearest fifth decimal place, if necessary) for a tenor comparable to the applicable Interest Period on the day and time (such day, the “Term SOFR Determination Day”), with respect to any Borrowing in respect of any Term Benchmark Loans denominated in US Dollars and for any tenor comparable to the applicable that is two (2) US Government Securities Business Days prior to the first day of such Interest Period, the as such rate per annum is published by the CME Term SOFR Administrator and identified by the Agent as the forward-looking term rate based on SOFR. If by, provided, however, that: (i) if as of 5:00 p.m. (New York City time) on such any Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such Term SOFR Determination Day will be tenor as published by the Term SOFR Reference Rate as published in respect of Administrator on the first preceding US Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the CME Term SOFR Administrator, so long as such first preceding US Government Securities Business Day is not more than five three (53) US Government Securities Business Days prior to such Term SOFR Determination Day and (ii) if such first preceding US Government Securities Business Day is more than three (3) US Government Securities Business Days prior to such Term SOFR Determination Day, Section 10.1 will apply;~~

- (ii) for any calculation with respect to a USBR Loan, the Term SOFR Reference Rate (rounded upward to the nearest fifth decimal place, if necessary) for a tenor of one (1) month on the day (such day the “**US Base Rate Term SOFR Determination Day**”) that is two (2) US

Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, (i) that if as of 5:00 p.m. (New York City time) on any US Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding US Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding US Government Securities Business Day is not more than three (3) US Government Securities Business Days prior to such US Base Rate Term SOFR Determination Day (ii) and if such first preceding US Government Securities Business Day is more than three (3) US Government Securities Business Days prior to such US Base Rate Term SOFR Determination Day, Section 10.1 will apply;

“Term SOFR Adjustment” means, with respect to Term SOFR, 0.10% (10 basis points) per annum;

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its discretion, acting reasonably);

“Term SOFR Determination Day” has the meaning assigned to it under the definition of “Term SOFR”;

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR;

“Total Syndicated Commitment” means, at any time, an amount equal to the aggregate of all of the Syndicated Commitments at such time;

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms;

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution;

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment; ~~provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, the Unadjusted Benchmark Replacement will be deemed to be zero for the purposes of this Agreement;~~

“US Base Rate” means, ~~with respect to outstanding USBR Loans, on~~for any day, a rate per annum equal to the greatest of:

(i)the annual rate of interest ~~most recently~~announced from time to time by the ~~Schedule “I” Reference Bank~~ (and, if not the Agent, notified to the Agent)Agent as being its reference rate then in effect for determining interest rates on US Dollar denominated commercial loans made by the ~~Schedule “I” Reference Bank~~Agent in Canada in effect on such day;

(ii) ~~the annual rate of interest equal to the aggregate of~~ the Fed Funds Rate ~~and~~ in effect on such day plus 0.75% ~~per annum~~; and

(iii) ~~the annual rate of interest equal to the aggregate of the one-month~~ Adjusted Term SOFR ~~Rate as published two US Government Securities Business Days prior to~~ for a one-month tenor in effect for such day ~~(or if such day is not a Business Day, the immediately preceding Business Day) and~~ plus 1.00% ~~per annum~~;

provided that ~~for the purpose of this definition, the Adjusted Term SOFR Rate for any US Government Securities Business Day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology); provided further that, (x) if all such rates of interest are equal, then the “US Base Rate” shall be the rate specified in (i) above and (y) if the US Base Rate as so determined above would for any day shall be less than zero on any day, then the US Base~~ the Floor, such Rate shall be deemed to be zero on the Floor for such day;

“**USBR Loans**” means the loans made available by the Lenders to the Borrower pursuant to Section 3.3, 3.86 or 3.97 with respect to which the Borrower has agreed to pay interest thereon in accordance with Section 5.2 or which are made available to the Borrower by the Lenders as a result of applying Section 3.4(a), 3.75(d) or 10.1;

“**US Dollars**” and the symbol “**US \$**” each mean lawful currency of the United States of America;

“**US GAAP**” means generally accepted accounting principles in the United States of America in effect from time to time;

“**US Government Securities Business Day**” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities;

“**Value**” means:

(i) United States or Canadian dollar funds or debt instruments of the Government of the United States or any of its states or Canada or any of its provinces maturing within 12 months; and

(ii) in respect of any other assets of the Guarantor, the fair market value of such assets as determined by the Board of Directors of the Guarantor;

“**Voting Shares**” means shares of any class of any corporation carrying voting rights under all circumstances, provided that, for the purposes of this definition, shares which only carry the right to vote conditionally on the happening of an event shall not be considered Voting Shares, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such an event, or solely because the right to vote may not be exercisable under the charter of the corporation;

“**Wholly-Owned Subsidiary**” means (i) any corporation of which 100% of the outstanding shares having by the terms thereof ordinary voting power to vote with respect to the election of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for so long as it continues) is at the time directly, indirectly or beneficially owned or controlled by the

Guarantor or one or more of its Wholly-Owned Subsidiaries or by the Guarantor and one or more of its Wholly-Owned

Subsidiaries, or (ii) any partnership or other entity of which 100% of the outstanding income interests and capital interests is at the time directly, indirectly or beneficially owned or controlled by the Guarantor or one or more of its Wholly-Owned Subsidiaries or by the Guarantor and one or more of its Wholly-Owned Subsidiaries;

“**Withdrawal Liability**” has the meaning specified in Part I of Subtitle E of Title IV of ERISA; and

“**Write-Down and Conversion Powers**” means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable UK Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Headings and Table of Contents

The headings, the table of contents, and the Article and Section titles are inserted for convenience only and are to be ignored in construing this Agreement.

1.3 References

All references to Sections, Articles and Schedules are to Sections, Articles and Schedules to this Agreement. The words “hereto”, “herein”, “hereof”, “hereunder”, “this Agreement” and similar expressions mean and refer to this Agreement as hereafter supplemented or amended.

1.4 Rules of Interpretation

The singular includes the plural and vice versa; “month” means calendar month; and “in writing” or “written” includes printing, typewriting, or any electronic means of communication capable of being visibly reproduced at the point of reception, including facsimile, telex or telegraph.

1.5 Generally Accepted Accounting Principles

(a) Unless otherwise defined, each accounting term used in this Agreement has the meaning assigned to it under GAAP.

(b) In calculating the financial tests set forth in Sections 8.1(j) and 8.2(e), such calculations shall be based upon the Guarantor’s consolidated financial statements for the relevant period.

1.6 Changes in GAAP or Accounting Policies

(a) If:

(i)there occurs a material change in GAAP after the date hereof, including as a result of any future conversion by the Guarantor from generally accepted accounting principles in the United States to generally accepted accounting principles in Canada (or vice versa); or

(ii) the Guarantor or any of its Subsidiaries adopts a material change in an accounting policy in order to more appropriately present events or transactions in its financial statements;

and the above change would require disclosure under GAAP in the consolidated financial statements of the Guarantor and would cause an amount required to be determined for the purposes of any financial test in Section 8.1(j) or 8.2(e) or any financial term or threshold used in Section 2.1(c), 8.2(a), 8.2(f), 9.1 or elsewhere in this Agreement (each a “**Financial Covenant/Term**”) to be materially different than the amount that would be determined without giving effect to such change, the Guarantor shall notify the Agent of such change (an “**Accounting Change**”). Such notice (an “**Accounting Change Notice**”) shall describe the nature of the Accounting Change, its effect on the current and immediately prior year’s financial statements in accordance with GAAP and state whether the Guarantor desires to revise the method of calculating one or more of the Financial Covenants/Terms (including the revision of any of the defined terms used in the determination of such Financial Covenant/Term) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such Financial Covenant/Term will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such Financial Covenant/Term. The Accounting Change Notice shall be delivered to the Agent within sixty (60) days after the end of the Fiscal Quarter in which the Accounting Change is implemented or, if such Accounting Change is implemented in the fourth Fiscal Quarter or in respect of an entire Fiscal Year, within 120 days after the end of such period.

(b) If, pursuant to the Accounting Change Notice, the Guarantor does not indicate that it desires to revise the method of calculating one or more of the Financial Covenants/Terms, the Majority Lenders may within thirty (30) days after receipt of the Accounting Change Notice notify the Guarantor that they wish to revise the method of calculating one or more of the Financial Covenants/Terms in the manner described above.

(c) If either the Guarantor or the Majority Lenders so indicate that they wish to revise the method of calculating one or more of the Financial Covenants/Terms, the Guarantor and the Majority Lenders shall in good faith attempt to agree on a revised method of calculating such Financial Covenants/Terms so as to reflect equitably such Accounting Change with the desired result that the result of the evaluation of the Guarantor’s financial condition shall be substantially the same after such Accounting Change as if such Accounting Change had not been made. Until the Guarantor and the Majority Lenders have reached agreement in writing on such revised method of calculation, all amounts to be determined hereunder shall continue to be determined without giving effect to the Accounting Change. For greater certainty, if no notice of a desire to revise the method of calculating the Financial Covenants/Terms in respect of an Accounting Change is given by either the Guarantor or the Majority Lenders within the applicable time period described above, then the method of calculating the Financial Covenants/Terms shall not be revised in response to such Accounting Change and all amounts to be determined pursuant to the Financial Covenants/Terms shall be determined after giving effect to such Accounting Change.

(d) If a Compliance Certificate is delivered in respect of a Fiscal Quarter or Fiscal Year in which an Accounting Change is implemented without giving effect to any revised method of calculating any of the Financial Covenants/Terms, and subsequently, as provided above, the method of calculating one or more of the Financial Covenants/Terms is revised in response to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.6 shall be deemed to have never occurred.

1.7 Schedules

Schedule "A" to Schedule "JG" are attached to and constitute part of the terms and conditions of this Agreement.

1.8 Certain Matters Related to Ratings Explained

For the purposes hereof:

(a) the long term debt of the Guarantor shall not be considered to be "not rated" (or to like effect) by S&P, Moody's or Fitch (each, a "**Rating Agency**") by reason of such Rating Agency ceasing to carry on the business of providing ratings of the long term debt of corporate borrowers based on creditworthiness assessments. If two of the Rating Agencies cease carrying on the business of providing ratings of the long term debt of corporate borrowers based on creditworthiness assessments, then for purposes of calculating "Applicable Pricing Margin" and the definition of "Investment Grade", the rating of the remaining Rating Agency only shall be utilized;

(b) if all of the Rating Agencies cease carrying on the business of providing ratings of the long term debt of corporate borrowers based on creditworthiness assessments, then:

(i) the Borrower and the Lenders shall attempt in good faith for a period of 30 days thereafter to determine substitute definitions for or amendments to the Applicable Pricing Margin and Investment Grade, which may include attempting to agree on some other entity (which may include a debt rating agency or a nationally recognized securities dealer) (a "**Substitute Rating Entity**") to assign a rating to the long term debt of the Guarantor as contemplated in the following paragraph (ii) and to agree, if necessary, on the ratings of such Substitute Rating Entity which most closely correspond to those in the definitions of Applicable Pricing Margin and Investment Grade, as applicable ("**Equivalent Ratings**"); and

(ii) if by the end of such 30 day period the Borrower and the Lenders have not agreed upon substitute definitions for or amendments to the Applicable Pricing Margin and Investment Grade, as applicable, pursuant to the preceding paragraph (i), then during a period of 60 days thereafter, the Borrower and the Lenders shall, if such has not already been accomplished, continue to attempt in good faith to agree on a Substitute Rating Entity and, if applicable, Equivalent Ratings and, if a Substitute Rating Entity has been agreed on, the Guarantor shall attempt to obtain from the Substitute Rating Entity a rating ("**Substitute Rating**") for the long term debt of the Guarantor;

it being agreed that:

(iii) during the 30 day and 60 day periods contemplated in the preceding paragraphs (i) and (ii), or such part thereof which elapses before an alternate approach is finally established as contemplated in such paragraphs (i) and (ii), the rates applicable from time to time in accordance with the Applicable Pricing Margin and based on the rating applicable to the long term debt of the Guarantor immediately before the commencement of the 30 day period contemplated in the preceding paragraph (i) shall apply;

(iv) if a Substitute Rating Entity and, if applicable, Equivalent Ratings have been agreed on and the Substitute Rating Entity has established a Substitute Rating for the long term debt of the Guarantor by or before the expiration of the 60 day period contemplated in the preceding paragraph (ii), then thereupon and thereafter the same shall apply and, if applicable, the Applicable Pricing Margin and the definition of Investment Grade shall be deemed to have been amended to incorporate the Equivalent Ratings in place of the ratings referred to in the Applicable Pricing Margin and the definition of Investment Grade; provided the Substitute Rating shall be subject to review by the Substitute Rating Entity from time to time (but not more often than once in any 12 month period) at the request of either the Borrower or the Agent given in writing to the other (any such review to determine whether the Substitute Rating should change to another rating category or, if applicable, Equivalent Rating for the long term debt of the Guarantor) and if any such review results in a change in the Substitute Rating, then thereupon and thereafter (subject to further reviews as aforesaid) the same shall apply; and

(v) if an alternate approach has not been finally established as contemplated in the preceding paragraphs (i) and (ii) by the expiration of the 60 day period referred to in the preceding paragraph (ii), then the rates applicable from time to time in accordance with the Applicable Pricing Margin and based on the rating applicable to the long term debt of the Guarantor immediately before the commencement of the 30 day period contemplated in the preceding paragraph (i) shall continue to apply;

(c) a rating assigned by a Rating Agency (or, as applicable, Substitute Rating Entity) shall be, as applicable, considered to be “lower” than another rating assigned by such Rating Agency (or, as applicable, Substitute Rating Entity) or by the other Rating Agency if it denotes a poorer creditworthiness assessment (for instance, “B” is lower than “A”);

(d) the rating categories and ratings of any Rating Agency or Substitute Rating Entity referred to herein shall include any equivalent rating category or rating of such Rating Agency or Substitute Rating Entity which replaces the same; and

(e) any reference in this Section 1.8 to the long term debt of the Guarantor (or to like effect) shall be deemed to be a reference to the senior unsecured non-convertible publicly-held long term debt of the Guarantor.

1.9 Amendment and Restatement

The Borrower, the Guarantor, the Agent and the Lenders acknowledge and agree that as of the Effective Date:

(a) the provisions of the Existing Credit Agreement are amended, modified and restated in their entirety on the terms and conditions, and in the form, of this Agreement and, as so amended, modified and restated, are ratified and confirmed; and

(b) all rights, obligations and indebtedness which have arisen and remain outstanding under the Existing Credit Agreement as of the Effective Date including, without limitation, all “Outstandings” as defined in the Existing Credit Agreement and all accrued and unpaid interest thereon, fees and other amounts owing thereunder shall, subject only to the effect of the amendments and modifications to the Existing Credit Agreement effected by this Agreement, continue in full force and effect as rights, obligations and indebtedness under this Agreement, all in

accordance with and subject to the provisions herein set forth; provided that nothing in this Agreement shall constitute a new loan or loans or the provision of new credit or the effective repayment and readvance or replacement of such “Outstandings” as of the Effective Date, and the liability of the Borrower in respect of such

“Outstandings” shall be and be deemed to be continued under and governed by this Agreement from and after the Effective Date.

1.10 Divisions

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its equity interests at such time.

1.11 Interest Rates; Benchmark Notification

The interest rate on a Loan denominated in ~~US Dollars~~any currency available hereunder may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event in respect of any Benchmark, Section 10.5 provides a mechanism for determining an alternative rate of interest. The Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to (a) the continuation of, the administration of, submission of, calculation of, performance of or any other matter related to any interest rate used in this Agreement, ~~(including the Prime Rate, US Base Rate, Daily Simple SOFR, Adjusted Daily Simple SOFR, SOFR, Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, CORRA, Term CORRA Reference Rate, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, Term CORRA or Daily Compounded CORRA) or any component definition thereof or rates referred to in the definition thereof~~, or with respect to any alternative or successor rate thereto, or replacement rate thereof (including any Benchmark Replacement), including ~~without limitation~~, whether the composition or characteristics of any such alternative, successor or replacement ~~reference~~ rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, ~~the existing interest rate being replaced~~ or have the same volume or liquidity as ~~did any existing interest rate~~, including the Prime Rate, US Base Rate, Daily Simple SOFR, Adjusted Daily Simple SOFR, SOFR, Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, CORRA, Term CORRA Reference Rate, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, Term CORRA or Daily Compounded CORRA or any other Benchmark (or any component thereof) prior to its discontinuance or unavailability or (b) the effect, implementation or composition of any Conforming Changes. The Agent and its ~~a~~Affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate (or component thereof) used in this Agreement or any alternative, successor or ~~alternative~~replacement rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its ~~reasonable~~ discretion, acting reasonably, to ascertain any interest rate used in this Agreement, any component thereof, or rates ~~referenced~~referred to in the definition thereof or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other Person ~~or entity~~ for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties

Each of the Guarantor (without any limitation) and the Borrower (whose representations and warranties will be limited to only Sections 2.1(a), (b), (c) and (d) below) represents and warrants to each of the Lenders and the Agent that:

(a)**Corporate Existence and Authority:** Each Obligor and each Material Subsidiary (i) is a Person duly organized, formed, incorporated or amalgamated, validly existing and in good standing under the laws of the jurisdiction of its organization, formation or incorporation, (ii) is duly qualified to carry on business in all jurisdictions in which it carries on any business, except to the extent the failure to be so qualified would not have a Material Adverse Effect, and (iii) has full power and authority to own its properties and conduct its business as presently conducted;

(b)**Necessary Approvals:** No authorization or approval or other action by, and no notice to or filing with, any Governmental/Judicial Body or any other third party is required for the due execution, delivery and performance by each Obligor of each Loan Document to which it is a party;

(c)**Authorization and Constating Documents:** The execution, delivery and performance by each Obligor of each Loan Document to which it is a party and the consummation of the transactions contemplated thereby, are within each Obligor's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the articles or by-laws of such Obligor or (ii) Applicable Law or any contractual restriction binding on or affecting such Obligor:

(d)**Enforceability of Agreement:** This Agreement has been duly executed by each of the Guarantor and the Borrower. This Agreement is, and each other Loan Document is the legal, valid and binding obligation of the Obligor(s) party thereto, enforceable against such Obligor(s) in accordance with its terms, except to the extent that such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and may be subject to the discretion of courts with respect to granting of equitable remedies and to ~~the the~~ powers of courts to stay proceedings for the execution of judgments;

(e)**Compliance with Applicable Law:** ~~The Law:~~ The Guarantor and each Material Subsidiary and their respective operations and properties comply in all material respects with all Applicable Laws, except where the failure to comply could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(f)**Litigation and Administrative Proceeding:** ~~Except~~ Proceeding: Except as has been disclosed to the Agent in writing, there is no action, suit, litigation or proceeding affecting the Guarantor or any of its Subsidiaries, including any Environmental Action, pending or, to the best of the Guarantor's knowledge after reasonable investigation, overtly threatened, before any court, Governmental/Judicial Body that (i) is reasonably likely to be determined adversely, and if determined adversely, would have a Material Adverse Effect or (ii) purports to affect

adversely the legality, validity or enforceability of this Agreement or any of the other Loan Documents or the consummation of the transactions contemplated thereby;

(g)[Intentionally Deleted.]

(h)**Taxes:** The Guarantor and each of its Subsidiaries have filed, have caused to be filed or have been included in all tax returns (federal, state, local and foreign) required to be filed or, in the case of income taxes, required to be filed and where the failure to do so would cause the imposition of a penalty or interest, and in each case have paid all taxes shown thereon to be due, together with applicable interest and penalties other than taxes that are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, except where the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(i)**Financial Statements:** (i) The Consolidated balance sheet of the Guarantor and its Subsidiaries as at December 31, 2021, and the related Consolidated statements of earnings and cash flows of the Guarantor and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of the Guarantor's auditors thereon, copies of which have been furnished to the Agent, fairly present the Consolidated financial condition of the Guarantor and its Subsidiaries as at such date and the Consolidated results of the operations of the Guarantor and its Subsidiaries for the period ended on such date, all in accordance with GAAP consistently applied. (ii) Since December 31, 2021, there has been no Material Adverse Effect;

(j)**Affected Financial Institutions:** No Obligor is an Affected Financial Institution;

(k)**ERISA:** Except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect,

(i)No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan;

(ii)Schedule SB (Actuarial Information) to the most recent annual report (Form 5500 Series) for each Plan, copies of which have been filed with the Internal Revenue Service and furnished to the Agent to the extent required under Section 8.1(h)(vi)(C), is complete and accurate and fairly presents the funding status of such Plan, and since the date of such Schedule ~~"SB"~~ there has been no material adverse change in such funding status;

(iii)Neither the Guarantor nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan;

(iv)Neither the Guarantor nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no such Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, within the meaning of Title IV of ERISA;

(v)With respect to each scheme or arrangement mandated by a government other than the United States (a "**Foreign Government Scheme or Arrangement**") and with respect to each employee benefit plan maintained or contributed to by the Guarantor or any Subsidiary of the Guarantor that is not subject to United States law (a "**Foreign Plan**");

(A)Any employer and employee contributions required by law or by the terms of any Foreign Government Scheme or Arrangement or any Foreign Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices.

(B)The fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance or the book reserve established for any Foreign Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the date hereof, with respect to all current and former participants in such Foreign Plan according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable GAAP.

(C)Each Foreign Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities;

(l)**No Default:** No Default or Event of Default has occurred and is continuing;

(m)**Accuracy of Information:** To the knowledge of the Guarantor, all information, materials and documents (other than any information expressly disclaimed by any Obligor and projections and forecasts) prepared by any Obligor and delivered to the Agent in connection with this Agreement are true and accurate in all material respects as of the Effective Date except to the extent that any inaccuracy would not have a Material Adverse Effect;

(n)**Anti-Corruption Laws and Sanctions:**

(i)None of the Guarantor or its Material Subsidiaries is a Sanctioned Person or permanently located, organized or ordinarily resident in a Sanctioned Country;

(ii)No part of the proceeds of a Drawdown will be knowingly (as determined at the date of such Drawdown) used (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person known by the Guarantor to be in violation of any Anti-Corruption Laws, except to the extent that any such violation would not have a Material Adverse Effect or adversely affect the Agent or any Lender in any material respect, (B) for the purpose of funding, financing or facilitating any activities or, business or transaction of or with any Person known to the Guarantor to be a Sanctioned Person, or in any country known to the Guarantor to be a Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to the Guarantor or its Material Subsidiaries, except to the extent that any such violation would not have a Material Adverse Effect or adversely affect the Agent or any Lender in any material respect; and

(iii)Where used in this Section 2.1(n), references to “knowingly” or “known” means the actual knowledge of the chief executive officer, chief financial officer, treasurer or assistant treasurer of the Guarantor;

(o)**Investment Company:** None of the Guarantor or any of its Subsidiaries is an “investment company”, as such term is defined in the *Investment Company Act of 1940*, as amended; and

(p)**Margin Stock:** Neither the Guarantor nor any of its Subsidiaries is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No proceeds of a Drawdown will be used for a purpose which violates Regulations T, U or X of the Board of Governors of the Federal Reserve System.

2.2 Deemed Representation and Warranty Upon Drawdown

Each Notice of Drawdown given by the Borrower to the Agent shall be deemed to be a representation and warranty by the Guarantor (with respect to all of the representations and warranties in Section 2.1) and the Borrower (with respect to only those representations and warranties in Sections 2.1(a), (b), (c) and (d)) to each of the Lenders and the Agent that the representations and warranties contained in Section 2.1 (other than Sections 2.1(f)(i) and 2.1(i)(ii) which are intended to apply only as of the Effective Date) are, as of the date of such notice, and will be, as of the applicable Drawdown Date, true and correct in all material respects as of each such date.

2.3 Deemed Representation and Warranty Upon Conversion or Rollover

Except as expressly stated otherwise therein (in which case Section 9.3 shall apply), each Notice of Conversion and Notice of Rollover given by the Borrower to the Agent shall be deemed to be a representation and warranty by the Guarantor to each of the Lenders and the Agent that the representation and warranty contained in Section 2.1(l) is, as of the date of such notice, and will be, as of the applicable Borrowing Conversion Date or Borrowing Rollover Date, true and correct in all material respects as of such date.

2.4 Nature of Representations and Warranties

The representations and warranties set out in this Agreement, or deemed to be made pursuant hereto, shall survive the execution and delivery of this Agreement and the making of each Drawdown, Conversion and Rollover hereunder, notwithstanding any investigations or examinations which may be made by the Agent, the Lenders or their legal counsel. Such representations and warranties shall survive until this Agreement has been terminated and all Loan Indebtedness then owing by the Borrower hereunder have been repaid in full.

ARTICLE 3 THE CREDIT FACILITY

3.1 Obligations of the Lenders

Relying on each of the representations and warranties set out in Article 2 and subject to the terms and conditions of this Agreement, each Lender agrees to make Borrowings available to the Borrower in respect of such Lender's Commitments at the Agent's Account for Payments up to an aggregate principal amount at any time outstanding not in excess of the amount of its respective Commitments.

3.2 Purpose/Certain Acquisitions

(a) Subject to Section 3.2(b), the Borrower covenants and agrees it will use the Borrowings only for general corporate purposes (domestic and international), including, without limitation, to support the issuance of commercial paper, acquisitions and working capital, all in accordance with the provisions of this Agreement.

(b) In the event the Borrower wishes to utilize proceeds of one or more Borrowings to, or to provide funds to any Subsidiary to, finance an offer to acquire (which shall include an offer to purchase securities, solicitation of an offer to sell securities, an acceptance of an offer to sell securities, whether or not the offer to sell was solicited, or any combination of the foregoing) outstanding securities of any Person (the "**Target**") which constitutes a "take-over bid" pursuant to applicable securities legislation (a "**Take-over**"), then either:

(i) prior to or concurrently with delivery to the Agent of any Notice of Drawdown or Notices of Drawdown pursuant to Section 3.3 requesting one or more Borrowings, the proceeds of which are to be used to finance such Take-over, the Borrower shall provide to the Agent evidence satisfactory to the Agent (acting reasonably) that the board of directors or like body of the Target, or the holders of the requisite number of securities of the Target as are required to approve such Take-over to ensure the successful completion of such Take-over under Applicable Law, has or have approved, accepted, or recommended to security holders acceptance of, the Take-over; or

(ii) the following steps shall be followed:

(A) at least five (5) Business Days prior to the delivery to the Agent of any Notice of Drawdown or Notices of Drawdown pursuant to Section 3.3 requesting one or more Borrowings intended to be used to finance such Take-over, the President or a Senior Financial Officer of the Borrower shall advise the Agent, who shall promptly advise an appropriate officer of each Lender of the particulars of such Take-over in sufficient detail to enable each such Lender to determine whether it has a conflict of interest if Borrowings from such Lender are used by the Borrower to finance such Take-over;

(B) within three (3) Business Days of being so advised, each such Lender shall notify the Agent of such Lender's determination as to whether such a conflict of interest exists (such determination to be made by such Lender in the exercise of its sole discretion, having regard to such considerations as it deems appropriate); provided that in the event such Lender does not so notify the Agent within such three (3) Business Day period, such Lender shall be deemed to have notified the Agent that it has no such conflict of interest; and

(C) the Agent shall promptly notify the President or a Senior Financial Officer of the Borrower of each such Lender's determination;

and in the event that any such Lender has such a conflict of interest (an "**Affected Lender**"), then upon the Agent so notifying the Borrower, the Affected Lender shall have no obligation to provide Borrowings to finance such Take-over, notwithstanding any other provision of this Agreement to the contrary; provided however that each other relevant Lender which has, or is deemed to have, no such conflict of interest (a "**Non-Affected Lender**") shall have an obligation, up to the amount of its Commitment, to provide Borrowings to finance such Take-over, and Borrowings to finance such Take-over shall be provided by each Non-Affected Lender in accordance with the ratio, determined prior to the provision of any Borrowings to finance such Take-over, that the Commitment of such Non-Affected Lender bears to the aggregate of the Commitments of all the Non-Affected Lenders.

(c) If Borrowings are used to finance a Take-over and there are Affected Lenders, subsequent Borrowings shall be funded firstly by Affected Lenders, and subsequent repayments shall be applied firstly to Non-Affected Lenders, in each case, until such time as the proportion that the amount of each Non-Affected Lender's Outstandings bears to the amount of the total Outstandings of all Lenders is equal to such proportion which would have been in effect but for the application of this Section 3.2.

3.3 Drawdowns

Subject to the provisions of this Agreement, prior to the Maturity Date the Borrower may, upon delivery of a Notice of Drawdown to the Agent in accordance with the provisions of this Agreement, borrow from, repay to, and reborrow from the Lenders by way of Borrowings up to an amount at any time outstanding not in excess of the amount of the Total Syndicated Commitment from time to time in effect, by way of:

(a) Prime Loans in minimum amounts of Cdn. \$10,000,000 and multiples of Cdn. \$1,000,000, upon at least same day prior notice;

(b) ~~acceptance of drafts or Depository Bills to constitute Bankers' Acceptances (or making BA Equivalent~~ CORRA Loans in lieu thereof) in minimum amounts of Cdn. \$10,000,000 and multiples of Cdn. \$1,000,000, upon at least ~~one~~ three (3) Business Day's' prior notice;

(c) USBR Loans in minimum amounts of US\$10,000,000 and multiples of US\$1,000,000, upon at least same day prior notice;

(d) ~~Term Benchmark~~ SOFR Loans in minimum amounts of US\$10,000,000 and multiples of US\$1,000,000, upon at least three (3) Business Days' prior notice; and

(e) Letters of Credit in accordance with the provisions of Section 3.75.

Any Notice of Drawdown to be given by the Borrower pursuant to this Section 3.3 shall be delivered to the Agent at the Agent's Branch of Account at or prior to 12:00 noon (Toronto time) on the last day on which such notice can be given. Such Notice of Drawdown shall be substantially in the form of Schedule "A", in the case of Prime Loans, USBR Loans, ~~Term Benchmark~~ CORRA Loans, SOFR Loans and Letters of Credit, ~~and shall be substantially in the form of Schedule "B", in the case of Bankers' Acceptances and BA Equivalent Loans.~~ Subject to the provisions of this Agreement, the Lenders shall make Borrowings available to the Borrower in accordance with Section 12.8.

3.4 ~~Term Benchmark~~ Loans

(a) **Deemed Conversion of ~~Term Benchmark~~ Loans:** If, with respect to any outstanding Borrowing by way of ~~Term Benchmark~~ CORRA Loans or SOFR Loans, the Borrower has not, by 12:00 noon (Toronto time) on the last day of the Interest Period applicable thereto, (i) duly elected to convert such Borrowing to another basis of Borrowing under Section 3.86, (ii) duly elected to Rollover such Borrowing under Section 3.97, or (iii) duly given notice of repayment of such Borrowing under Section 3.408, the Borrower shall be deemed to have elected to convert such ~~Term Benchmark~~ Loan to a Prime Loan (in the case of CORRA Loans ~~to~~) or a USBR Loan (in the case of SOFR Loans) on the last day of the Interest Period applicable thereto pursuant to Section 3.86.

(b) ~~Other Terms~~ Benchmark Loans: Each ~~Term~~ Benchmark Loan shall:

(i) subject to availability, have an Interest Period selected by the Borrower of one (1) month, three (3) months or six (6) months, ~~or such other~~ in the case of SOFR Loans and one (1) month or three (3) months in the case of CORRA Loans, or such shorter period as is agreed to by all Lenders from time to time; and

(ii)begin and end on a Business Day and not extend beyond the earliest then applicable Maturity Date.

3.5 Bankers' Acceptances

- ~~(a) **Acceptance and Purchase of Bankers' Acceptances:** Subject to the terms and conditions of this Agreement, each Lender agrees to either (i) accept Bankers' Acceptances issued by the Borrower and requested pursuant to Section 3.3, 3.8 or 3.9 and purchase such Bankers' Acceptances in accordance with Section 12.8; or, (ii) if such Lender is a Non-Acceptance Lender, make BA Equivalent Loans in accordance with Sections 3.5(f) and 12.8.~~
- ~~(b) **Payment:** The Borrower agrees to pay the applicable Lender the face amount of each Bankers' Acceptance accepted by such Lender on its maturity date and hereby waives presentment for payment of such Bankers' Acceptance by such Lender and agrees not to claim from such Lender any days of grace for the payment at maturity of such Bankers' Acceptance, notwithstanding that (if such should be the case) any such Banker's Acceptance has been unlawfully issued or used or put into circulation fraudulently or without authority, and the Borrower shall indemnify such Lender against any loss, cost, damage, expense or claim regardless of by whomsoever made, that such Lender may suffer or incur by reason of any fraudulent, unauthorized or unlawful issue or use of any such bankers' acceptance form, except any fraudulent, unauthorized or unlawful issue or use of any such bankers' acceptance form which is caused by the negligence or wilful act or omission of such Lender or any of its officers, employees, agents or representatives or which occurs as a result of such Lender or any of its officers, employees, agents or representatives failing to use the same standard of care in the custody of such bankers' acceptance form as it uses in the custody of its own property of a similar nature.~~
- ~~(c) **Other Terms:** Each Bankers' Acceptance shall:~~
- ~~(i) subject to availability, have a term selected by the Borrower of not less than one (1) month and not more than three (3) months, or such other period as is agreed to by all Lenders under the Credit Facility from time to time;~~
 - ~~(ii) have a maturity date which shall be on a Business Day and not later than the earliest then applicable Maturity Date; and~~
 - ~~(iii) be in a form satisfactory to the applicable Lender.~~
- ~~(d) **Power of Attorney Respecting Bankers' Acceptances:** As a condition precedent to each Lender's obligation to accept Bankers' Acceptances hereunder, the Borrower agrees to the power of attorney annexed hereto as Schedule "H", enabling such Lender to execute and deliver Bankers' Acceptances for and on behalf of the Borrower.~~
- ~~(e) **Applicability of DBNA:** It is the intention of the parties that all Bankers' Acceptances accepted by the Lenders (other than a Lender which elects to accept Bankers' Acceptances in the form of bills of exchange instead of Depository Bills) under this Agreement shall be issued in the form of a Depository Bill, be deposited with and be made payable to a "clearing house" (as defined in the *Depository Bills and Notes Act* (Canada)). The Agent and the Lenders shall effect the following practices and procedures and, subject to the approval of the Majority Lenders, establish and notify the Borrower and the Lenders of any additional procedures, consistent with the terms of this Agreement and the requirements of the *Depository Bills and Notes Act* (Canada), as are reasonably necessary to accomplish such intention:~~
- ~~(i) each Bankers' Acceptance accepted and purchased by a Lender hereunder shall have marked prominently and legibly on its face and within its text, at or before the time~~

of issue, the words "This is a depository bill subject to the *Depository Bills and Notes Act*";

(ii) any reference to authentication of such Bankers' Acceptance will be removed; and

(iii) such Bankers' Acceptance shall not be marked with any words prohibiting negotiation, transfer or assignment of it or of an interest in it.

(f) **BA Equivalent Loans:** Notwithstanding the foregoing provisions of this Section 3.5, a Non-Acceptance Lender shall, in lieu of accepting and purchasing Bankers' Acceptances, make a BA Equivalent Loan. The amount of each BA Equivalent Loan shall be equal to the Discount Proceeds which would be realized from a hypothetical sale of those Bankers' Acceptances which such Lender would otherwise be required to accept and purchase as part of a Drawdown, Conversion or Rollover of Bankers' Acceptances. To determine the amount of such Discount Proceeds, the hypothetical sale shall be deemed to take place at the Non-Acceptance Discount Rate for such Borrowing. Any BA Equivalent Loan shall be made on the relevant Drawdown Date, Borrowing Conversion Date or Borrowing Rollover Date, as the case may be, and shall remain outstanding for the term of the relevant Drawdown of, Conversion into or Rollover of, Bankers' Acceptances. Concurrently with the making of a BA Equivalent Loan, a Non-Acceptance Lender shall be entitled to deduct therefrom an amount equal to the stamping fees which such Lender would otherwise be entitled to receive pursuant to Section 5.4 as part of such Borrowing if such Borrowing was a Bankers' Acceptance, based on the amount payable (including interest) on the maturity date of such BA Equivalent Loan. Upon the maturity date for such Bankers' Acceptances, the Borrower shall pay to each Non-Acceptance Lender in respect of that Non-Acceptance Lender's BA Equivalent Loan an amount equal to the face amount of the Bankers' Acceptances which that Non-Acceptance Lender would have accepted and purchased at the Non-Acceptance Discount Rate for such Borrowing had that Non-Acceptance Lender been a Schedule "I" Bank, Schedule II Bank or Schedule III Bank. All references in this Agreement to "Borrowings" and "Bankers' Acceptances" shall, unless otherwise expressly provided herein or unless the context otherwise requires, be deemed to include BA Equivalent Loans made by a Non-Acceptance Lender as part of a Drawdown of, Conversion into or Rollover of Bankers' Acceptances.

(g) **Deemed Conversion of Bankers' Acceptances:** If the Borrower fails to pay the applicable Lender the face amount of each Bankers' Acceptance accepted by such Lender on its maturity date as required by Section 3.5(b), or, in the case of a Non-Acceptance Lender which has made a BA Equivalent Loan, to pay that Non-Acceptance Lender the amount of its BA Equivalent Loan plus interest on the maturity date of that loan as required by Section 3.5(f), then the Agent shall effect a Conversion of that Borrowing into a Prime Loan of the entire amount of such Borrowing, including all interest due in the case of BA Equivalent Loans, as if the Borrower had given a Notice of Conversion to the Agent to that effect in accordance with Section 3.8.

3.6 Agent's Duties re Bankers' Acceptances

(a) **Advice to the Lenders:** The Agent, promptly following receipt from the Borrower of a Notice of Drawdown by way of Bankers' Acceptances, a Notice of Conversion where a Borrowing of another type is to be converted into a Borrowing by way of Bankers' Acceptances (or BA Equivalent Loans in lieu thereof) or a Notice of Rollover in respect of a Borrowing by way of Bankers' Acceptances (or BA Equivalent Loans made in lieu thereof), shall compute the funding details of such Drawdown, Conversion or Rollover (in compliance with Section 3.11(a)) and shall advise each applicable Lender forthwith of the amount of each issue of Bankers' Acceptances to be accepted and purchased (or the amount of the BA Equivalent Loans to be made in lieu thereof) by such Lender. Prior to 12:00 noon (Toronto time) on the Drawdown Date, Borrowing Conversion Date or Borrowing Rollover Date, as

~~applicable, the Agent shall provide advice by facsimile to the Borrower and each applicable Lender of the face amount of each issue of Bankers' Acceptances, the Discount Rate, the Discount Proceeds of sale deliverable in respect thereof and the term thereof, which term in respect of each Borrowing shall be identical for all applicable Lenders.~~

~~(b) **Completion of Bankers' Acceptance:** Upon receipt of the advice pursuant to Section 3.6(a), each applicable Lender, other than a Non-Acceptance Lender, is thereupon authorized to execute bankers' acceptances as the duly authorized attorney of the Borrower, in accordance with the particulars so advised by the Agent.~~

3.53.7 Letters of Credit

(a)**Availability:** Subject to the provisions hereof, the relevant Fronting Bank shall issue Letters of Credit in accordance with Section 3.75(c); provided that, subject to Section 4.2, at no time shall the Equivalent Amount in US Dollars of the aggregate undrawn face amount of all outstanding Letters of Credit issued by all Fronting Banks exceed US\$500,000,000, and at no time shall the Equivalent Amount in US Dollars of the aggregate undrawn face amount of all Letters of Credit issued by the same Fronting Bank exceed its Fronting Bank Commitment. The issuance of each Letter of Credit shall constitute a Drawdown hereunder and shall reduce the availability of the Credit Facility by the undrawn face amount of such Letter of Credit.

(b)**Currency and Form:** Each Letter of Credit issued pursuant hereto shall be denominated in Cdn. Dollars or US Dollars and amounts payable thereunder shall be paid in the currency in which such Letter of Credit is denominated. Each Letter of Credit shall have an expiration date not in excess of one year from the date of issue and not later than the earliest then applicable Maturity Date. Each Letter of Credit issued hereunder shall be in a form satisfactory to the Fronting Bank, acting reasonably and in accordance with its usual and customary practices and shall, unless agreed otherwise by the Fronting Bank, the Borrower and the Agent with respect to letters of credit, be issued subject to the Uniform Customs & Practice for Documentary Credits, International Chamber of Commerce, Publication No. 600 (the "UCP") (or any replacement thereof) or the International Standby Practices ISP, International Chamber of Commerce Publication No. 590 (the "~~ISP98~~") (or any replacement thereof), as selected by the Borrower in the Notice of Drawdown (or subject to the UCP if no election is made), and shall, unless agreed otherwise by the Fronting Bank, the Borrower and the Agent with respect to letters of guarantee, be issued subject to Uniform Rules for Demand Guarantees, International Chamber of Commerce, Publication No. 458 (or any replacement thereof). If so requested by the Borrower, any Letter of Credit may have customary automatic extension provisions automatically extending, without amendment, for one (1) year periods from the expiration date of such Letter of Credit, or any future expiration date, unless, not more than sixty (60) days and not less than thirty (30) days (or such other period of time as may be agreed upon by the Fronting Bank and the Borrower, each acting reasonably) prior to any expiration date, the Fronting Bank shall notify the beneficiary of such Letter of Credit by registered mail that such Letter of Credit will not be extended for any such additional period; provided that in no event shall any such extended expiration date be later than the earliest then applicable Maturity Date.

(c) Procedure for Issuance and Rollover of Letters of Credit

(i) The Borrower may request that the Fronting Bank issue a Letter of Credit pursuant to this Section 3.75 by delivering a Notice of Drawdown to the Agent pursuant to Section 3.3 and by delivering to the

Fronting Bank at the Fronting Bank's Branch of Account a copy of such Notice of Drawdown together with a letter of credit application and indemnity in the Fronting Bank's then customary form (as such form may be modified from time to time, the "**Letter of Credit Application**"),

completed to the satisfaction of the Fronting Bank, acting reasonably, together with the proposed form of such Letter of Credit (which shall comply with the applicable requirements set forth herein) and such other certificates, documents and other papers and information as the Fronting Bank may reasonably request; provided that the terms of the Letter of Credit Application shall be in addition to and shall not derogate from the terms of this Agreement and provided further that in the event of a conflict between this Agreement and the Letter of Credit Application, this Agreement shall govern with respect to such conflict (it being acknowledged that a conflict shall not be deemed to exist by reason only that the Letter of Credit Application provides for a matter which this Agreement does not).

(ii) Within two (2) Business Days (or such longer period as may be required by the Fronting Bank, acting reasonably, but in any event not longer than five (5) Business Days) following the date on which the Fronting Bank shall have received the Notice of Drawdown and the Letter of Credit Application including the proposed form of the Letter of Credit and such additional certificates, documents and other papers and information as the Fronting Bank may have reasonably requested in satisfaction of all conditions to the issuance thereof, the Fronting Bank shall issue such Letter of Credit, provided that all other conditions precedent contained in this Agreement shall have been met as required thereby. Alternatively, the Fronting Bank may, with the Borrower's consent (which consent shall not be unreasonably withheld), in accordance with its customary practices, in lieu of issuing the requested performance, standby or documentary letter of credit or letter of guarantee, cause another bank to issue same against the Fronting Bank's Letter of Credit which shall be a counter guarantee or protective letter of credit.

(iii) The Borrower may request a Rollover of an existing Letter of Credit by giving a Notice of Rollover to the Fronting Bank at the Fronting Bank's Branch of Account at least two (2) Business Days prior to the then current expiry date of such Letter of Credit (provided that the Fronting Bank may accommodate such Rollovers on shorter notice in its reasonable discretion and a Notice of Rollover shall not be required in the circumstances contemplated in the proviso in Section 3.97(eb)). If all conditions precedent contained in this Agreement shall have been met as required thereby, the Fronting Bank shall promptly issue such extension or replacement of such existing Letter of Credit.

(d) Reimbursement or Conversion of Letters of Credit on Presentation; Fronting Bank Indemnity:

(i) Upon presentation of a Letter of Credit and payment thereunder by the Fronting Bank, the Fronting Bank shall forthwith notify the Borrower and the Agent of such presentation and payment and the Borrower shall forthwith pay to and reimburse the Fronting Bank for all amounts paid by the Fronting Bank pursuant to such Letter of Credit; provided that if the Borrower does not fully reimburse the Fronting Bank for such amounts, the Borrower shall be deemed to have effected a Conversion of such Letter of Credit into: (A) a Prime Loan, in the case of a Letter of Credit denominated in Canadian Dollars; and (B) a USBR Loan, in the case of a Letter of Credit denominated in US Dollars, in each case to the extent of the payment made by the Fronting Bank thereunder and not reimbursed by the Borrower.

(ii)(A) If Section 3.75(d)(i) applies to deem a Conversion to a Loan, each Lender shall, immediately upon request by the Fronting Bank, pay to the Agent for the account of the Fronting Bank its Lender's Proportion of such deemed Loan.

(B) Each Lender shall immediately on demand indemnify the Fronting Bank to the extent of its Lender's Proportion of any amount paid or liability incurred by the Fronting Bank under each Letter of Credit issued by it to the extent that the Borrower does not fully reimburse the Fronting Bank therefor.

(C) If a Lender does not disburse to the Agent for payment to the Fronting Bank its Lender's Proportion of any amount under this Section 3.75(d)(ii), then for the purpose only of any distributions or payments to the Lenders (and not, for greater certainty, for purposes of any obligations of the Lenders), including any distribution or payment with respect to the Borrower in the event of any enforcement or realization proceedings or any bankruptcy, winding-up, liquidation, arrangement, compromise or composition, the applicable Outstandings owing to such Lender shall be deemed to be nil and the applicable Outstandings owing to the Fronting Bank shall be increased by the applicable Outstandings owing to such Lender until the amounts owed by the Borrower are outstanding to each Lender in accordance with their respective Lender's Proportions determined without regard to this sentence.

(D) Notwithstanding that any Lender may assign its rights and obligations under this Agreement, the obligations in this Section 3.75(d) shall continue as obligations of the Persons who were Lenders at the time each such Letter of Credit was issued, unless the Fronting Bank specifically releases such Lender from such obligations in writing.

(e) Additional Provisions:

(i) Indemnity and No Lender Liability: The Borrower shall indemnify and save harmless the Lenders, the Fronting Bank and the Agent against all claims, losses, costs, expenses or damages to the Lenders, the Fronting Bank and the Agent arising out of or in connection with any Letter of Credit, the issuance thereof, any payment thereunder or any action taken by the Lenders, the Fronting Bank or the Agent or any other Person in connection therewith, including, without limitation, all costs relating to any legal process or proceeding instituted by any party restraining or seeking to restrain the Fronting Bank from accepting or paying any LC Draft or any amount under any such Letter of Credit, except for any of such resulting from the Agent's, Lenders' or Fronting Bank's gross negligence or wilful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction). The Borrower also agrees that the Lenders, the Fronting Bank and the Agent shall have no liability to it for any reason in respect of or in connection with any Letter of Credit, the issuance thereof, any payment thereunder or any other action taken by the Lenders, the Fronting Bank or the Agent or any other Person in connection therewith, except as a result of the Agent's, Lenders' or Fronting Bank's gross negligence or wilful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction).

(ii)No Obligation to Inquire: The Borrower hereby acknowledges and confirms to the Fronting Bank that the Fronting Bank shall not be obliged to make any inquiry or investigation as to the right of any beneficiary to make any claim or request any payment under a Letter of Credit and payment by the Fronting Bank pursuant to a Letter of Credit shall not be withheld by the Fronting Bank by reason of any matters

in dispute between the beneficiary thereof and the Borrower. The sole obligation of the Fronting Bank with respect to Letters of Credit is to cause to be paid any LC Draft drawn or purporting to be drawn in accordance with the terms of the applicable Letter of Credit and for such purpose the Fronting Bank is only obliged to determine that the LC Draft (including any documents stipulated for production thereunder) purports to comply with the terms and conditions of the relevant Letter of Credit.

The Fronting Bank shall not have any responsibility or liability for or any duty to inquire into the form, sufficiency (other than to the extent provided in the preceding paragraph), authorization, execution, signature, endorsement, correctness (other than to the extent provided in the preceding paragraph), genuineness or legal effect of any LC Draft, certificate or other document presented to it pursuant to a Letter of Credit and the Borrower unconditionally assumes all risks with respect to the same. The Borrower agrees that it assumes all risks of the acts or omissions of the beneficiary of any Letter of Credit with respect to the use by such beneficiary of the relevant Letter of Credit.

(iii)Obligations Unconditional: The obligations of the Borrower hereunder with respect to all Letters of Credit shall be absolute, unconditional and irrevocable and shall not be reduced by any event, circumstance or occurrence including, without limitation, any lack of validity or enforceability of a Letter of Credit, or any LC Draft paid or acted upon by the Fronting Bank or any of its correspondents being fraudulent, forged or invalid or any defenses or claims which the Borrower may have against any beneficiary or transferee of any Letter of Credit. The obligations of the Borrower hereunder shall remain in full force and effect and shall apply to any alteration to or extension of the expiration date of any Letter of Credit or any Letter of Credit issued to replace, extend or alter any Letter of Credit.

(iv)Fronting Bank Actions: Any action, inaction or omission taken or suffered by the Fronting Bank or by any of the Fronting Bank's correspondents under or in connection with a Letter of Credit or any LC Draft made thereunder, if in good faith and in conformity with foreign or domestic laws, regulation or customs applicable thereto and the terms of the Letter of Credit shall be binding upon the Borrower and shall not expose the Fronting Bank or any of its correspondents to any resulting liability to the Borrower.

(f)Designation and Termination of Fronting Banks:

(i)Subject to Section 3.75(f)(ii)(B), the term of the Fronting Bank Commitment of any Fronting Bank shall be the same as the term of the Commitment of such Fronting Bank.

(ii)In connection with its response to any Request for Extension, a Fronting Bank shall either:

(A)extend its Fronting Bank Commitment to the Maturity Date specified in such Request for Extension at the same amount, a lower amount or a higher amount, in each case with the consent of the Agent and the Borrower; or

(B) terminate its Fronting Bank Commitment effective on the expiration of its then current Maturity Date.

(iii) With the consent of the Agent, the Borrower shall be entitled from time to time to:

(A) designate any Lender to be a Fronting Bank by providing a written notice of such designation to the Agent (which notice shall include the consent to such designation by such Lender); or

(B) terminate a Lender as a Fronting Bank by providing a written notice of such termination to the Agent;

provided that at any one time there shall be no more than five (5) Fronting Banks which are eligible to issue Letters of Credit under this Section 3.75.

(iv) If the Borrower elects to terminate a Fronting Bank as a Fronting Bank pursuant to Section 3.75(f)(iii), then such Fronting Bank shall no longer be required to issue Letters of Credit or Rollover existing Letters of Credit and, if the Fronting Bank requests in writing, the Borrower shall use its reasonable commercial efforts to replace all outstanding Letters of Credit issued by such Fronting Bank as soon as practicable with Letters of Credit issued by another Fronting Bank; provided that such Fronting Bank shall remain a Fronting Bank with respect to all outstanding Letters of Credit issued by it until all such Letters of Credit have been either replaced, expired or been presented for payment and all payments required to be made to such Fronting Bank by the Borrower and/or the other Lenders pursuant to this Section 3.75 as a result of any payment made under any Letter of Credit issued by such Fronting Bank have been made.

(g) **Use of Fronting Banks:** Subject to the limits in Section 3.75(a), the Borrower shall have the right to select which Fronting Bank will issue any particular Letter of Credit and may, in its discretion, enter into agreements with or request bids from one or more Fronting Banks relating to fronting bank fees to be charged for Letters of Credit to be issued hereunder. Each such fronting fee shall be in such amount as may be agreed to between the Borrower and the applicable Fronting Bank, each in its sole discretion.

3.63.8 Conversion Option

(a) The Borrower may, during the term of this Agreement, upon giving the Agent a Notice of Conversion in accordance with the same period of notice set out in Section 3.3 in respect of the type of Borrowing to which any Borrowing is being converted, convert any Borrowing to another type of Borrowing, provided that, subject to Section 3.408:

~~(i) Bankers' Acceptances may be converted only on their maturity dates;~~

~~(i)(ii) Term~~ Benchmark Loans may only be converted on the last day of the applicable Interest Period;

~~(ii)(iii)~~ the amount converted represents at least the minimum permitted amount of the resulting Borrowings, as set forth in Section 3.3; and

~~(iii)(iv)~~ Letters of Credit may only be converted in the circumstances contemplated in Sections 3.75(d)(i) and 3.75(d)(ii) and do not require delivery of a Notice of Conversion.

(b) If the Conversion of a Borrowing hereunder involves a change in the currency of such Borrowing, the principal amount of the Borrowing following the Conversion (the “**Converted Borrowing**”) shall be the Equivalent Amount, determined as of the date on which a Notice of Conversion in respect of such Conversion is given pursuant to Section 3.86(c), in the currency of the Converted Borrowing of the whole or the part of the Borrowing being converted. On the Borrowing Conversion Date therefor, the Borrower shall pay to the applicable Lenders the relevant amount being converted and such Lenders shall in exchange deliver to the Borrower such Equivalent Amount.

(c) Notices of Conversion to be given by the Borrower pursuant to this Section 3.86 shall be substantially in the form of Schedule “C” ~~together with, in the case of a Conversion to a Borrowing by way of Bankers’ Acceptances (or BA Equivalent Loans in lieu thereof), Schedule “B”~~, and shall be given in the manner provided in Section 3.3.

3.73.9 Rollover Option

(a) The Borrower may, during the term of this Agreement, upon giving the Agent a Notice of Rollover in accordance with the same period of notice set out in Section 3.3 in respect of the type of Borrowing which is being rolled over, (i) Rollover any ~~Term Benchmark~~ CORRA Loan or SOFR Loan (on the last day of the applicable Interest Period) to a new ~~Term Benchmark~~ CORRA Loan or SOFR Loan, as applicable, for a further Interest Period; ~~or~~ (ii) ~~Rollover a Bankers’ Acceptance (on the maturity date of such Bankers’ Acceptance) or a BA Equivalent Loan (on the maturity date of such BA Equivalent Loan) into another Bankers’ Acceptance or BA Equivalent Loan (as the case may be) or~~ (iii) Rollover any Letters of Credit (on or before the then current expiry date of such Letter of Credit) to an extended or replacement Letter of Credit.

~~(b) The Discount Proceeds of the replacement Bankers’ Acceptances or BA Equivalent Loans (as the case may be) shall be retained by the Agent to be applied by it to:~~

~~(i) the stamping fees payable pursuant to Section 5.4 in respect of the replacement Bankers’ Acceptances or BA Equivalent Loans (as the case may be); and~~

~~(ii) the principal amount of the maturing Bankers’ Acceptance or BA Equivalent Loan (as the case may be);~~

~~and the Borrower shall pay to the Agent, on the maturity date of the maturing Banker’s Acceptance or BA Equivalent Loan (as the case may be), an amount equal to the difference between:~~

~~(iii) the aggregate of the principal amount at maturity of the maturing Bankers’ Acceptance or BA Equivalent Loan (as the case may be), and the stamping fees payable pursuant to Section 5.4 in respect of the replacement Bankers’ Acceptances or BA Equivalent Loans (as the case may be); and~~

~~(iv) the Discount Proceeds of the replacement Banker’s Acceptances or BA Equivalent Loans (as the case may be).~~

~~(b)(c)~~ Notices of Rollover to be given by the Borrower pursuant to this Section 3.97 shall be substantially in the form of Schedule “D” ~~together with, in the case of a Rollover of a Borrowing by way of Bankers’ Acceptances (or BA Equivalent Loans in lieu thereof), Schedule “B”,~~ C and shall be given in the manner provided in Section 3.3;

provided that any automatic extension of a Letter of Credit which occurs pursuant to its terms and without any further act on the part of the Fronting Bank shall not require delivery of a Notice of Rollover.

3.83-10 Notice and Additional Repayment Requirements

(a)**Notice:** The Borrower shall give the Agent at the Agent's Branch of Account prior notice of each repayment of Borrowings (for certainty, other than a repayment solely from funds derived from further Borrowings and other than a reimbursement of a drawing under a Letter of Credit), in accordance with the same period of notice as was required for such Borrowing, based upon the basis of such Borrowing and the amount being repaid as provided for in Section 3.3, such notice to be substantially in the form of Schedule "A" and to be given in the manner provided in Section 3.3.

(b)~~Term-Benchmark Loan Breakage Costs:~~ In the event the Borrower wishes to repay ~~Term~~-Benchmark Loans comprising a Borrowing prior to the last day of the applicable Interest Period, the Borrower shall so notify the Agent, and provided the Borrower and each Lender which participated in such Borrowing have agreed upon the amount of the indemnity payable to such Lender pursuant to Section 11.2(e) in respect of such repayment, the Borrower may repay such ~~Term~~-Benchmark Loans and pay such indemnity and such ~~Term~~-Benchmark Loans shall not thereafter be deemed to be outstanding as ~~Term~~-Benchmark Loans hereunder.

~~(c) Deposits for Bankers' Acceptances:~~ ~~In the event the Borrower wishes to prepay Bankers' Acceptances comprising a Borrowing on a date other than their maturity dates, the Borrower shall so notify the Agent, and, if the Borrower and the Agent have agreed upon the amount to be deposited into a Cash Coverage Account in order to yield on such maturity date the face amount of such Bankers' Acceptances, and if such amount has been so deposited with the Agent as prepayment of such Bankers' Acceptances, such Bankers' Acceptances shall not thereafter be deemed to be outstanding as Bankers' Acceptances hereunder. All such amounts in the Cash Coverage Account shall be applied to satisfy the obligations of the Borrower for the relevant Bankers' Acceptances on their maturity dates and the Agent is hereby irrevocably directed by the Borrower to so apply any such amount in the Cash Coverage Account.~~

~~(c)~~**(d) Cancellation or Deposits for Letters of Credit:** In the event the Borrower wishes to prepay any Letter of Credit comprising a Borrowing prior to the expiry thereof, the Borrower shall so notify the Agent and the Fronting Bank and shall either return such Letter of Credit for cancellation (together with a letter from the beneficiary of such Letter of Credit which consents to such cancellation) or deposit an amount equal to the undrawn face amount of such Letter of Credit into a Cash Coverage Account with the Agent as cash cover for the Fronting Bank's contingent obligation under such Letter of Credit. If such Letter of Credit is returned for cancellation or if an amount equal to the undrawn face amount of such Letter of Credit has been deposited with the Agent as cash cover for such Letter of Credit, such Letter of Credit shall not thereafter be deemed to be outstanding as a Letter of Credit hereunder. Such cash cover shall be applied to satisfy the obligations of the Borrower for such Letters of Credit as payments are made thereunder and the Agent is hereby irrevocably directed by the Borrower to so apply any such cash cover. In addition, interest on such deposited amounts at the rate customarily offered by the Agent for deposits of similar amounts shall be for the account of the Borrower and may be withdrawn by the Borrower. After expiry of the Letters of Credit for which such funds are held and application by the Agent of the amounts in such Cash Coverage Account to satisfy the obligations of the Borrower hereunder with respect to the Letters of Credit being repaid, any remaining excess in such Cash Coverage Account shall be promptly paid by the Agent to the Borrower.

~~3.93-11~~ Pro-Rata Treatment of Borrowings

(a)**Pro-Rata Borrowings:** Except as otherwise provided herein, each Borrowing and each basis of Borrowing shall be made available by each Lender, and all repayments and reductions in respect thereof, shall be made and applied in a manner so that the Borrowings outstanding hereunder to each such Lender and each basis of Borrowing made available hereunder by each such Lender will, to the extent practicable, and, subject always to the provisions of this Agreement, thereafter be in the proportions required by the next sentence. The Agent is authorized by the Borrower and each Lender to determine from time to time the relative amount of Borrowings to be outstanding hereunder to each Lender, each basis of Borrowing to be made available by each Lender and the application of repayments and reductions of Borrowings to give effect to the provisions of this Agreement, it being the intention that, subject to the other provisions of this Agreement, the Outstandings of each Lender shall be in the same proportion of the total Outstandings of all Lenders as its Syndicated Commitment is of the Total Syndicated Commitment; provided that no Lender shall, as a result of any such determination, be owed Outstanding Principal in an amount which is in excess of the amount of its Syndicated Commitment.

(b)**Agent's Discretion on Allocation:** In the event it is not practicable to allocate each basis of Borrowing in accordance with Section 3.419(a) by reason of the occurrence of the circumstances described in Article 10, ~~or if such allocation would not result in each Lender accepting drafts to become Bankers' Acceptances such that each draft so accepted is in a whole multiple of Cdn. \$100,000,~~ the Agent is authorized by the Borrower and each Lender to make an allocation, which ~~allocation shall be as set forth in the advice provided by the Agent to the Borrower and each Lender pursuant to Section 3.6(a) (in the case of an allocation to ensure each Bankers' Acceptance will be in a multiple of Cdn. \$100,000), which~~ the Agent determines in its sole discretion is equitable in the circumstances.

(c)**Further Assurances by Borrower:** To the extent reasonably possible, the Borrower and each Lender agrees to be bound by and to do all things necessary or appropriate to give effect to the provisions of this Section 3.419.

~~3.103-12~~ Extension of Maturity Date

(a)**Request for Extension:** The Borrower may, at its option and from time to time (but not more than once in a calendar year), by delivering to the Agent at the Agent's Branch of Account an executed Request for Extension, request those Lenders which have not become Non-Extending Lenders pursuant to this Section 3.120 (except to the extent Section 3.120(h) applies) (in this Section 3.120, the "**Requested Lenders**") to issue a Notice of Extension to extend the then current Maturity Date with respect to the Commitments of such Requested Lenders to a date specified therein, which shall be not later than five years from the date (in this Section 3.120, the "**Extension Date**") which is 90 days after the date of such Request for Extension.

(b)**Delivery of Request and Response Thereto:** Upon receipt from the Borrower of an executed Request for Extension, the Agent shall forthwith deliver to each Requested Lender a copy of such request, and each Requested Lender shall, within 30 days after the date the Agent receives such request from the Borrower, advise the Agent in writing as to whether such Requested Lender will agree to extend the then current Maturity Date in respect of its Commitment; provided that, if any such Requested Lender shall fail to so advise the Agent

within such 30 day period, then such Requested Lender shall be deemed to have denied such Request for Extension. The determination of each Requested Lender as to whether or not to extend the Maturity Date shall be made by each such Requested Lender in its sole discretion.

(c)**Agent's Response to the Borrower:** Within five days after the expiry of the aforementioned 30 day period, the Agent shall:

(i)if:

(A)all Requested Lenders are in agreement with delivering a Notice of Extension; or

(B)less than all Requested Lenders are in agreement with delivering a Notice of Extension, but, subject to Section 3.120(h)(ii), Requested Lenders having Commitments which, in aggregate, represent 662/3% or more of all outstanding Commitments of all Requested Lenders are in agreement with delivering a Notice of Extension;

(each Requested Lender being in agreement with delivering a Notice of Extension being an **"Extending Lender"** for the purposes of this Section 3.120), deliver to the Borrower (with a copy to each Extending Lender) a Notice of Extension on behalf of all Extending Lenders, executed by the Agent and, in the circumstance where not all Requested Lenders are Extending Lenders, advise the Borrower of:

(C)which Requested Lenders are not in agreement with extending the Maturity Date (in this Section 3.120, each a **"Non-Extending Lender"**); and

(D)the amount of each Non-Extending Lender's Commitments and Outstandings as at such date; or

(ii)if neither of the conditions in Sections 3.120(c)(i)(A) and (B) have been met, notify the Borrower that the Request for Extension has not received the agreement of Requested Lenders which, subject to Section 3.120(h)(ii), have Commitments which, in aggregate, represent at least 662/3% of all outstanding Commitments of all Requested Lenders (including therein the identity of the Requested Lenders which are not in agreement with extending the Maturity Date and the amount of each such Requested Lender's Commitments and Outstandings at such date) and has therefore been denied.

The failure of the Agent within the aforementioned five day period to deliver a Notice of Extension, as provided in Section 3.120(c)(i) above, shall be deemed to be notification by the Agent to the Borrower that the Requested Lenders have denied the Request for Extension, and, in such circumstances, the Maturity Date shall not be extended for any of the Requested Lenders.

(d)**Extension of Maturity Date:** Upon delivery by the Agent to the Borrower of a Notice of Extension pursuant to Section 3.120(c)(i), the Maturity Date for all Extending Lenders shall be extended to the Maturity Date specified in the relevant Request for Extension.

(e)**Commitments of Non-Extending Lenders:** If in any instance a Notice of Extension has been delivered in circumstances in which not all of the Requested Lenders are Extending Lenders, then, on or prior to the relevant Extension Date:

(i)the Borrower may require any Non-Extending Lender in respect of the relevant Request for Extension to (and such Non-Extending Lender shall thereupon become obligated to) assign all or part of its rights

and obligations under the Loan Documents (for purposes of this Section 3.1~~20~~, the “**Assigned Interests**”) to:

(A) any Extending Lenders which have agreed to increase their Commitments and purchase the Assigned Interests; and

(B) to the extent the Assigned Interests are not assigned to Extending Lenders in accordance with paragraph (A) above, any financial or other institutions selected by the Borrower and acceptable to the Agent and the Fronting Banks, each acting reasonably.

The Borrower shall provide the Agent with written notice of its desire to proceed under this Section 3.120(e)(i) (which notice the Agent shall promptly provide to each Extending Lender), and the Extending Lenders shall be entitled to purchase such of the Assigned Interests as they may request (*pro rata*, in proportion to the Commitments of those Extending Lenders wishing to purchase Assigned Interests, or otherwise as such Extending Lenders may agree) by written notice to the Agent and the Borrower within 10 days after receipt of such notice, before any Assigned Interests may be assigned to third party financial or other institutions. Such assignments, in any event, shall be effective upon:

(C) execution of an agreement substantially in the form of Schedule "E";

(D) payment to the relevant Non-Extending Lender (in immediately available funds) by the relevant assignee of an amount equal to the relevant Loan Indebtedness owing to such Non-Extending Lender in regard to the Assigned Interests;

(E) payment by the relevant assignee to the Agent (for the Agent's own account) of the transfer fee contemplated in Section 16.9;

(F) provision satisfactory to such Non-Extending Lender (acting reasonably) being made for ~~payment at maturity of the face amount of outstanding Bankers' Acceptances accepted by it in regard to the Assigned Interests and~~ any costs, losses, premiums or expenses incurred by such Non-Extending Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of ~~Term~~-Benchmark Loans outstanding hereunder in regard to the Assigned Interests; and

(G) provision satisfactory to such Non-Extending Lender (acting reasonably) being made for the indemnification, cash collateralization or release of such Non-Extending Lender from its obligations relating to any Letters of Credit which form part of the Assigned Interests, including its obligations under Section 3.75(d) in regard to the Assigned Interests.

Upon such assignment and transfer becoming effective, the Non-Extending Lender shall have no further right, interest, benefit or obligation hereunder to the extent of the Assigned Interests assigned by that Lender, and each assignee thereof shall succeed to the position of such Lender to the extent of the portion of the Assigned Interests acquired by such assignee as if the assignee was an original Lender hereunder in regard thereto in the place and stead of such Non-Extending Lender; and

(ii) to the extent that the Borrower has not caused any Non-Extending Lenders in respect of such Request for Extension to assign their respective rights and obligations under the Loan Documents to

one or more Extending Lenders and/or other financial or other institutions as provided in paragraph (i) above, the Borrower may, at its option, notwithstanding any other provisions hereof, but only if no

Default or Event of Default then exists, by further notice to the Agent, repay to such Non-Extending Lenders all Loan Indebtedness owed to such Non-Extending Lenders, without making corresponding repayment to any other Lenders, and make provision satisfactory to each relevant Non-Extending Lender (acting reasonably) for (A) payment ~~at maturity of the face amount of all outstanding Bankers' Acceptances accepted by such Non-Extending Lender, (B) payment~~ of all costs, losses, premiums or expenses incurred by such Non-Extending Lender by reason of a liquidation or re-deployment of deposits or other funds in respect of all outstanding ~~Term~~ Benchmark Loans owed to such Non-Extending Lender, and ~~(C)~~ (B) indemnification, cash collateralization or release of such Non-Extending Lender from its obligations relating to all outstanding Letters of Credit including its obligations under Section 3.75(d). Upon such payments and provisions being made, each such Non-Extending Lender shall cease to be a Lender and its Commitments shall be cancelled and the Total Syndicated Commitment reduced accordingly.

(f) Non-Extending Lenders: If the rights and obligations of a Non-Extending Lender under the Loan Documents are not assigned in accordance with Section 3.120(e)(i) or the Loan Indebtedness of a Non-Extending Lender is not repaid in accordance with Section 3.120(e)(ii), then such Non-Extending Lender shall continue to be obliged to make its Lender's Proportion of Borrowings available to the Borrower on a revolving basis prior to the Maturity Date applicable to its Commitments and on such date:

(i) the Commitments of such Non-Extending Lender shall be automatically cancelled and all Loan Indebtedness then owing to such Non-Extending Lender hereunder shall be repaid in full; and

(ii) the Total Syndicated Commitment shall be deemed to be reduced by the amount of such cancelled Syndicated Commitment;

provided that, notwithstanding Section 3.120(e) or any other provision herein, at any time prior to such Maturity Date, the Borrower may require any Non-Extending Lender to assign all or (subject to Section 16.9(a)) a portion of its rights and obligations under the Credit Facility in the same manner and subject to the same procedures as are contemplated in Section 3.120(e)(i) above and, upon such assignment becoming effective, each assignee shall be deemed to be an Extending Lender and the Maturity Date applicable to the Assigned Interests shall be extended to the Maturity Date applicable to the Commitments of the Extending Lenders; and provided, further, that where the proposed Assigned Interests are less than the aggregate Commitments of all of the Non-Extending Lenders, the Borrower shall ensure that the Commitments of all (but not less than all) of the Non-Extending Lenders are assigned or cancelled either (A) by requiring some or all of the Non-Extending Lenders to (and such Non-Extending Lender shall thereupon become obligated to) assign to the proposed assignee or assignees the same proportion of their respective Commitments as their respective Commitments bear to the aggregate Commitments of all Non-Extending Lenders or (B) if no Default or Event of Default then exists, by repaying to some or all of the Non-Extending Lenders all Loan Indebtedness owing hereunder to the Non-Extending Lenders in the same manner as is contemplated in Section 3.120(e)(ii) above.

(g) Further Extensions of the Maturity Date: This Section 3.120 shall apply from time to time to facilitate successive extensions and requests for extensions of the Maturity Date. The Borrower shall not be entitled to request any action or give any notice under this Section 3.120 or receive any extension of the Maturity Date in respect of any Commitment so long as there exists a Default or an Event of Default which has not been waived by the Lenders.

(h) **Extensions from Non-Extending Lenders:** The Borrower may, at its option and from time to time (but only pursuant to the delivery of an executed Request for Extension pursuant to Section 3.120(a)), request any Non-Extending Lender to extend the then current Maturity Date with respect to the Commitments of such Non-Extending Lender to the proposed Maturity Date requested in such Request for Extension. In these circumstances:

(i) the Request for Extension shall expressly refer to such Non-Extending Lender and shall be provided by the Agent to such Non-Extending Lender;

(ii) such Non-Extending Lender shall be included as one of the Requested Lenders for all purposes of Section 3.120 (except for the purposes of making the percentage calculation contemplated in Section 3.120(c)(i)(B) or 3.120(c)(ii));

(iii) upon the agreement of such Non-Extending Lender to extend the Maturity Date and the delivery of the applicable Notice of Extension from the Agent to the Borrower, such Non-Extending Lender shall become an Extending Lender and shall cease to be a Non-Extending Lender; and

(iv) in the event such Non-Extending Lender does not, or is deemed to not, agree to extend the Maturity Date, Sections 3.120(e) and 3.120(f) shall continue to apply to such Non-Extending Lender as they applied prior to the giving of such Request for Extension.

~~3.113.13~~ Increase in Credit Facility

The Borrower may, at any time and from time to time, add additional financial institutions hereunder as Lenders and/or, with the consent of the applicable Lender (which may be given or withheld in its sole discretion), increase the Commitment of such Lender and, in each case, thereby increase the maximum principal amount of the Credit Facility, provided that, at the time of any such addition or increase:

(a) no Default or Event of Default has occurred and is continuing;

(b) the Borrower shall have delivered to the Agent:

(i) an officer's certificate of the Borrower confirming the accuracy of (a) above and confirming (A) its corporate authorization to make such increase, (B) the truth and accuracy of its representations and warranties contained in this Agreement as of such date, and (C) that no consents, approvals or authorizations from any Person are required for such increase (except as have been unconditionally obtained and are in full force and effect, unamended), each as at the effective date of such increase in the maximum principal amount of the Credit Facility, and attaching a certified copy of a directors' resolution of the Borrower authorizing any such increase; and

(ii) a legal opinion with respect thereto in form and substance as may be required by the Agent, acting reasonably (and such opinion shall, *inter alia*, opine as to the corporate authorization of the Borrower to effect such increase);

(c) after giving effect to any such increase, the maximum principal amount of the Credit Facility shall not exceed US\$1,800,000,000;

(d) the Agent and the Fronting Banks shall have each consented to such financial institution becoming a Lender or, in the case of an existing Lender, increasing its Commitment, such consents not to be unreasonably withheld; and

(e) concurrently with the addition of a financial institution as an additional Lender or the increase of a Lender's Commitment, such financial institution or Lender, as the case may be, shall purchase from each Lender such portion of the Outstandings owed to each Lender as may be required by the Agent, acting reasonably, and as is necessary to ensure that the Outstandings owed to all Lenders and including therein such additional financial institution and the increased Commitment of any Lender, are in accordance with the Lender's Proportions of all such Lenders (including the new financial institution and the increased Commitment of any Lender) and such financial institution shall execute such documentation as is required by the Agent, acting reasonably, to novate such financial institution as a Lender hereunder; ~~provided that with respect to any portion of such Outstandings which is outstanding by way of Bankers' Acceptance, the new financial institution or such Lender shall provide an indemnity to the other Lenders (in a form satisfactory to the other Lenders, acting reasonably) in order to ensure such Bankers' Acceptances are outstanding in accordance with the new Lender's Proportions.~~

ARTICLE 4 REPAYMENT AND CANCELLATION

4.1 Repayment of Borrowings

(a) **Mandatory Repayment of Borrowings:** The Borrower covenants and agrees to repay or otherwise reduce the Borrowings with the effect and requirement that all Borrowings owing to a Lender shall be repaid on or before the Maturity Date applicable to such Lender.

(b) **Application of Payment:** Subject to the requirements of Section 4.1(a), in respect of payments to the Lenders, the Outstandings of each Lender shall be reduced so as to, following such payment, be in the same proportion as the amount of the Syndicated Commitment of such Lender at such time bears to the Total Syndicated Commitment.

4.2 Exchange Rate Fluctuations

If, on the last day of any Fiscal Quarter or any Interest Period ~~, or on the maturity date of an outstanding Banker's Acceptance (each~~ (a "Currency Test Date"), the amount of Outstanding Principal owed to any Lender is in excess of the Syndicated Commitment of such Lender and the amount of any funds on deposit or letter of credit or other assurance satisfactory to the Agent held for or by such Lender pursuant to this Section 4.2 (the amount of the excess being the "Currency Excess"), the Borrower shall, within 10 Business Days of the Currency Test Date, repay or otherwise reduce a portion of Borrowings owed to such Lender to the extent of the amount of such Currency Excess or provide satisfactory assurance of repayment thereof by depositing funds in an amount equal to the Currency Excess into a Cash Coverage Account with the Agent on behalf of the relevant Lender, to be dedicated to payment of Borrowings owed to the relevant Lender or provide satisfactory assurance of repayment thereof by way of letter of credit or otherwise as may be acceptable to such Lender, all to the satisfaction of the Agent. The Agent is hereby directed to apply any such sums on deposit to reduce the

Currency Excess by applying such funds to satisfy obligations or liabilities of the Borrower under the Credit Facility to the relevant Lenders under the Loan Documents in respect of ~~Bankers' Acceptances (or BA-Equivalent Loans made in lieu thereof) on their maturity or Term~~ Benchmark Loans at the expiration of Interest Periods, as applicable, or (subject to compliance with Sections ~~3.10(b) and 3.10(c), as applicable~~), at such earlier time as the Borrower elects. Upon the Currency Excess being eliminated by repayments or by virtue of

subsequent changes in the exchange rate for determining the Equivalent Amount in US Dollars of Borrowings on a Currency Test Date, such funds on deposit, together with interest thereon, or letter of credit or other assurance shall be returned to the Borrower.

4.3 Cancellation of Syndicated Commitments

The Borrower may at any time, at its option and in its sole discretion, upon not less than two (2) Business Days' prior notice to the Agent substantially in the form of Schedule "A", cancel and reduce without penalty all or any portion of (a) the aggregate Syndicated Commitments of those Lenders which are not Non-Extending Lenders (as defined in Section 3.120), (b) the aggregate Syndicated Commitments of those Lenders which are Non-Extending Lenders (as defined in Section 3.120), or (c) any combination thereof, in minimum amounts of US\$10,000,000 and in multiples of US\$1,000,000 thereof, by:

(a) in the case of, and to the extent of, the cancellation of all or any portion of the aggregate Syndicated Commitments of those Lenders which are not Non-Extending Lenders (as defined in Section 3.120), cancelling the Syndicated Commitment of each such Lender in the same proportion of the aggregate amount so cancelled as the proportion which such Lender's Syndicated Commitment is of the total Syndicated Commitments of all such Lenders; and

(b) in the case of, and to the extent of, the cancellation of all or any portion of the aggregate Syndicated Commitments of those Lenders which are Non-Extending Lenders (as defined in Section 3.120), cancelling the Syndicated Commitment of each such Lender in the same proportion of the aggregate amount so cancelled as the proportion which such Lender's Syndicated Commitment is of the total Syndicated Commitments of all such Lenders;

provided that (i) on or prior to the last day of such notice period, the Borrower has repaid or reduced the principal amount of Syndicated Borrowings owing to each relevant Lender in accordance with Section 3.408(a) in an amount equal to the amount by which the Equivalent Amount of such Syndicated Borrowings in US Dollars would otherwise be in excess of such Lender's Syndicated Commitment immediately after the reduction of the Total Syndicated Commitment provided for in such notice and (ii) the cancellation of all of the Syndicated Commitment of a Lender shall be deemed to be a cancellation of all other Commitments of such Lender. Any such notice of cancellation is irrevocable and the amount of the Total Syndicated Commitment so cancelled may not be reinstated.

4.4 Evidence of Indebtedness

The Agent shall open and maintain on the books at the Agent's Branch of Account accounts evidencing the Borrower's liability to the Agent and each Lender in respect of the Borrowings and other Loan Indebtedness outstanding by the Borrower hereunder. The Agent shall enter therein the amount and currency of such Borrowings, each payment of principal and interest on the Borrowings and other Loan Indebtedness, and shall record the ~~Bankers' Acceptances accepted by each Lender, the~~ Letters of Credit issued by each Fronting Bank and all other amounts becoming due to the Agent and each Lender hereunder (and for such purposes the Agent shall be entitled to rely upon information provided by the Fronting Bank in respect of any Letter of Credit issued by such Lender). The Accounts constitute, in the absence of manifest error, *prima facie* evidence of the Loan Indebtedness of the Borrower to the Agent and each Lender pursuant to this Agreement, the date and amount of each Borrowing made available to the Borrower, the date and amount of each payment by the Borrower on account of the Loan Indebtedness owing hereunder.

ARTICLE 5 PAYMENT OF INTEREST AND FEES

5.1 Payment of Interest on Prime Loans

The Borrower shall pay the Agent, on behalf of each Lender, interest on Prime Loans owed to such Lender in Canadian Dollars at the Agent's Account for Payments at a variable rate per annum equal to the Prime Rate plus any Applicable Pricing Margin from time to time. Each change in the fluctuating interest rate for the Prime Loans will take place without notice to the Borrower, simultaneously with the corresponding change in the Prime Rate. A change in the Applicable Pricing Margin will simultaneously cause a corresponding change in the rate of interest payable for a Prime Loan. Such interest is payable quarterly in arrears on each Interest Date, in respect of the previous Fiscal Quarter, and shall be calculated on a daily basis, based on the actual number of days elapsed and a year of 365 days, rounded in accordance with the Agent's usual practices. If, at any time while Prime Loans are outstanding, the Prime Rate is being determined by reference to ~~the CDOR One Month Rate~~ Adjusted Term CORRA, the Agent shall promptly advise the Borrower of such fact.

5.2 Payment of Interest on Daily Compounded CORRA Loans

The Borrower shall pay to the Agent on behalf of each Lender interest on each Daily Compounded CORRA Loan owed to such Lender in Canadian Dollars at the Agent's Account for Payments at the rate, expressed on the basis of a 365 day year, equal to the sum of Adjusted Daily Compounded CORRA plus the Applicable Pricing Margin. A change in Daily Compounded CORRA or the Applicable Pricing Margin will simultaneously cause a corresponding change in the rate of interest payable for a Daily Compounded CORRA Loan. Each determination by the Agent of the rate of interest applicable to a Interest Period shall, in the absence of manifest error, be final, conclusive and binding upon the Borrower and each Lender. Such interest shall accrue and compound daily, shall be payable in arrears on each Interest Date of each Interest Period applicable to each Daily Compounded CORRA Loan, for the period commencing on and including, as applicable, the first day of the applicable Interest Period or the preceding Interest Date in such Interest Period, up to but not including such Interest Date, and calculated on a daily basis, based on the actual number of days elapsed divided by 365, rounded in accordance with the Agent's usual practices.

5.3 Payment of Interest on Term CORRA Loans

The Borrower shall pay to the Agent on behalf of each Lender interest on each Term CORRA Loan owed to such Lender in Canadian Dollars at the Agent's Account for Payments at the rate, expressed on the basis of a 365 day year, equal to the sum of Adjusted Term CORRA plus the Applicable Pricing Margin. A change in Term CORRA or the Applicable Pricing Margin will simultaneously cause a corresponding change in the rate of interest payable for a Term CORRA Loan. Each determination by the Agent of the rate of interest applicable to a Interest Period shall, in the absence of manifest error, be final, conclusive and binding upon the Borrower and each Lender. Such interest shall be payable in arrears on each Interest Date of each Interest Period applicable to each Term CORRA Loan, for the period commencing on and including, as applicable, the first day of the applicable Interest Period or the preceding Interest Date in such Interest Period, up to but not including such Interest Date, and calculated on a daily basis, based on the actual number of days elapsed divided by 365, rounded in accordance with the Agent's usual practices.

5.45.2 Payment of Interest on USBR Loans

The Borrower shall pay to the Agent, on behalf of each Lender, interest on USBR Loans owed to such Lender in US Dollars at the Agent's Account for Payments at a variable rate per annum equal to the US Base Rate plus any Applicable Pricing Margin from time to time. Each change in the fluctuating interest rate for the USBR Loans will take place without notice to the Borrower, simultaneously with the corresponding change in the US Base Rate. A change in the Applicable Pricing Margin will simultaneously cause a corresponding change in the rate of interest payable for a USBR Loan. Such interest is payable quarterly in arrears on each Interest Date, in respect of the previous Fiscal Quarter, and shall be calculated on a daily basis, based on the actual number of days elapsed and a year of 365 days, rounded in accordance with Agent's usual practices. If, at any time while USBR Loans are outstanding, the US Base Rate is being determined by reference to the Fed Funds Rate or the one month Adjusted Term ~~Benchmark~~SOFR, the Agent shall promptly advise the Borrower of such fact.

5.55.3 Payment of Interest on ~~Term-Benchmark~~SOFR Loans

The Borrower shall pay to the Agent on behalf of each Lender interest on each ~~Term-Benchmark~~SOFR Loan owed to such Lender in US Dollars at the Agent's Account for Payments at the rate, expressed on the basis of a 360 day year, equal to the sum of:

(a) Adjusted Term SOFR plus the Applicable Pricing Margin. ~~the Term-Benchmark applicable to such Term-Benchmark Loan for the applicable Interest Period; and~~

(b) ~~the Applicable Pricing Margin from time to time.~~

A change in the Applicable Pricing Margin will simultaneously cause a corresponding change in the rate of interest payable for a ~~Term-Benchmark~~SOFR Loan. Each determination by the Agent of the rate of interest applicable to a Interest Period shall, in the absence of manifest error, be final, conclusive and binding upon the Borrower and each Lender. Such interest shall be payable in arrears on each ~~Term-Benchmark~~ Interest Date of each Interest Period applicable to each ~~Term-Benchmark~~SOFR Loan, for the period commencing on and including, as applicable, the first day of the applicable Interest Period or the preceding ~~Term-Benchmark~~ Interest Date in such Interest Period, up to but not including such ~~Term-Benchmark~~ Interest Date, and calculated on a daily basis, based on the actual number of days elapsed divided by 360, rounded in accordance with the Agent's usual practices.

5.4 Stamping Fees for Bankers' Acceptances

~~The Borrower shall pay to each Lender stamping fees in Canadian Dollars forthwith upon the acceptance by such Lender of each Bankers' Acceptance issued by the Borrower hereunder (including, for certainty, any Bankers' Acceptances issued and accepted pursuant to Section 3.8 or 3.9) at a rate per 365 day period equal to the Applicable Pricing Margin in effect during the term of such Bankers' Acceptance, calculated on the face amount of such Bankers' Acceptance and on the basis of the number of days in the term of such Bankers' Acceptance divided by 365. Fees payable to the Lenders pursuant to this Section 5.4 shall be paid in the manner specified in Section 12.8(b)(ii). All fees payable pursuant to this Section 5.4 on any date in respect of any issuance of Bankers' Acceptances shall be calculated by the Agent and payable by the Borrower.~~

5.65.5 Issuance Fees for Letters of Credit

(a) The Borrower shall pay to the Agent for the account of the Lenders an issuance fee in respect of each Letter of Credit issued by the Fronting Bank hereunder calculated at a rate per 365 day period equal to the Applicable

Pricing Margin in effect during the term of such Letter of Credit and on the face amount of each such Letter of Credit. The issuance fee

shall be payable quarterly in arrears on the first Business Day of each Fiscal Quarter following the issuance of the relevant Letter of Credit.

(b) The Borrower shall pay to the Fronting Bank for its own account a fronting fee forthwith upon the issuance of each Letter of Credit issued by the Fronting Bank hereunder calculated at a rate per 365 day period equal to the rate agreed to or bid by the Fronting Bank pursuant to Section 3.75(g) and on the face amount of each such Letter of Credit.

(c) The Borrower shall from time to time pay to the Fronting Bank for its own account its usual and customary fees (at the then prevailing rates) for the amendment, delivery and administration of letters of credit such as the Letters of Credit.

(d) The Borrower shall receive a refund in respect of any issuance fee and fronting fee paid in respect of any Letter of Credit which is returned to the Fronting Bank for cancellation in accordance with Section 3.408(d) or fully drawn upon prior to the expiry thereof (such refund to be prorated based upon the portion of time that such Letter of Credit was not outstanding based on the original term thereof); provided that such refund shall only be paid if it exceeds US\$1,000 or Cdn.\$1,000, as applicable.

5.75.6 Adjustments

All fees payable under Section 5.46 ~~or 5.5~~ shall be calculated by the Agent and payable by the Borrower initially on the assumption that the Debt Ratings at the time of issuance of the applicable ~~Bankers' Acceptances or~~ Letters of Credit will be maintained during the term thereof. In the event such fees are calculated and paid on such assumption and such Debt Rating is changed or ceases to be available such as to change the Applicable Pricing Margin (any such change or cessation of a Debt Rating being a "**Rating Change**") during the term of any such ~~outstanding Bankers' Acceptances or~~ Letters of Credit, the Agent shall recalculate the amount of such fees on the basis of the Applicable Pricing Margin applicable to the period before such Rating Change, and the Applicable Pricing Margin applicable to the period on and after such Rating Change, and advise the Borrower and the Lenders of the amount of the underpayment or overpayment (if any). In the case of an underpayment, the Borrower shall pay to the Agent on behalf of the Lenders, on the ~~maturity date of such outstanding Bankers' Acceptances (in the case of Bankers' Acceptances) or on the~~ next date on which any interest or fee payment is made hereunder ~~(in the case of Letters of Credit)~~, the amount of such underpayment, and, in the case of an overpayment, the amount thereof shall be credited against amounts in respect of interest or other amounts accruing hereunder. Changes in the interest rate payable in respect of Loans as a result of a Rating Change shall be effective on the date of such Rating Change.

5.85.7 Interest on Overdue Amounts

The Borrower expressly agrees to pay to the Agent on behalf of each Lender, at the Agent's Branch of Account, on demand, interest on all overdue amounts outstanding under this Agreement at a variable rate per annum, which shall be adjusted automatically without notice to the Borrower whenever there is a change in the Prime Rate or US Base Rate, as the case may be, which is equal to:

(a) the Prime Rate plus any Applicable Pricing Margin plus 1% per annum, in respect of amounts due in Canadian Dollars; and

(b)the US Base Rate plus any Applicable Pricing Margin plus 1% per annum, in respect of amounts due in US Dollars;

and which additional interest the Borrower acknowledges to be commensurate with the increased credit risk to the Lenders in the circumstances. Such interest on overdue amounts shall be compounded monthly and shall be payable both before and after default, maturity and judgment.

5.95.8 Standby Fees

The Borrower covenants and agrees to pay to the Agent, on behalf of each Lender at the Agent's Branch of Account, a standby fee in US Dollars payable in arrears on the first Business Day of each Fiscal Quarter, in respect of the previous Fiscal Quarter, in an amount equal to the Applicable Pricing Margin on each day in the calculation period, calculated on the amount by which the Syndicated Commitment of such Lender on such day is in excess of the Outstanding Principal then owing to such Lender on such day. Such standby fees shall be computed from and including the Effective Date and shall be calculated on a daily basis and based on a year of 365 days.

5.105.9 Agency Fees

The Borrower covenants and agrees to pay to the Agent certain fees as set forth in a letter agreement between the Agent and the Borrower relating to the Agent's role as agent hereunder.

5.115.10 Maximum Rate Permitted by Law

(a) In no event shall any interest or fee to be paid hereunder exceed the maximum rate permitted by applicable law. In the event any such interest or fee exceeds such maximum rate, such rate shall be reduced to the highest rate recoverable under applicable law.

(b) Notwithstanding any provision to the contrary contained herein, in no event shall the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada) as the same may be amended, replaced or re-enacted from time to time) payable hereunder exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) hereunder lawfully permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Borrower and the Lenders and the amount of such payment or collection shall be refunded to the Borrower; for purposes hereof the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of this Agreement on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent will be conclusive for the purposes of such determination.

5.125.11 Interest Act

(a) For the purposes of the *Interest Act* (Canada), the annual rates of interest to which the rates determined in accordance with the provisions hereof on the basis of a period of calculation less than a year are equivalent, are the rates so determined (a) multiplied by the actual number of days in the one year period beginning on the first day of the period of calculation, and (b) divided by the number of days in the period of calculation.

(b) Each of the Guarantor and the Borrower confirms that it and any other guarantor of the Obligations understands and is able to calculate the rate of interest applicable to Borrowings based on the methodology for calculating per annum rates provided in this Agreement. Each of the Guarantor and the Borrower irrevocably agrees not to plead or assert (and to cause each other guarantor of the Loan Indebtedness to not plead or assert), whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Loan Document, that the interest payable under this Agreement or any other

Loan Document and the calculation thereof has not been adequately disclosed to the Guarantor, the Borrower and any other guarantor of the Loan Indebtedness as required pursuant to Section 4 of the *Interest Act* (Canada) or any other Applicable Law.

5.135.12 Nominal Rates; No Deemed Reinvestment

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

5.145.13 Interest on Prepayments and Repayments

At the same time as any repayment or prepayment of principal is made under this Agreement or any Borrowings have been repaid in accordance with a cancellation of the Commitment pursuant to Section 4.3, the Borrower shall also pay all accrued and unpaid interest on the principal being repaid or prepaid.

ARTICLE 6 PAYMENTS

6.1 Time and Place of Payment

Subject to the next sentence, the Borrower shall make all payments pursuant to this Agreement to the Agent on behalf of the Lenders at the Agent's Branch of Account in immediately available funds for good value on the day specified for payment. The Borrower shall make all payments owing to a Fronting Bank for its own account at such Lender's Branch of Account in immediately available funds for good value on the day specified for payment. Whenever a payment is due to be made on a day which is not a Business Day, the day for payment is the following Business Day and such extension of time shall in such case be included in the computation of the payment of interest or any other amounts payable hereunder. Receipt by the Agent from the Borrower of funds for value on any day pursuant to this Agreement, as principal, interest, fees or otherwise, shall be deemed to be receipt of such funds on such day by the Agent or relevant Lenders, as the case may be.

6.2 Currency of Payment

Borrowings and payments in respect thereof are payable in the currency in which they are denominated.

6.3 Payments Free and Clear

(a) The Borrower shall make all payments hereunder without set-off or counterclaim (except as permitted by Sections 9.5 and 12.198), free and clear of, and without deduction for or on account of, any Tax. If any Tax is deducted or withheld from any payments, except any Excluded Taxes, the Borrower shall promptly remit to the Agent on behalf of the Lenders, as payment of additional interest, the equivalent of the amounts so deducted or withheld together with the relevant official receipts or other evidence satisfactory to the Agent evidencing payment to the appropriate taxing authority of each such Tax by the Borrower with the intent being that the Lenders shall receive the full amount which would have been received by them had no such deduction or

withholding been made. No additional amounts shall be payable by the Borrower under this Section 6.3(a) with respect to any Taxes which are payable otherwise than by withholding or deduction from payments hereunder.

(b) In the event the Borrower has made a payment pursuant to Section 6.3(a), then (i) the relevant Lender shall take reasonable steps to make such applications or other filings (including for greater certainty, the filing of a Canadian income tax return) so as to obtain a reduction or refund of any such withheld or deducted amounts, and (ii) where the relevant Lender is thereafter granted or receives a credit, refund or remission in respect of the Tax for which the relevant deduction or withholding was made, such Lender shall refund to the Borrower such amount (if any) as such Lender determines in good faith will leave such Lender in no worse position than would have been the case if there had never been any obligation to make such deduction or withholding in the first place. For greater certainty, a Lender shall be entitled to fully recover from the Borrower, as payments of additional interest, all reasonable costs and expenses associated with any applications or other filings prepared as a result of this Section 6.3(b). No Lender shall be obligated to provide to the Borrower copies of all or any part of its tax returns, financial statements or other corporate financial data by reason of any such matter.

(c) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA or Canadian equivalent legislation, regulations or other guidance if such Lender were to fail to comply with the applicable reporting requirements of FATCA or Canadian equivalent legislation, regulations or other guidance (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable, or the *Income Tax Act* (Canada)), such Lender shall deliver to the Borrower and/or the Agent (as applicable) at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA or Canadian equivalent legislation, regulations or other guidance and to determine that such Lender has complied with such Lender's obligations under FATCA or Canadian equivalent legislation, regulations or other guidance (or is exempt from withholding thereunder) or to determine the amount to deduct and withhold from such payment. Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(d) The provisions of this Section 6.3 shall survive the termination of the Agreement and the repayment of the Borrowings, accrued interest and all other indebtedness of the Borrower to the Agent and the Lenders hereunder.

6.4 Account Debit Authorization

The Borrower authorizes and directs the Agent, in its discretion, to automatically debit, by mechanical, electronic or manual means, the Borrower's Accounts for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts; provided that the Agent shall not be obligated to effect any such debit and shall not be liable or responsible for its failure to do so. The Agent shall send the Borrower an invoice for any fees payable under this Agreement at least three (3) Business Days prior to any such debit and shall provide a confirmation of any upcoming debit for repayment of Borrowings on the same day that the Agent receives notice of such repayment from the Borrower. In the event the Agent debits the Borrower's Accounts by an amount in excess of the principal, interest, fees or charges properly due on a day, then forthwith upon the error being discovered, the Agent shall reimburse the Borrower such excess amount with interest thereon from the date of the excess debit

until reimbursement at rates prevailing at the time of the excess debit for deposits of like amount and currency with the Agent.

ARTICLE 7
CONDITIONS PRECEDENT

7.1 Conditions Precedent to Effectiveness

The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) the Agent on behalf of each Lender (or certain Lenders, as indicated below) has received, in form and substance satisfactory to the Agent, acting reasonably:

- (i) a duly executed copy of this Agreement;
- (ii) a certified copy of the articles and by-laws of the Borrower;
- (iii) a certified copy of the articles and by-laws of the Guarantor;
- (iv) a certificate of good standing under the laws of British Columbia in respect of the corporate existence of the Borrower;
- (v) a certificate of existence under the laws of State of Delaware in respect of the corporate existence of the Guarantor;
- (vi) a certified resolution of the Board of Directors of the Borrower with respect to this Agreement;
- (vii) a certified resolution of the Board of Directors of the Guarantor with respect to this Agreement;
- (viii) an incumbency certificate of the Borrower certifying the name and true signatures of the Borrower's officers authorized to sign this Agreement and the other Loan Documents to which the Borrower is a party;
- (ix) an incumbency certificate of the Guarantor certifying the name and true signatures of the Guarantor's officer authorized to sign this Agreement;
- (x) an opinion of Blake, Cassels & Graydon LLP, Canadian counsel to the Borrower and the Guarantor addressed to the Agent and each Lender;
- (xi) an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, U.S. counsel to the Guarantor addressed to the Agent and each Lender;
- (xii) an opinion of Norton Rose Fulbright Canada LLP, counsel to the Lenders, addressed to the Agent and each Lender;
- (xiii) all such other agreements, certificates, declarations, opinions and other documents as are reasonably required by the Agent to confirm or establish the completion or satisfaction of the conditions to the Lenders' obligations hereunder and of which the Borrower is advised in a timely manner; and

(xiv) all documentation and other information regarding the Borrower or the Guarantor requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the AML Legislation, to the extent requested in writing of the Borrower at least 10 days prior to the Effective Date;

(b) provided (A) such information is reasonably requested from the Borrower and/or the Guarantor at least 5 Business Days prior to the Effective Date and (B) the Borrower and/or the Guarantor qualify as a “legal entity customer” under the Beneficial Ownership Regulation, and the Agent and each requesting Lender received, at least three days prior to the Effective Date, in connection with the Beneficial Ownership Regulation, a Beneficial Ownership Certification with respect to the Borrower and/or Guarantor;

(c) the Borrower shall have paid to the Agent for the account of the Agent, the co-lead arrangers and the Lenders, as applicable, and in a timely manner, all upfront and arrangement fees required to be paid by the Borrower on or before the Effective Date in connection with this Agreement; and

(d) the Agent shall have received a withdrawal letter from ATB Financial, such withdrawal letter to be in form and substance satisfactory to the Agent, acting reasonably.

Each Lender hereby authorizes the Agent to confirm to the Borrower on the Effective Date that the conditions precedent set forth in this Section 7.1 have been satisfied on or prior to the Effective Date, provided such Lender has not advised the Agent in writing prior to such Effective Date that such Lender is not satisfied that the Borrower has complied with such conditions precedent.

7.2 Conditions Precedent to all Drawdowns

The Lenders’ obligations to make available any Drawdown pursuant to Section 3.3 are subject to and conditional upon the condition precedent that the Effective Date shall have occurred and the satisfaction of each of the following conditions precedent:

(a) as of each Drawdown Date, those representations and warranties contained in Section 2.1 (other than Sections 2.1(f)(i) and 2.1(i)(ii) which are intended to apply only as of the Effective Date) are true and correct in all material respects with the same effect as if made as of that Drawdown Date;

(b) as of each Drawdown Date, no Default or Event of Default has occurred and is continuing or would occur with the making of the requested Borrowing; and

(c) on or before the applicable number of days prior to each Drawdown Date, in accordance with Section 3.3, the Agent has received a duly executed Notice of Drawdown (in the form of Schedule “A” ~~or Schedule “B” as applicable~~).

7.3 Conditions Precedent to Conversion or Rollover

The Lenders’ obligations to make any Conversion pursuant to Section 3.86 or to Rollover a Borrowing pursuant to Section 3.97 are subject to and conditional upon the satisfaction of each of the following terms and conditions (except as expressly provided otherwise in Section 3.75(d)):

(a) as of each Borrowing Conversion Date and Borrowing Rollover Date, either (i) no Default or Event of Default has occurred and is continuing or would occur with the making of the requested Borrowing or (ii) the limitations in Section 9.3 are complied with in respect of such Conversion or Rollover; and

(b) on or before the applicable number of days prior to each Borrowing Conversion Date or Borrowing Rollover Date, in accordance with Section 3.3, the Agent has received a duly executed Notice of Conversion or Notice of Rollover, as applicable.

7.4 Waiver

The terms and conditions of Sections 7.1, 7.2 and 7.3 are inserted for the sole benefit of the Lenders and, subject to Sections 12.12 and 16.3, the Lenders may waive them in whole or in part, with or without terms or conditions in respect of any Borrowing, without prejudicing the Lenders' rights to assert them in whole or in part in respect of any other Borrowing.

ARTICLE 8 COVENANTS OF THE OBLIGORS

8.1 Affirmative Covenants of the Obligors

Subject to Section 8.3, each of the Guarantor (without any limitation) and the Borrower (whose affirmative covenants will be limited to only Sections 8.1(a), 8.1(c) and 8.1(e) below) covenants with the Agent and each Lender that:

(a) **[Intentionally Deleted.]**

(b) **Payment of Taxes, Etc.:** The Guarantor shall, and shall cause each of its Subsidiaries to, pay and discharge, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, neither the Guarantor nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom which is material to the Guarantor attaches to its property and becomes enforceable against its other creditors;

(c) **Use of Borrowings:** The Borrower shall use, and shall cause its Subsidiaries to use all proceeds of the Borrowings solely as set forth in Section 3.2;

(d) **Maintenance Properties:** The Guarantor shall, and shall cause each of its Material Subsidiaries to maintain and preserve, its respective properties and assets that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, except that nothing contained in this Section shall prevent the Guarantor or its Material Subsidiaries (i) from selling, leasing or otherwise disposing of any of its or their property or assets in one or a series of related transactions if the cumulative effect of such actions would not have a Material Adverse Effect or (ii) from ceasing to operate any of its or their property, assets or business, when in the opinion of the appropriate officers of the Guarantor or its Material Subsidiaries it shall be advisable and in its or their best interests to do so;

(e) **Preservation of Corporate Existence, Etc.:** Subject to Section 8.2(c), each Obligor shall maintain its corporate existence;

(f)**Insurance:** The Guarantor shall, and shall cause each of its Subsidiaries to, maintain, insurance on all of its or their property which is of an insurable nature against such risks, in such amounts and in such manner as is usual in the case of corporations similarly situated and operating generally similar property and with such reputable insurance companies or associations as the Guarantor may select; provided that the Guarantor and its Subsidiaries may from time to time adopt other methods or plans of protection, including

self-insurance, against such risks in substitution or partial substitution for the aforesaid insurance if such plans or methods shall, in the opinion of the appropriate senior officers of the Guarantor or its Subsidiaries, be in its or their best interest, and neither the Guarantor nor any of its Subsidiaries shall be required to keep insured any of its property in respect of which insurance is being provided by others for its benefit;

(g) Compliance With Laws, Etc.: The Guarantor shall, and shall cause each of its Subsidiaries to, comply in all respects with all Applicable Laws, such compliance to include, without limitation, compliance with ERISA, the requirements applicable to each Foreign Plan and Environmental Laws, except where the failure to so comply would not have a Material Adverse Effect;

(h) Reporting Requirements: The Guarantor shall:

(i) as soon as available and in any event within 65 days after the end of each of the first three Fiscal Quarters of the Guarantor, the Consolidated balance sheet of the Guarantor as of the end of such Fiscal Quarter and the Consolidated statements of earnings and cash flows of the Guarantor for the period commencing at the end of the previous fiscal year and ending with the end of such Fiscal Quarter, with a statement (subject to year end adjustments and the absence of footnotes) by the chief financial officer or comptroller of the Guarantor stating that such Consolidated financial statements have been prepared in accordance with GAAP, together with a Compliance Certificate (it being understood that the delivery by the Guarantor of quarterly reports on Form 10-Q (or any successor or comparable form) of the Guarantor and its consolidated Subsidiaries or a registration statement on Form S-1 or Form S-4 shall satisfy the requirements of this Section 8.1(h)(i) to the extent such annual reports or registration statement include the information specified herein);

(ii) as soon as available and in any event within 95 days after the end of each fiscal year of the Guarantor (commencing with the fiscal year ending December 31, 2021), a copy of the Consolidated financial statements of the Guarantor comprising the Consolidated balance sheet, the Consolidated statement of earnings, the Consolidated statement of comprehensive income, the Consolidated statement of changes in shareholders' equity and the Consolidated statement of cash flows pertaining to such fiscal year, together with the report and opinion of its independent auditors thereon confirming that such financial statements have been prepared in accordance with GAAP, together with a Compliance Certificate (it being understood that the delivery by the Guarantor of annual reports on Form 10-K (or any successor or comparable form) of the Guarantor and its consolidated Subsidiaries or a registration statement on Form S-1 or Form S-4 shall satisfy the requirements of this Section 8.1(h)(ii) to the extent such quarterly reports or registration statements include the information specified herein);

(iii) in the case of each Default or Event of Default, as soon as possible and in any event within ten (10) days after a Senior Financial Officer of the Guarantor has acquired knowledge of facts which constitute or give rise to such Default or Event of Default and provided that such Default is continuing on the date of such statement, a statement of the chief financial officer or chief executive officer of the Guarantor setting forth details of such Default or Event of Default and the action that the Guarantor has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports that the Guarantor sends to any of its securityholders, and copies of all reports and registration statements that the Guarantor or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Guarantor or any of its Subsidiaries of the type described in Section 2.1(f);

(vi) ERISA:

(A) **ERISA Events and ERISA Reports:** (x) Promptly and in any event within ten (10) days after the Guarantor or any ERISA Affiliate knows or has reason to know that any ERISA Event which could reasonably be expected to have a Material Adverse Effect has occurred, a statement of the chief financial officer of the Guarantor describing such ERISA Event and the action, if any, that the Guarantor or such ERISA Affiliate has taken and proposes to take with respect thereto and (y) on the date any records, documents or other information must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA, a copy of such records, documents and information;

(B) **Plan Terminations:** Promptly and in any event within three (3) Business Days after receipt thereof by the Guarantor or any ERISA Affiliate, copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(C) **Plan Annual Reports:** Promptly (x) and in any event within 30 days after the filing thereof with the Internal Revenue Service, copies of each Schedule SB (Actuarial Information) to the annual report (Form 5500 Series) with respect to each Plan maintained, sponsored or contributed to by the Guarantor and (y) upon the request of the Agent, a copy of the Schedule SB with respect to any other Plan;

(D) **Multiemployer Plan Notices:** Promptly and in any event within five (5) Business Days after receipt thereof by the Guarantor or any ERISA Affiliate from the sponsor of a Multiemployer Plan, copies of each notice concerning (x) the imposition of Withdrawal Liability by any such Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect, (y) the reorganization or termination, within the meaning of Title IV of ERISA, of any such Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect or (z) the amount of liability incurred, or that may be incurred, by the Guarantor or any ERISA Affiliate in connection with any event described in clause (x) or (y);

provided that any Obligor may satisfy the delivery requirements set forth in this Section 8.1(h) by sending to the Agent by electronic mail the documents that are to be delivered to the Agent pursuant to this Section 8.1(h), and, in the case of documents delivered pursuant to paragraph (iii) above, the Borrower promptly executes and delivers to the Agent an originally signed copy of such Compliance Certificate; and further, provided that the Guarantor shall be deemed to have furnished the information required by Sections 8.1(h)(i), 8.1(h)(ii) and 8.1(h)(iv) if it shall have timely made the same available on "SEDAR" or "EDGAR" and notified the Agent that such information has been posted on "SEDAR" or "EDGAR" and such information is freely accessible without charge; and further, provided, that if any Lender is unable to access "SEDAR" or "EDGAR", as applicable, the Guarantor agrees to provide such Lender with paper or electronic copies of the information required to be furnished pursuant to this Section 8.1(h) promptly following notice (and thereafter so long as such notice remains in effect) from

the Agent that such Lender has requested same; and further, provided that the Agent and the Lenders hereby agree to keep confidential any data or information delivered to the Agent or the Lenders under this Section 8.1(h) which is not already in the public domain;

(i)**Books and Records:** The Guarantor shall, and shall cause each of its Subsidiaries to, keep proper books of records and accounts in which full and correct entries will be made of all financial transactions and the assets and business of the Guarantor and each such Subsidiary in accordance with GAAP;

(j)**Maintenance of Consolidated Debt to Consolidated Capitalization Ratio:** The Guarantor shall maintain, as of the last day of each Fiscal Quarter, as reported to the Lenders in accordance with Section 8.1(h), a Consolidated Debt to Consolidated Capitalization Ratio which does not exceed 60%;

(k)**Visitation Rights:** At any reasonable time upon reasonable prior notice, permit the Agent or any of the Lenders or any agents or representatives thereof, at their own risk and own cost, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Guarantor and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Guarantor and any of its Subsidiaries with any of their senior officers or directors and with their independent auditors;

(l)**Environmental Covenants:**

(i)Without limiting the generality of Section 8.1(g), the Guarantor shall, and shall cause its Subsidiaries and any other party acting under their direction to, conduct their business and operations so as to comply at all times with all Environmental Laws and Environmental Permits if the consequence of a failure to comply could reasonably be expected, either alone or in conjunction with any other such noncompliance, to have a Material Adverse Effect;

(ii)If the Guarantor or its Subsidiaries shall:

(A)receive or give any notice that a violation of any Environmental Law or Environmental Permit has or may have been committed or is about to be committed by the same, if such violation could reasonably be expected to have a Material Adverse Effect;

(B)receive any notice that a complaint, proceeding or order has been filed or is about to be filed against the same alleging a violation of any Environmental Law or Environmental Permit, if such violation could reasonably be expected to have a Material Adverse Effect; or

(C)receive any notice requiring the Guarantor or a Subsidiary, as the case may be, to take any action in connection with the Release of Hazardous Materials into the environment or alleging that the Borrower or a Subsidiary may be liable or responsible for costs associated with a response to or to clean-up a Release of Hazardous Materials into the environment or any damages caused thereby, if such action or liability could reasonably be expected to have a Material Adverse Effect;

the Borrower shall promptly provide the Agent with a copy of such notice and shall, or shall cause its Subsidiary to, furnish to the Agent from time to time all reasonable information requested by the Agent relating to the same;

(iii)The Guarantor shall notify the Agent promptly of any event or occurrence of which it is aware which could reasonably be expected to result in violation of any Environmental Law or Environmental Permit if such event or occurrence could reasonably be expected to have a Material Adverse Effect;

(m)[Intentionally Deleted.]

(n)**Anti-Corruption Laws and Sanctions:** The Guarantor shall maintain in effect and enforce procedures to ensure compliance by the Guarantor with its representation and warranty in Section 2.1(n)(ii) in respect of any requested Drawdown.

8.2 Negative Covenants of the Obligors

Subject to Section 8.3, each of the Guarantor (without any limitation) and the Borrower (whose negative covenants will be limited to only Section 8.2(c) below) covenants with the Agent and each Lender that:

(a)**Negative Pledge:**

The Guarantor shall not create, or permit any of its Restricted Subsidiaries to create, any mortgage, hypothecation, charge or other encumbrance on any of its or their property or assets, present or future, to secure Indebtedness, unless at or prior thereto, the Loans, up to the maximum aggregate amount of the Commitments then in effect, are equally and ratably secured or, at the option of the Guarantor, security in the form of other property having at such time a Value equal to 150% of the aggregate Commitments at such time is extended to the Agent, the Lenders and the Fronting Banks; provided, however, that the preceding shall not apply to or operate to prevent the following:

(i)liens or other encumbrances, not related to the borrowing of money, incurred or arising by operation of law or in the ordinary course of business or incidental to the ownership of property or assets;

(ii)pre-existing encumbrances on property or assets when acquired (including by way of lease);

(iii)encumbrances or obligations to incur encumbrances (including under indentures, trust deeds and similar instruments) on property or assets of another Person existing at the time such other Person becomes a Subsidiary of the Guarantor, or is liquidated or merged into, or amalgamated or consolidated with, the Guarantor or a Subsidiary of the Guarantor or at the time of the sale, lease or other disposition to the Guarantor or a Subsidiary of the Guarantor of all or substantially all of the properties and assets of such other Person, provided that such encumbrances were not incurred in anticipation of such other Person becoming a Subsidiary of the Guarantor;

(iv)encumbrances given by the Guarantor or any of its Restricted Subsidiaries in compliance with contractual commitments in existence at the date hereof or entered into prior to a Restricted Subsidiary becoming a Restricted Subsidiary;

(v)giving security by the Guarantor or a Subsidiary thereof in favor of the Guarantor or any of its Subsidiaries;

(vi)creating, issuing or suffering to exist or becoming liable on, or giving or assuming, any Purchase Money Mortgage;

(vii)creating, issuing or suffering to exist or becoming liable on, or giving or assuming any mortgage, hypothecation, charge or other encumbrance in connection with Indebtedness which, by its terms, is non-recourse to the Guarantor or the Restricted Subsidiary;

(viii)giving security on any specific property or asset in favor of a government within or outside Canada or any political subdivision, department, agency or instrumentality thereof to secure the performance of any covenant or obligation to or in favor of or entered into at the request of any such authorities where such security is required pursuant to any contract, statute, order or regulation;

(ix)giving, in the ordinary course of business and for the purpose of carrying on the same, security on current assets to any bank or banks or others to secure any obligations repayable on demand or maturing, including any right of extension or renewal, within 12 months after the date such obligation is incurred;

(x)giving security on property or assets of whatsoever nature other than Restricted Property; provided, however, security on Restricted Property may be given to secure obligations incurred or guarantees of obligations incurred in connection with or necessarily incidental to the purchase, sale, storage, transportation or distribution of such Restricted Property or of the products derived from such Restricted Property;

(xi)encumbrances arising under partnership agreements, oil and natural gas leases, overriding royalty agreements, net profits agreements, production payment agreements, royalty trust agreements, master limited partnership agreements, farm-out agreements, division orders, contracts for the sale, purchase, exchange, storage, transportation, distribution, gathering or processing of Restricted Property, unitizations and pooling designations, declarations, orders and agreements, development agreements, operating agreements, production sales contracts (including security in respect of take or pay or similar obligations thereunder), area of mutual interest agreements, natural gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or geophysical permits or agreements, which in each of the foregoing cases is customary in the oil and natural gas business, and other agreements which are customary in the oil and natural gas business, provided in all instances that such encumbrance is limited to the property or assets that are the subject of the relevant agreement;

(xii)any encumbrance on any properties or facilities or any interest therein, construction thereon or improvement thereto incurred to secure all or any part of any Indebtedness relating to the reclamation and clean-up of such properties, facilities and interests and surrounding lands whether or not owned by the Guarantor or a Restricted Subsidiary, the plugging or abandonment of wells and the

decommissioning or removal of structures or facilities located on such properties or facilities provided such Indebtedness is incurred prior to, during or within two years after the completion of reclamation and clean-up or such other activity;

(xiii) encumbrances in respect of the joint development, operation or present or future reclamation, clean-up or abandonment of properties, facilities and surrounding lands or related production or processing as security in favor of any other owner or operator of such assets for the Guarantor's or any Restricted Subsidiary's portion of the costs and expenses of such development, operation, reclamation, clean-up or abandonment;

(xiv) encumbrances on assets or property (including oil sands property) securing: (~~A~~) all or any portion of the cost of acquisition (directly or indirectly), surveying, exploration, drilling, development, extraction, operation, production, construction, alteration, repair or improvement of all or any part of such assets or property and the plugging and abandonment of wells thereon, (~~B~~) all or any portion of the cost of acquiring (directly or indirectly), developing, constructing, altering, improving, operating or repairing any assets or property (or improvements on such assets or property) used or to be used in connection with such assets or property, whether or not located (or located from time to time) at or on such assets or property, (~~C~~) Indebtedness incurred by the Guarantor or any of its Subsidiaries to provide funds for the activities set forth in clauses (~~A~~) and (~~B~~) above, provided such Indebtedness is incurred prior to, during or within two years after the completion of acquisition, construction or such other activities referred to in clauses (~~A~~) and (~~B~~) above, and (~~D~~) Indebtedness incurred by the Guarantor or any of its Subsidiaries to refinance Indebtedness incurred for the purposes set forth in clauses (~~A~~) and (~~B~~) above. Without limiting the generality of the foregoing, costs incurred after the date hereof with respect to clauses (~~A~~) or (~~B~~) above shall include costs incurred for all facilities relating to such assets or property, or to projects, ventures or other arrangements of which such assets or property form a part or which relate to such assets or property, which facilities shall include, without limitation, Facilities, whether or not in whole or in part located (or from time to time located) at or on such assets or property;

(xv) encumbrances granted in the ordinary course of business in connection with Financial Instrument Obligations;

(xvi) deposits referred to in part (i) of the proviso to the definition of Consolidated Debt to Consolidated Capitalization Ratio;

(xvii) any extension, renewal, alteration, refinancing, replacement, exchange or refunding (or successive extensions, renewals, alterations, refinancings, replacements, exchanges or refundings) of all or part of any encumbrance referred to in the foregoing clauses; provided, however, that (i) such new encumbrance shall be limited to all or part of the property or assets which was secured by the prior encumbrance plus improvements on such property or assets and (ii) the Indebtedness, if any, secured by the new encumbrance is not increased from the amount of the Indebtedness secured by the prior encumbrance then existing at the time of such extension, renewal, alteration, refinancing, replacement, exchange or refunding, plus an amount necessary to pay fees and expenses, including premiums, related to such extensions, renewals, alterations, refinancings, replacements, exchanges or refundings; and

(xviii) liens or other encumbrances granted pursuant to Section 12.198 hereof;

and provided further that (1A) in any event, the Guarantor and any Restricted Subsidiary shall be entitled to give security that would otherwise be prohibited hereby so long as the aggregate Indebtedness outstanding and secured under this clause (1A) and the aggregate Indebtedness outstanding and secured under Section 8.2(a)(xiv) does not at the time of giving such security exceed an amount equal to 10% of Consolidated Net Tangible Assets

of the Guarantor at such time and (H) in no event shall the Guarantor or any Restricted Subsidiary be entitled to give security that would otherwise be permitted by Section 8.2(a)(xiv) if such security secures Indebtedness which exceeds an amount equal to 10% of the Consolidated Net Tangible Assets of the Guarantor at such time.

Transactions such as the sale (including any forward sale) or other transfer of (A) oil, gas, minerals or other resources of a primary nature, whether in place or when produced, for a period of time until, or in an amount such that, the purchaser will realize therefrom a specified amount of money or a specified rate of return (however determined), or a specified amount of such oil, gas, minerals, or other resources of a primary nature, or (B) any other interest in property of the character commonly referred to as a "production payment", will not constitute secured indebtedness and will not result in the Guarantor being required to secure the Borrowings.

In the event security has been provided to the Agent, the Lenders and the Fronting Banks in accordance with this Section 8.2(a) and the maximum principal amount of the Commitments is thereafter permanently reduced at any time or from time to time, the Guarantor may request once in each calendar year, and the Agent, the Lenders and the Fronting Banks shall grant at the Guarantor's expense, discharges of security as will ensure that the remaining security secures, to the satisfaction of the Agent, the Lenders and the Fronting Banks acting reasonably, the maximum principal amount of Loans which are, or which may become, outstanding after giving effect to such permanent reduction in the total amount of the Commitments;

(b)Change in Nature of Business: The Guarantor shall not engage in any material line of business substantially different from those lines of business conducted by the Guarantor and its Subsidiaries on the Effective Date hereof, provided that the Guarantor and its Subsidiaries may engage in any Similar Business;

(c)Reorganization of Obligor(s): No Obligor shall enter into or participate in any transaction which would result in the amalgamation or merger of such Obligor into any other Person or the sale, transfer, conveyance, lease or other disposition of all or substantially all of any Obligor's undertaking and assets (determined on a Consolidated basis) to another Person, unless:

(i)except in the case of the amalgamation or merger of an Obligor with the other Obligor or one or more Subsidiaries of the Guarantor (or any combination thereof) or the transfer of all or substantially all of an Obligor's undertaking and assets to the other Obligor or one or more Subsidiaries of the Guarantor (or any combination thereof), at least two Debt Ratings of the successor or transferee are Investment Grade (unless the Majority Lenders approve any such transaction where the Debt Ratings of the successor or transferee are not Investment Grade);

(ii)the successor or transferee executes and delivers to the Agent such documents, if any, as may, in the reasonable opinion of the Agent, be necessary to confirm the assumption by the successor or transferee of the obligations of such Obligor under this Agreement; and

(iii)the Agent and the Lenders shall have received all information regarding the successor or transferee reasonably requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and, if applicable, the Beneficial Ownership Regulation, including any related necessary documentation;

(d)**Sale of Property and Assets:** The Guarantor shall not, and shall not permit any of its Subsidiaries to, sell, transfer, convey, lease or otherwise dispose of all or any material part of their respective property or assets (other than to the Guarantor or one or more Subsidiaries) if such action would have a Material Adverse Effect;

(e)**Financing Debt of Certain Subsidiaries:** The Guarantor shall not permit:

(i)the aggregate Financing Debt of all Material Subsidiaries (other than the Borrower) which are Non-Guarantor Subsidiaries, on a Consolidated basis; plus, without duplication

(ii)the aggregate Indebtedness secured by security interests over Restricted Property given by the Guarantor or any Material Subsidiary in favour of Non-Guarantor Subsidiaries which are not Material Subsidiaries; plus, without duplication

(iii)the aggregate Financing Debt of Finance Co.; plus, without duplication

(iv)the amount by which the aggregate Financing Debt of any Subsidiary (other than Finance Co. or a Material Subsidiary) exceeds an aggregate of US\$750,000,000 and which Financing Debt is guaranteed by the Guarantor or any Material Subsidiary (whether directly or indirectly through corporate law applicable to unlimited liability companies);

to exceed 17.5% of Consolidated Tangible Assets as of the last day of each Fiscal Quarter, as reported to the Lenders in accordance with Section 8.1(h); provided that, for the purpose of calculating the aggregate Financing Debt referred to in (i) above or the aggregate Indebtedness referred to in (ii) above, there shall be excluded (yA) the Financing Debt of any Public Material Subsidiary or (zB) any such Indebtedness secured by security interests over Restricted Property of any Public Material Subsidiary for so long as, in regard to any case referred to in (yA) or (zB) above, Common Equity Securities of the relevant Public Material Subsidiary are listed on any stock exchange and for 120 days (or such longer period as the Majority Lenders may allow in their sole discretion) after the date that Common Equity Securities of such Public Material Subsidiary cease to be so listed; and

(f)**Financial Assistance by Material Subsidiaries:** If any Material Subsidiary (other than the Borrower) or any Subsidiary of a Material Subsidiary (other than the Borrower) gives, grants or becomes subject to any guarantee, indemnity or other form of financial assistance to or in favour of any Person in respect of Financing Debt of the Guarantor or any other Subsidiary, other than in respect of the Borrowings or any Centralized Banking Arrangements (each such guarantee, indemnity or other form of financial assistance, other than a guarantee, indemnity or other form of financial assistance in respect of the Borrowings or any Centralized Banking Arrangements, being a “**Third Party Guarantee**”), then the Guarantor shall ensure that such Material Subsidiary or Subsidiary of a Material Subsidiary duly executes and delivers to the Agent on behalf of the Lenders a guarantee or other instrument in respect of the Obligations on no less favourable terms, with such changes thereto as may be necessary in the context and acceptable to the Agent, acting reasonably, so that the obligations thereunder rank at least *pari passu* with the obligations under such Third Party Guarantee; provided, however, that:

(i) a Material Subsidiary or Subsidiary thereof shall be entitled to give, grant or become subject to a Third Party Guarantee in respect of Financing Debt of wholly-owned Subsidiaries of such Material Subsidiary; and

(ii) a Material Subsidiary or Subsidiary thereof which is a direct or indirect wholly-owned Subsidiary of a Material Subsidiary shall be entitled to give, grant or become subject to a Third Party Guarantee in respect of Financing Debt of a Material Subsidiary or Subsidiary thereof of which (in either case) it is directly or indirectly a wholly-owned Subsidiary;

in either case, for so long as such wholly-owned Subsidiaries remain, directly or indirectly, wholly-owned by such Material Subsidiary, without being required by this Section 8.2(f) to execute and deliver a guarantee or other instrument to the Agent in accordance with the foregoing; and provided further however, that a Subsidiary which is not a Material Subsidiary need not execute and deliver such a guarantee or other instrument if and for so long as such Subsidiary, together with each other such Subsidiary which has given, granted, or become subject to a Third Party Guarantee and which has not executed and delivered a guarantee or other instrument to the Agent on behalf of the Lenders hereunder, has assets which have a value, as reflected in the Consolidated balance sheet of the Guarantor most recently delivered to the Lenders hereunder, of 10% or less of the value of the assets of the Guarantor and its Subsidiaries reflected therein (without giving effect to the non-cash ceiling test impairments and other changes as at December 31, 2011 as a consequence of Encana's adoption of US GAAP). Any Material Subsidiary that provides a guarantee to the Agent on behalf of the Lenders in accordance with this Section shall also provide such other documents and certificates as the Agent may reasonably request, and to the extent such Material Subsidiary qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, shall provide to any Lender that so requests a Beneficial Ownership Certification. If any Subsidiary that provides a guarantee to the Agent on behalf of the Lenders in accordance with this Section is released from its Third Party Guarantee(s) (other than as a result of any payment being made under such Third Party Guarantee(s)), then, upon the request of the Borrower or such Subsidiary for the release of such guarantee and provided that no Default or Event of Default has occurred and is continuing or would result from such release, such guarantee shall also be released (and the Agent shall promptly execute such documents and instruments as the Borrower or such Subsidiary may reasonably request to evidence such release).

8.3 Actions in Respect of Subsidiaries

Notwithstanding anything to the contrary provided in Section 8.1 or Section 8.2 whereby an Obligor has covenanted to cause any Subsidiary to do or not to do any act or thing and (a) such Subsidiary is not a Wholly-Owned Subsidiary, (b) the Guarantor does not control the day to day operations of such Subsidiary (by operation of contract or otherwise) and (c) the portion of the Consolidated Tangible Assets of the Guarantor attributable to all of the Subsidiaries that meet the requirements of clauses (a) and (b) does not exceed 10% of the value of the Consolidated Tangible Assets of the Guarantor, as measured as of the end of the immediately preceding fiscal year, the applicable Obligor(s) shall have complied with its or their covenants in that regard if it shall have used all reasonable efforts to cause such Subsidiary to comply with the requirements of Sections 8.1 and 8.2 or to remedy any breaches thereof; and with respect to any breach of Section 8.1 or Section 8.2 caused by any Subsidiary acting or failing to act in the manner required by such Section, such Obligor's obligation to use its reasonable efforts to prevent or remedy such breach shall only be applicable from and after the date that such Obligor becomes aware of such breach or the date such Obligor becomes aware such breach may occur, as the case may be; provided that this Section 8.3 shall not apply to (i) the covenants contained in Section 8.2(e) or 8.2(f), or (ii) any covenant if the breach thereof could reasonably be expected to have a Material Adverse Effect.

ARTICLE 9 EVENTS OF DEFAULT

9.1 Events of Default

Any one or more of the following occurrences is an Event of Default, but only if at the time of or during the continuance of any such occurrence a Borrowing is outstanding:

(a) **Failure to Pay Loans, Interest or Fees:** The Borrower shall fail to repay any principal of any Outstandings when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Outstandings or make any other payment of fees or other amounts payable under this Agreement within five (5) Business Days after the same becomes due and payable;

(b) **Voluntary Proceedings:** ~~The:~~ The Guarantor or any Material Subsidiary institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the filing of a bankruptcy or insolvency proceeding against it, or files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under the *Companies Creditors' Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), or any other bankruptcy or insolvency law or any other similar applicable law, or consents to the filing of any such petition, or consents to the appointment of a receiver, trustee or assignee in bankruptcy or insolvency of any part of its property (other than Non-Recourse Assets) which is material to the Guarantor and its Subsidiaries taken as a whole, or makes a general assignment for the benefit of creditors, or becomes insolvent or generally not able to pay its debts as they become due, or admits in writing its inability to pay its debts generally as they become due, or takes any corporate action to authorize any of the foregoing; provided that an occurrence under this Section 9.1(b) which results from actions taken by a Material Subsidiary which is not the Borrower or a Restricted Subsidiary will not be an Event of Default if the Guarantor would (in the reasonable opinion of the Majority Lenders as evidenced by their signatures on a confirmation thereof) be able to satisfy the financial tests set forth in Sections 8.1(j) and 8.2(e), calculated as of the date of such actions taken by such Material Subsidiary (and not as of the last day of the immediately preceding Fiscal Quarter);

(c) **Bankruptcy Proceedings:** A court having jurisdiction enters a decree or order adjudging the Guarantor or any Material Subsidiary bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, winding-up, reorganization, readjustment, arrangement, composition, protection or similar relief of the Borrower or a Material Subsidiary under the *Companies Creditors' Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy or insolvency law or any other similar applicable law, or enters a decree or order for the appointment of a receiver, trustee or assignee in bankruptcy or insolvency of any part of its property (other than Non-Recourse Assets) which is material to the Guarantor and its Subsidiaries taken as a whole, and any such decree or order remains in force undischarged or unstayed for a period of 60 days or more; provided that an occurrence under this Section 9.1(c) which results from actions taken by or pertaining to a Material Subsidiary which is not the Borrower or a Restricted Subsidiary will not be an Event of Default if the Guarantor would (in the reasonable opinion of the Majority Lenders as evidenced by their signatures on a confirmation thereof) be able to satisfy the financial tests set forth in Sections 8.1(j) and 8.2(e), calculated as of the date of such actions of or pertaining to such Material Subsidiary (and not as of the last day of the immediately preceding Fiscal Quarter);

(d) **Cross Acceleration of Extended Financing Debt:** ~~The~~ Debt: The Guarantor or any Subsidiary (i) defaults in making payment when due of any Financing Debt (including all net obligations of the Guarantor or any such Subsidiary pursuant to currency, interest rate and commodity price hedging and swap agreements, but excluding Borrowings)

("Extended Financing Debt") in an amount in excess of the greater of US\$200,000,000 and two (2%) percent of Consolidated Net Worth and such default is not remedied by the Guarantor or any such Subsidiary or is not waived by the lender or counterparty in respect of such Extended Financing Debt (including the lessor under any Finance Lease) within two (2) Business Days or any longer grace or cure period that is available under applicable documentation to remedy such default; or (ii) causes or permits to exist any default or event of default under any agreement or agreements evidencing Extended Financing Debt if such default or event of default results in the acceleration of the payment of an aggregate amount of Extended Financing Debt in excess of the greater of US\$200,000,000 and two (2%) percent of Consolidated Net Worth;

(e)**Breached Representations and Warranties:** Any representation or warranty made or deemed to be made by an Obligor in this Agreement or by an Obligor (or any of its officers) in connection with this Agreement proves to have been incorrect in any material respect when made or deemed to be made hereunder;

(f)**Judgments:** A final judgment or order (subject to no further right of appeal) is rendered against the Guarantor or any Material Subsidiary for the payment of money in excess of the greater of US\$200,000,000 and two (2%) percent of Consolidated Net Worth (other than any such judgment or order in favour of a lender that is a Non-Recourse Creditor, in respect of which such lender's recourse pursuant to such judgment or order or otherwise is limited to the specific Project in respect of which the debt which is the subject of such judgment or order was granted was incurred) and under which enforcement proceedings have commenced and have not been stayed, and which remains undischarged or unstayed for a period of 45 days; provided that any such final judgment or order rendered only with respect to a Material Subsidiary which is not the Borrower or a Restricted Subsidiary shall not be an Event of Default if the Guarantor would (in the reasonable opinion of the Majority Lenders as evidenced by their signatures on a confirmation thereof) be able to satisfy the financial tests set forth in Sections 8.1(j) and 8.2(e), calculated as of the date of such final judgment or order (and not as of the last day of the immediately preceding Fiscal Quarter), which tests shall be conducted after provision has been made for the payment of such final judgment or order;

(g)**Non-Monetary Judgments:** Any final non-monetary judgment or order (subject to no further right of appeal) shall be rendered against the Guarantor or any of its Material Subsidiaries that could be reasonably expected to have (i) a Material Adverse Effect, and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order shall not be in effect or (ii) an adverse effect on the legality, validity or enforceability of the Loan Documents;

(h)**[Intentionally Deleted.]**

(i)**Failure to Perform Covenants and Agreements:** (i) Any Obligor fails to perform or observe any term, covenant or agreement contained in Section 8.1(b), 8.1(e), 8.1(h)(iii), 8.1(j) or 8.2; or (ii) any Obligor shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 45 days after written notice thereof shall have been given to the Borrower by the Agent or any Lender;

(j) Agreement Not Enforceable: Except as otherwise contemplated by Article 10, this Agreement or any material provision thereof shall for any reason cease to be valid and binding on or enforceable against any Obligor, or any Obligor shall so state in writing;

(k)**Failure to be Wholly-Owned:** If the Borrower shall cease to be a Wholly-Owned Subsidiary of the Guarantor;

(l)**Change in Control:** If a Change in Control in the Guarantor shall occur; or

(m)**ERISA Event:** The Guarantor or any of its respective ERISA Affiliates shall incur, or, in the reasonable opinion of the Majority Lenders, shall be reasonably likely to incur, liability in excess of \$200,000,000 in the aggregate as a result of one or more of the following: (i) the occurrence of any ERISA Event; (ii) the partial or complete withdrawal of the Guarantor or any of its ERISA Affiliates from a Multiemployer Plan; or (iii) the reorganization or termination within the meaning of Title IV of ERISA of a Multiemployer Plan.

9.2 Occurrence of an Event of Default

Upon the occurrence and during the continuance of an Event of Default, the Agent may, at its option, and shall if so required by the Majority Lenders, by written notice to the Borrower (an "**Acceleration Notice**"), declare all or any part of the Outstandings and all other Loan Indebtedness (whether matured or unmatured) of the Borrower to the Lenders under this Agreement ~~(including the amount of all Bankers' Acceptances and BA Equivalent Loans, as determined by the Agent acting reasonably)~~ to be due and payable, whereupon the Total Syndicated Commitment and all Fronting Bank Commitments and any right of the Borrower to any further Borrowing shall terminate and all Loan Indebtedness (whether matured or unmatured) of the Borrower to the Lenders pursuant to this Agreement ~~(including the amount of all Bankers' Acceptances and BA Equivalent Loans, as determined by the Agent acting reasonably)~~ shall be immediately due and payable without further demand or other notice of any kind, all of which are expressly waived by the Borrower; provided that upon the occurrence of an Event of Default specified in Section 9.1(b) or 9.1(c), the Total Syndicated Commitment and all Fronting Bank Commitments and any right of the Borrower to any further Borrowing shall automatically terminate and all Loan Indebtedness (whether matured or unmatured) of the Borrower to the Lenders pursuant to this Agreement ~~(including the amount of all Bankers' Acceptances and BA Equivalent Loans, as determined by the Agent acting reasonably)~~ shall be immediately due and payable without further demand or other notice of any kind, all of which are expressly waived by the Borrower. The Borrower shall pay to the Lenders immediately the amount due and payable pursuant to this Section 9.2, failing which the Lenders or any of them may pursue their remedies under this Agreement.

9.3 Lenders' Right to Suspend the Borrowings

Where ~~(x)~~a an occurrence occurs that would otherwise be an Event of Default but is not an Event of Default by reason of the repayment of Borrowings or because there are no outstanding Borrowings (including, for certainty, because of any cash cover provided pursuant to Section 3.108(c) ~~or 3.10(d)~~), or ~~(y)~~b a Default or Event of Default exists, or ~~(z)~~c the financial statements delivered by the Borrower disclose a likely breach of the financial tests in Section 8.1(j) or 8.2(e) which cannot be verified because the relevant Compliance Certificate has not been delivered and in respect of which the Borrower has not satisfied the Majority Lenders that such breach has been rectified, then, in each such case and notwithstanding anything else contained herein, the obligations of the Lenders to make Borrowings available to the Borrower hereunder which would increase the total Outstandings shall be suspended and shall remain suspended, and all Interest Periods and ~~terms of Bankers' Acceptances, BA Equivalent Loans and~~ Letters of Credit which commence during such period through Rollovers and Conversions shall not exceed 1 month, until, as applicable, such occurrence, Default or Event of Default has been remedied or waived and any conditions to the effectiveness (or the continued effectiveness) of such waiver are satisfied or are being complied with, as applicable.

9.4 Remedies Cumulative

The Borrower expressly agrees that the rights and remedies of the Lenders under this Agreement and each of the Loan Documents delivered by the Borrower hereunder are cumulative, and in addition to, and not in substitution for, any rights or remedies provided by law; any single or partial exercise by the Lenders of any right or remedy for a default or breach of any term, covenant, condition or agreement in this Agreement or any Loan Document delivered by the Borrower hereunder does not waive, alter, affect, or prejudice any other right or remedy to which the Lenders may be lawfully entitled for the same default or breach.

9.5 Set-Off

(a) In addition to any rights now or hereafter granted under Applicable Law but only to the extent permitted by Applicable Law and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default hereunder, without prior notice to the Borrower, the Guarantor or any other Person, such notice being expressly waived by the Borrower and the Guarantor, the Agent and the Lenders are hereby authorized to set-off and to appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing by the Agent or such Lender to or for the credit of or the account of the Borrower or the Guarantor against and on account of the Obligations notwithstanding whether such Obligations may be contingent or unmatured. The Agent and the applicable Lenders shall provide the Borrower, the Guarantor, the Agent and each other Lender with prompt notice of the exercise of any of their rights under this Section 9.5.

(b) In addition to any rights now or hereafter granted under Applicable Law but only to the extent permitted by Applicable Law and not by way of limitation of any such rights, while a Lender is a Defaulting Lender pursuant to (i) or (ii) of the definition thereof, or while a Lender Insolvency Event exists with respect to such Lender or its Lender Parent, the Borrower is hereby authorized without prior notice to such Defaulting Lender or to any other Person, such notice being expressly waived by such Defaulting Lender, to set-off and to apply any and all deposits (general and special but excluding security deposits) held by such Defaulting Lender (or any Subsidiary of such Defaulting Lender) to or for the credit of or the account of the Borrower (or any Subsidiary of the Borrower) against and on account of the Borrowings and any accrued interest owing by the Borrower to such Defaulting Lender under this Agreement, regardless of whether the obligations in respect of such deposits or Borrowings are contingent or unmatured. The Borrower shall provide the Agent and the Defaulting Lender with prompt notice of the exercise of any of its rights under this Section; provided that:

(i) any Centralized Banking Arrangements shall take priority over the Borrower's rights under this Section;

(ii) prior to receipt of such notice by the Agent, the Agent shall not be obligated to reflect such set-off in the allocation of its payments to Lenders under Article 12;

(iii) after receipt of such notice by the Agent, such Defaulting Lender irrevocably authorizes the Agent to rely on such notice and to allocate payments from the Borrower to the Lenders in a manner which gives effect to such set-off (notwithstanding any provisions in Article 12 to the contrary); and

(iv) the Borrower agrees to indemnify the Agent and its Affiliates, directors, officers, agents and employees from any claims made against any of them by a Defaulting Lender in connection with this

Section 9.5(b), all in accordance with Section 11.2 (and for such purposes a claim from a Defaulting Lender shall be deemed to be a third party claim).

9.6 Cash Coverage Account

Upon the occurrence of an Event of Default and in addition to any other rights or remedies of the Lenders hereunder, the Borrower, at the request of the Agent, shall deposit into a Cash Coverage Account with the Agent such amounts as may be required to satisfy obligations or liabilities of the Borrower to the Lenders under the Loan Documents in respect of ~~Bankers' Acceptances which have not matured or~~ Letters of Credit which have not been drawn; provided that any such amounts not so deposited by the Borrower shall, at the option of the Lenders, be paid by the Lenders into such Cash Coverage Account and shall be deemed to constitute, without duplication of any relating Outstandings, a Prime Loan (in respect of amounts denominated in Cdn. Dollars) or a USBR Loan (in respect of amounts denominated in US Dollars).

9.7 Application and Sharing of Payments Following Acceleration

Except as otherwise agreed to by all of the Lenders in their sole discretion, any sum received by the Agent at any time after delivery of an Acceleration Notice or after the occurrence of an Event of Default specified in Section 9.1(b) or 9.1(c) which the Agent is obliged to apply in or towards satisfaction of sums due from the Borrower hereunder shall be applied by the Agent rateably among the Lenders and the Agent in accordance with amounts owed to the Lenders and the Agent in respect of each category of amounts set forth below, each such application to be made in the following order with the balance remaining after application in respect of each category to be applied to the next succeeding category:

(a) **Agent's Fees:** firstly, in or towards payment of any fees then due and payable to the Agent and the Lenders hereunder, including, without limitation, those fees payable pursuant to the letter agreement referred to in Section 5.910;

(b) **Agent's and Lenders' Expenses:** secondly, rateably among the Agent and the Lenders in accordance with amounts owed to the Agent and the Lenders in respect of amounts due and payable as and by way of recoverable expenses hereunder;

(c) **Interest and Fees:** thirdly, rateably among the Lenders in accordance with amounts owed to the Lenders in respect of amounts due and payable as and by way of interest pursuant to Sections ~~3.5(f)~~, 5.1, 5.2 ~~and~~, 5.3, 5.4 and 5.5, fees pursuant to Sections ~~5.46 and 5.5~~, adjusting payments pursuant to Section 5.67, interest on overdue amounts pursuant to Section 5.78 and standby fees pursuant to Section 5.89;

(d) **Loan Indebtedness (other than Borrowings):** fourthly, rateably among the Lenders in accordance with amounts owed to the Lenders in respect of any amount (other than Borrowings) then due and payable by the Borrower hereunder, other than amounts hereinbefore referred to in this Section 9.7; and

(e) **Borrowings:** fifthly, in or towards repayment to the Lenders of the Borrowings then outstanding hereunder in accordance with the provisions of Section 12.11.

ARTICLE 10 CHANGE OF CIRCUMSTANCES

10.1 Market Disruption

~~(a) **Respecting Term Benchmark Loans:** If, with respect to any Term Benchmark Loans, (x) the Majority Lenders notify the Agent that the Adjusted Term SOFR Rate for any Interest Period for such Term Benchmark Loans will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Term Benchmark Loans for such Interest Period, or (y) the Agent is unable to determine the Term SOFR Reference~~

~~Rate under the definition thereof, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Term Benchmark Loan will automatically, on the final day of the then existing Interest Period therefor, convert into a USBR Loan as if a Notice of Conversion had been given to the Agent by the Borrower pursuant to the provisions hereof, and (ii) the obligation of the Lenders to make, or to convert Loans into, Term Benchmark Loans shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.~~

Subject to Section 10.5, if:

~~(a)(b) **Respecting CDOR:** If at any time~~ the Agent, acting reasonably, determines (which determination shall be conclusive, and binding absent manifest error) that: any Benchmark cannot be determined pursuant to the definition thereof; or

(b) the Lenders holding Commitments which constitute at least 35% of the Total Syndicated Commitment determine that for any reason in connection with any request for any Benchmark Loan, or a Conversion thereto or a Rollover thereof that the applicable Benchmark with respect to a proposed Benchmark Loan (or for any requested Interest Period thereof) does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Benchmark Loan, and such Lenders have provided notice of such determination to the Agent,

then, in each case, the Agent will promptly so notify the Borrower and each Lender. Upon notice thereof by the Agent to the Borrower, any obligation of the Lenders to make such Benchmark Loans, and any right of the Borrower to Rollover such Benchmark Loans, or to convert any other Loans into such Benchmark Loans, shall be suspended (to the extent of the affected Benchmark Loans or affected Interest Periods) until the Agent (with respect to clause (b), at the instruction of Lenders holding at least such proportion of the Total Syndicated Commitment) revokes such notice.

Upon receipt of such notice:

- ~~(i) an interest rate or discount rate is not ascertainable pursuant to the provisions of the definition of "CDOR Rate" and the inability to ascertain such rate is unlikely to be temporary;~~
- ~~(ii) the regulatory supervisor for the administrator of the CDOR Rate screen rate, the Bank of Canada, an insolvency official with jurisdiction over the administrator for the CDOR Rate, a resolution authority with jurisdiction over the administrator for the CDOR Rate, or a court or an entity with similar insolvency or resolution authority over the administrator for the CDOR Rate, has made a public statement, or published information, stating that the administrator of the CDOR Rate, has ceased or will cease to provide the CDOR Rate, permanently or indefinitely on a specific date; provided that, at that time, there is no successor administrator that will continue to provide the CDOR Rate; or~~
- ~~(iii) the administrator of the CDOR Rate screen rate or a Governmental/Judicial Body having jurisdiction over the Agent or the administrator of the CDOR Rate screen rate has made a public statement identifying a specific date after which the CDOR Rate, or the CDOR Rate screen rate shall no longer be made available, or used for determining the interest rate of loans or the discount rates for bankers' acceptances; provided that, at that time, there is no successor administrator that will continue to provide the CDOR Rate,~~

~~(the date of determination or such specific date in the foregoing paragraphs (i) through (iii), the “CDOR Discontinuation Date”);~~

~~then the Agent and the Borrower shall negotiate in good faith to select a replacement index rate for the CDOR Rate and make such spread adjustments thereto and other related amendments to this Agreement that shall give due consideration to the prevailing market practice for: (A) determining a rate of interest applicable to newly originated Canadian Dollar loans made in Canada at such time and for determining the discount rate for Canadian Dollar bankers’ acceptances issued and accepted in Canada at such time, and (B) transitioning existing loans and bankers’ acceptances from CDOR Rate-based rates to loans bearing interest and bankers’ acceptances with discount rates calculated with reference to the new reference index rate; provided that, to the extent reasonably practicable, the all-in rate paid by the Borrower under this Agreement based on such replacement index rate will be substantially equivalent to the all-in rate applicable to Bankers’ Acceptances and a BA Equivalent Loans made hereunder prior to the replacement of the CDOR Rate (excluding, for certainty, any differences resulting from fluctuations in the Debt Rating).~~

~~Upon an agreement being reached between the Agent and the Borrower pursuant to the immediately preceding paragraph, the Agent and the Borrower shall enter into an amendment to this Agreement that gives effect to the replacement index rate, adjustments to the Applicable Pricing Margin and such other related amendments as may be appropriate in the discretion of the Agent for the implementation and administration of Canadian Dollar loans bearing interest or bankers’ acceptances with discount rates calculated with reference to the replacement index rate. Notwithstanding anything to the contrary in this Agreement (including Section 12.12) or any other Loan Document, such amendment shall become effective at 5:00 p.m. (Calgary time) on the fifth Business Day after a copy of the amendment is provided to the Lenders and without any further action or consent of any other party to this Agreement, unless the Agent receives, on or before such date and time, a written notice from the Majority Lenders stating that such Lenders object to such amendment; provided that, if such replacement index rate agreed upon to replace the CDOR Rate shall be less than zero, it shall be deemed to be zero for the purposes of this Agreement.~~

~~Until an amendment reflecting the transition to a new reference index rate becomes effective as contemplated by this Section, the discount rate applicable to each Drawdown, Conversion or Rollover of a Bankers’ Acceptance or a BA Equivalent Loan shall continue to be calculated with reference to the CDOR Rate; provided that if the Agent determines (which determination shall be conclusive, absent manifest error) that a CDOR Discontinuation Date has occurred, then following the CDOR Discontinuation Date, until such time as an amending agreement adopting such a new reference index rate becomes effective as contemplated by this Section:~~

~~(iv) any requested Drawdown by way of, Conversion into, or Rollover of, a Bankers’ Acceptance or a BA Equivalent Loan shall be deemed to be a request for a Prime Loan in the same principal amount; and~~

~~(i)(v) in respect of a maturing Bankers’ Acceptance or a BA Equivalent Loan, in the event the Borrower fails to give, if applicable, a Notice of Conversion with respect thereto specifying the Conversion of such Bankers’ Acceptance or BA Equivalent Loan (on the maturity date thereof) into a Borrowing other than a Bankers’ Acceptance or a BA Equivalent Loan (and provided a valid notice of repayment has not been delivered to the Agent in respect thereof), such maturing Bankers’ Acceptance or BA Equivalent Loan shall be converted on the maturity date thereof into a Prime Loan as if a valid Notice of Conversion had~~

~~been given to the Agent by the Borrower pursuant to the provisions hereof.~~ any affected SOFR Loans.
(A)

the Borrower may revoke any pending request for a Drawdown of, Conversion to or Rollover of such SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing such revocation, the Borrower will be deemed to have converted any such request into a request for a Drawdown of or Conversion to USBR Loans in the amount specified therein and (B) any such outstanding affected SOFR Loans will be deemed to have been converted into the USBR Loans at the end of the applicable Interest Period; and

(ii) in respect of any affected CORRA Loans, (A)(1) the Borrower may revoke any pending request for a Drawdown of, Conversion to or Rollover of such CORRA Loans (to the extent of such affected CORRA Loans or affected Interest Periods), (2) in respect of Term CORRA Loans, the Borrower may elect to convert any such request into a request for a Drawdown of, or Conversion to, Daily Compounded CORRA Loans or Prime Loans, or (3) failing such revocation or election, the Borrower will be deemed to have converted any such request into a request for a Drawdown of or Conversion to Prime Loans, in the amount specified therein, and (B)(1) in respect of Term CORRA Loans, the Borrower may elect to convert any outstanding affected Term CORRA Loans at the end of the applicable Interest Period, into Daily Compounded CORRA Loans or Prime Loans, and (2) otherwise, or failing such election, any outstanding CORRA Loans will be deemed to have been converted, at the end of the applicable Interest Period into Prime Loans,

in each case, upon any such Conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 3.8(b). Subject to Section 10.5, if the Agent determines (which determination shall be conclusive and binding absent manifest error) that any Benchmark cannot be determined pursuant to the definition thereof on any given day, the interest rate on USBR Loans or Prime Loans, as applicable, shall be determined by the Agent without reference to clause (iii) of the definition of "US Base Rate" or clause (i) of the definition of "Prime Rate" until the Agent revokes such determination.

~~For certainty, upon the occurrence of a CDOR Discontinuation Date, the Prime Rate shall be determined without regard to subparagraph (ii) of the definition thereof.~~

~~(c) **Respecting Bankers' Acceptances:** Notwithstanding anything to the contrary herein contained, if:~~

- ~~(i) the Agent (acting reasonably), makes a determination, which determination shall be conclusive and binding upon the Borrower, and notifies the Borrower, that there no longer exists an active market for bankers' acceptances accepted by the Lenders; or~~
- ~~(ii) the Agent is advised by Lenders holding at least 35% of the Total Syndicated Commitment by written notice (each, a "**BA Suspension Notice**") that such Lenders (acting reasonably) have determined that the Discount Rate will not or does not accurately reflect the discount rate which would be applicable to a sale of Bankers Acceptances accepted by such Lenders in the market for the applicable term;~~

then:

- ~~(iii) the right of the Borrower to request Bankers' Acceptances or BA Equivalent Loans from any Lender shall be suspended until the Agent (acting reasonably) determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the Lenders;~~
- ~~(iv) any outstanding Notice of Drawdown requesting a Drawdown by way of Bankers' Acceptances or BA Equivalent Loans shall be deemed to be a Notice of Drawdown requesting a Borrowing by way of Prime Loans in the amount specified in the original Notice of Drawdown;~~
- ~~(v) any outstanding Notice of Conversion requesting a Conversion of a Borrowing into a Borrowing by way of Bankers' Acceptances or BA Equivalent Loans shall be deemed to be a Notice of Conversion requesting a Conversion of such Borrowing into a Borrowing by way of Prime Loans; and~~
- ~~(vi) any outstanding Notice of Rollover requesting a Rollover of Bankers' Acceptance or BA Equivalent Loans shall be deemed to be a Notice of Conversion requesting a Conversion of such Borrowing into a Borrowing by way of Prime Loans.~~

~~The Agent shall promptly notify the Borrower and the Lenders under such Credit Facility of any suspension of the Borrower's right to request the Bankers' Acceptances or BA Equivalent Loans and of any termination of any such suspension or if the circumstances giving rise to such suspension no longer exist. A BA Suspension Notice shall be effective upon receipt of the same by the Agent if received prior to 12:00 noon (Calgary time) on a Business Day and, if not, then on the next following Business Day, except in connection with a Notice of Drawdown, Notice of Conversion or Notice of Rollover previously received by the Agent, in which case the applicable BA Suspension Notice shall only be effective with respect to such previously received Notice of Drawdown, Notice of Conversion or Notice of Rollover if received by the Agent prior to 12:00 noon (Calgary time) two Business Days prior to the proposed Drawdown Date or date of Rollover or Conversion (as applicable) applicable to such previously received Notice of Drawdown, Notice of Conversion or Notice of Rollover (as applicable).~~

10.2 Increased Costs or Reduced Income or Return Due to Change in Law

If any Lender (acting reasonably) makes a determination that the adoption, introduction, implementation or coming into effect of any Applicable Law, or any change therein, or any change in any existing Applicable Law or in the interpretation, administration or application of any Applicable Law by any Governmental/Judicial Body or any other entity charged with the interpretation or administration thereof, or the compliance by a Lender with any request or direction (whether or not having the force of law) of any such Governmental/Judicial Body or entity, hereafter:

(a) subjects such Lender to, or causes the withdrawal or termination of any previously granted exemption with respect to, any Tax, or changes the basis of taxation, or increases any existing Tax, on payments of principal, interest, fees or other amounts payable by the Borrower to such Lender under this Agreement (except for Taxes based on the capital or overall net income or profits of such Lender or, in the case of a Lender which is a Schedule III Bank and without limiting the application of the foregoing part of this exception to such Lender, of any branch thereof);

(b) imposes, modifies or deems applicable any reserve, liquidity, cash margin, capital, deposit insurance, special deposit or similar requirements against assets held by, or deposits in or

for the account of, or loans by or to, or any other acquisition of funds by, or drafts ~~(including Bankers' Acceptances)~~ accepted by an office of, such Lender;

(c) imposes on such Lender or expects there to be maintained by such Lender any capital adequacy or additional capital or liquidity requirements in respect of any Borrowings or undrawn Commitments or Fronting Bank Commitments hereunder or any other condition with respect to this Agreement; or

(d) imposes on such Lender any other conditions or requirements relevant to this Agreement or the Credit Facility;

and the result of any of the foregoing shall be to increase the cost to, or reduce the amount of principal, interest, fees or other amounts received or receivable by, such Lender hereunder or such Lender's effective return hereunder (without regard to Taxes based on capital or the overall net income or profits of such Lender or, in the case of a Lender which is a Schedule III Bank and without limiting the application of the foregoing part of this exception to such Lender, of any branch thereof, or the impact thereof) in respect of making, maintaining or funding a Borrowing hereunder or maintaining, as applicable, its Commitment or Fronting Bank Commitment hereunder, or cause such Lender to make any payment or forego any interest, fees or other amounts hereunder, then the Agent shall give notice thereof to the Borrower as soon as possible after such determination, and such Lender shall have no further obligation to make Borrowings of the type affected or maintain, as applicable, its Commitment or Fronting Bank Commitment in respect of such type of Borrowings unless prior arrangements satisfactory to such Lender are made to compensate it as hereinafter provided. Such Lender shall, acting reasonably, determine that amount of money which shall compensate such Lender for such increase in cost, reduction in principal, interest, fees or other amount received or receivable by such Lender, or such reduction in effective return hereunder, or any payment made or interest, fees or other amounts forgone (herein referred to as "**Additional Compensation**"). Notwithstanding anything herein to the contrary, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all regulations, requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canadian or other regulatory authorities, in each case pursuant to Basel III ((i) and (ii) being, the "**New Rules**"), shall in each case be deemed to be a change in Applicable Law for the purposes of this Section 10.2, regardless of the date enacted, adopted or issued, in each case (i) to the extent that such New Rules are applicable to a Lender claiming Additional Compensation, (ii) to the extent that such New Rules are materially different from Applicable Laws which are in full force and effect on the Effective Date and (iii) to the extent that such New Rules are not limited to specific financial institutions only but instead have general application to substantially all banks or their Affiliates which are subject to the New Rules in question. Upon a Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section 10.2, such Lender shall promptly so notify the Borrower and the Agent and shall provide the Borrower and the Agent with a photocopy of the Applicable Law, rule, guideline, regulation, treaty or official directive (or, if it is impracticable to provide a photocopy, a written summary of the same) and a certificate of a duly authorized officer of such Lender setting forth the amount of the Additional Compensation and the basis of calculation therefor, which shall be *prima facie* evidence of the amount of such Additional Compensation, in the absence of manifest error. The Borrower shall pay to such Lender, within ten (10) Business Days of the giving of such notice by such Lender, such Lender's Additional Compensation, as additional interest. Each of the Lenders shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section 10.2 are then applicable, notwithstanding that any Lender has previously been paid any Additional Compensation. Each Lender agrees that it will not claim Additional Compensation from the Borrower under this Section 10.2 (i) if it is not generally claiming similar compensation from its other customers in similar circumstances; or (ii) in respect of any period greater than three (3) months

prior to the delivery of notice in respect thereof by such Lender, unless the adoption, change or other event or circumstance giving rise to the claim for Additional Compensation is retroactive or is retroactive in

effect. When Additional Compensation is payable to a Lender, the Borrower shall have the right, upon at least three Business Days prior written notice to the Agent (unless provided otherwise below), to either:

(e) effect a Conversion of such Lender's Lender's Proportion of the applicable Borrowing in accordance with the provisions hereof; or

(f) prepay such Lender's Lender's Proportion of the principal of such Borrowing together with:

(i) accrued interest;

(ii) such Additional Compensation as may be applicable with respect to such Lender's Lender's Proportion of such Borrowing to the date of such payment;

(iii) in the case of ~~Term~~ Benchmark Loans, all costs, losses, premiums and expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Lender's Lender's Proportion of such Borrowing, or any part thereof, on other than the last day of the applicable Interest Period; [and](#)

~~(iv) in the case of Bankers' Acceptances accepted by such Lender, such amount as such Lender may, in its discretion, require be deposited with such Lender in order to yield to that Lender on the maturity date of such Bankers' Acceptances the face amount thereof; and~~

~~(iv)~~(v) in the case of Letters of Credit, provision satisfactory to such Lender (acting reasonably) being made for the indemnification, cash collateralization or release of such Lender from its obligations relating to all outstanding Letters of Credit.

Subject to Section 12.11, any such Conversion or prepayment need not be *pro rata* as among the Lenders under the Credit Facility or this Agreement or otherwise in compliance with Section 3.449.

10.3 Illegality

If a Lender (acting reasonably) makes a determination, which shall be conclusive and binding upon the Borrower, that the adoption, introduction or coming into effect of any Applicable Law, or any change therein, or any change in any existing Applicable Law or in the interpretation, administration or application of any Applicable Law by any Governmental/Judicial Body or any other entity charged with the interpretation or administration thereof, or the compliance by a Lender with any request or direction (whether or not having the force of law) of any such Governmental/Judicial Body or entity, hereafter makes it unlawful or impossible for such Lender to make, fund or maintain a Borrowing hereunder or to comply with, or give effect to, its obligations under this Agreement, such Lender may, by written notice thereof to the Borrower and to the Agent, declare its obligations under this Agreement in respect of such types of Borrowing to be terminated, whereupon the same shall forthwith terminate, and the Borrower shall, within the time required by such law (or at the end of such longer period as such Lender at its discretion has agreed), either:

(a) effect a Conversion of such Lender's Lender's Proportion of such Borrowing in accordance with the provisions hereof (if such Conversion would resolve the unlawfulness or impossibility); or

(b)prepay such Lender's Lender's Proportion of the principal of such Borrowing together with:

(i)accrued interest;

(ii)such Additional Compensation as may be applicable with respect to such Lender's Lender's Proportion of such Borrowing to the date of such payment;

(iii)in the case of ~~Term~~-Benchmark Loans, all costs, losses, premiums and expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Lender's Lender's Proportion of such Borrowing, or any part thereof, on other than the last day of the applicable Interest Period; [and](#)

~~(iv) in the case of Bankers' Acceptances accepted by such Lender, such amount as such Lender may, in its discretion, require be deposited with such Lender in order to yield to that Lender on the maturity date of such Bankers' Acceptances the face amount thereof; and~~

~~(iv)~~[\(v\)](#)in the case of Letters of Credit, provision satisfactory to such Lender (acting reasonably) being made for the indemnification, cash collateralization or release of such Lender from its obligations relating to all outstanding Letters of Credit.

Subject to Section 12.11, any such Conversion or prepayment need not be *pro rata* as among the Lenders under the Credit Facility or this Agreement or otherwise in compliance with Section 3.419. If any such change shall only affect a portion of such Lender's obligations under this Agreement which is, in the opinion of such Lender, the Agent and the Borrower, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Agent, the other Lenders or the Borrower hereunder, such Lender shall only declare its obligations under that portion so terminated.

10.4Designation of Different Lending Office

If any Lender requests Additional Compensation under Section 10.2, or the Borrower is required to pay any additional amount to the Agent on behalf of any Lender pursuant to Section 6.3(a), or if any Lender gives a notice pursuant to Section 10.3, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking the Borrowings hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 10.2 or 6.3(a), as the case may be, in the future, or eliminate the need for the notice pursuant to Section 10.3, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous in any material respect to such Lender. The Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

10.5Benchmark Replacement Setting

[\(a\)Benchmark Replacement:](#)

~~(i)(a)~~ Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to ~~the Reference Time in respect of~~ any setting of ~~the~~any then-current Benchmark, then ~~(x)A~~ if a Benchmark Replacement is determined in accordance with clause ~~(i)(A) or (ii)(B)~~ of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark

Replacement will replace such Benchmark for all purposes hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and ~~(yB)~~ if a Benchmark Replacement is determined in accordance with clause ~~(2i)(B)~~, ~~(ii)(B)~~ or (iii) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any other Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (~~New York City~~ Toronto time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders.

(ii) If the Benchmark Replacement is based upon Daily Simple SOFR, all interest payments on Benchmark Loans which bear interest with reference to such rate will be payable on a quarterly basis.

~~(b) Notwithstanding anything to the contrary herein or in any other Loan Document~~ Conforming Changes: In connection with the use or administration of any Benchmark, or the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations: The Agent will promptly notify the Borrower and the Lenders of (i) ~~any occurrence of a Benchmark Transition Event~~, (ii) ~~the implementation of any Benchmark Replacement~~, or (iii) the effectiveness of any Benchmark Replacement Conforming Changes, ~~(iv) in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will notify the Borrower of (A)~~ the removal or reinstatement of any tenor of a Benchmark pursuant to ~~clause Section 10.5(d) below~~ and ~~(vB)~~ the commencement ~~or conclusion~~ of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 10.5(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party ~~hereto to this Agreement or any other Loan Document~~, except, in each case, as expressly required pursuant to this Section 10.5.

(d) Unavailability of Tenor of Benchmark: Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of ~~a~~ any Benchmark Replacement), (i) if ~~the~~ any then-current Benchmark is based upon a term rate (including the Term SOFR Reference Rate or the Term CORRA Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its ~~reasonable~~ discretion, acting reasonably, or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will ~~be no longer~~ not be representative, then the Agent may modify the definition of "Interest Period" (or any

[similar or analogous definition](#)) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and [\(ii\)](#) if a tenor that was removed pursuant to

clause (i) above either (CA) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (DB) is not, (ii) or is no longer, subject to an announcement that it is not or will ~~no longer~~ not be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) **Benchmark Unavailability Period:** Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Borrower may revoke any pending request for a Term Drawdown of, Conversion to or Rollover of any Benchmark Loan ~~of, conversion to or continuation of Term Benchmark Loans~~ to be made, converted or ~~continued~~ rolled over during any applicable Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request ~~for a Term Benchmark Loan~~ into a request for a Borrowing Drawdown of or ~~e~~ Conversion to a USBR Loan the applicable Benchmark Fallback Loans and (ii) any outstanding affected Benchmark Loans will be deemed to have been converted to the applicable Benchmark Fallback Loans, at the end of the applicable Interest Period. During any Benchmark Unavailability Period for any then-current Benchmark or at any time that a tenor for ~~the any~~ then-current Benchmark is not an Available Tenor, the component of the USBR Loan Base Rate or the Prime Rate, as applicable, based upon ~~the then-current~~ such Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the US Base Rate. ~~Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Adjusted Term SOFR Rate applicable to such Term Benchmark Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 10.5, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Term Benchmark Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Agent to, and shall constitute, a USBR Loan. or the Prime Rate, as applicable.~~

ARTICLE 11 PAYMENT OF EXPENSES AND INDEMNITIES

11.1 Payment of Expenses

The Borrower shall:

(a) pay all reasonable legal fees and expenses incurred by the Agent in connection with the preparation, execution, delivery, syndication or operation of this Agreement or the other Loan Documents delivered by the Borrower hereunder, including any subsequent amendment hereto or thereto; and

(b) pay to the Agent and each Lender all reasonable expenses incurred in the maintenance, enforcement and preservation of any of their rights under the Loan Documents delivered by the Borrower hereunder or incurred in respect of any security for the Total Syndicated Commitment provided in accordance with Section 8.2(a), including reasonable legal fees on a solicitor-client basis and out-of-pocket expenses of counsel to the Agent or such Lender.

11.2 General Indemnity

In addition to any liability of the Borrower to any Lender or the Agent under any other provision hereof, the Borrower shall indemnify each Lender and the Agent and their respective Affiliates, directors, officers, agents and employees (collectively, in this Section 11.2, the “**Indemnified Parties**”), and hold each Indemnified Party harmless from and against any losses, claims, costs, damages or liabilities (including reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client basis) incurred by the same which arise as a result of or in connection with the Loan Documents including, without limitation, as a result of or in connection with:

(a) all third party claims, suits, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements arising in connection with any action, suit or proceeding (whether or not an Indemnified Party is a party or subject thereto) relating to the Borrowings or the Loan Documents, including any environmental claims relating to the Borrower or any of its Subsidiaries;

(b) any cost or expense incurred by reason of the liquidation or re-deployment in whole or in part of deposits or other funds required by any Lender to fund or maintain any Borrowing as a result of the Borrower’s failure to complete a Drawdown, Conversion or Rollover hereunder or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder;

(c) subject to permitted Conversions and Rollovers of ~~Bankers’ Acceptances and~~ Letters of Credit hereunder, the Borrower’s failure to provide for the payment to the Agent for the account of the Lenders of the full ~~principal amount of each Bankers’ Acceptance on its maturity date or the full~~ amount drawn on any Letter of Credit;

(d) the Borrower’s failure to pay any other amount, including, without limitation, any interest or fee, due hereunder on its due date after the expiration of any applicable grace or notice periods (subject, however, to the interest obligations of the Borrower hereunder for overdue amounts);

(e) the prepayment of any outstanding ~~Term~~ Benchmark Loan before the last day of the Interest Period in respect of such ~~Term~~ Benchmark Loan including, without limitation, any and all costs, losses, premiums or expenses incurred by reason of a liquidation or re-deployment of deposits or other funds in respect of ~~Term~~ Benchmark Loans outstanding from time to time hereunder;

~~(f) the prepayment of any outstanding Bankers’ Acceptance before the maturity date of such Bankers’ Acceptance;~~

~~(f)~~(g) the Borrower’s failure to give any notice required to be given by it to the Agent or the Lenders hereunder;

~~(g)~~(h) the failure of the Borrower to make any other payment due hereunder;

~~(h)~~(i) any inaccuracy or incompleteness of the Borrower’s representations and warranties contained in Article 2;

~~(i)~~(j) any failure of the Borrower to observe or fulfil its obligations under Article 8; or

~~(j)~~(k) the occurrence of any Event of Default;

provided that this Section 11.2 shall not apply to any losses, claims, costs, damages or liabilities of any Indemnified Party claiming indemnity hereunder to the extent that the same are determined by a court of competent jurisdiction by final and non-appealable judgment to have arisen by reason of the bad faith, gross negligence or wilful misconduct of such Indemnified Party. Payment of an amount for which the Borrower is liable under this indemnification shall be made within 30 days from the date an Indemnified Party makes written demand for payment thereof. The provisions of this Section 11.2 shall survive the termination of the Agreement and the repayment of the obligations of the Borrower hereunder. The Borrower agrees not to assert any claim against any of the Agent, the Lead Arrangers or any Lender or any of their respective Affiliates or their officers, directors, employees, agents or advisors (each, a “**Lender-Related Person**”), on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to any of the Loan Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Borrowings. No Lender-Related Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

ARTICLE 12 THE AGENT AND THE LENDERS

12.1 Authorization of Agent

Each Lender irrevocably appoints and authorizes the Agent to exercise such powers, perform such duties, take such actions, make such decisions and determinations and give such consents under the Loan Documents as are required to be exercised, performed, taken, made, given or otherwise carried out by the Agent hereunder or under any other agreement between the Lenders, together with all powers reasonably incidental thereto. As to any matters not expressly required by this Agreement or by any other agreement between the Lenders to be carried out by the Agent, the Agent is not required to exercise any discretion or take or to refrain from taking any action except upon the written instructions of the Majority Lenders. Notwithstanding anything to the contrary in this Agreement, the Agent shall not be required to exercise any discretion or to take or to refrain from taking any action in any manner which is contrary to the Loan Documents, to any other agreement between the Lenders or to Applicable Law.

12.2 Responsibility of Agent

The Agent makes no representation or warranty, and accepts no responsibility, with respect to the due execution, legality, validity, sufficiency, enforceability or priority of any of the Loan Documents nor with respect to the due execution, legality, validity, sufficiency, enforceability, accuracy or authenticity of any documents, papers, materials or other information furnished by the Borrower (or any other Person, including the Agent) in connection with the Loan Documents, whether provided before or after the date of this Agreement. The Agent shall incur no liability to the Lenders under or in respect of the Loan Documents with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or wilful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction). The Agent assumes no responsibility for the payment of any of the Borrowings or other Loan Indebtedness owing hereunder by the Borrower.

12.3 Acknowledgement of Lenders

Each Lender acknowledges to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, environmental soundness, affairs, status and nature of the Borrower and

accordingly, each Lender confirms to the Agent that it has not relied, and will not hereafter rely, on the Agent:

(a)**Information:** to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrower or in connection with the Loan Documents (whether or not such information has been or is hereafter circulated to such Lender by the Agent);

(b)**Performance:** to inquire as to the performance by the Borrower of its obligations under the Loan Documents; or

(c)**Credit Review:** to assess or keep under review on its behalf the financial condition, creditworthiness, environmental soundness, affairs, status or nature of the Borrower.

12.4 Rights and Obligations of Each Lender

The rights and obligations of each Lender under this Agreement are several and no Lender shall be obligated to make Borrowings available to the Borrower in excess of the amount of such Lender's Syndicated Commitment. The failure of a Lender to perform its obligations under this Agreement shall neither:

(a)**No Liability to Other Lenders:** result in any other Lender incurring any liability whatsoever; nor

(b)**No Relief from Obligations:** relieve the Borrower or any other Lender from their respective obligations under any Loan Document.

Nothing contained herein or in any other Loan Document nor any action taken pursuant hereto or thereto shall be deemed to constitute the Lenders a partnership, joint venture or any other similar entity.

12.5 Determinations by Lenders

(a)**Lenders' Determinations:** Where the provisions of this Agreement provide that any waiver of, or any amendment to, any provision of the Loan Documents may be made, or any action, consent or other determination in connection with the Loan Documents may be taken or given, with the consent or agreement of the Majority Lenders, then any such waiver, amendment, action, consent or determination so made, so taken or so given with the consent or agreement of the Majority Lenders shall be binding on all of the Lenders and all of the Lenders shall cooperate in all ways necessary or desirable to implement and effect any such waiver, amendment, action, consent or determination consented or agreed to by the Majority Lenders.

(b)**Deemed Non-Consent:** Unless otherwise specifically dealt with in this Agreement, in the event the Agent delivers a written notice to a Lender requesting advice from such Lender as to whether it consents or objects to any matter in connection with the Loan Documents, then, except as otherwise expressly provided herein, if such Lender does not deliver to the Agent its written consent or objection to such matter within twenty (20) Business Days of the delivery of such written notice by the Agent to such Lender, such Lender shall be deemed to have refused its consent thereto upon the expiry of such twenty (20) Business Day period.

12.6 Notices between the Lenders, the Agent and the Borrower

All notices by the Lenders to the Agent shall be through the Agent's Branch of Account and all notices by the Agent to a Lender shall be through such Lender's Branch of Account. All notices or communications between the Borrower and the Lenders which are required or contemplated pursuant to the Loan Documents shall be given or made through the Agent at the Agent's Branch of Account.

12.7 Agent's Duty to Deliver Documents Obtained from Borrower

The Agent shall promptly deliver to each Lender, at its Branch of Account, such notices, documents, papers, materials and other information as are furnished by the Borrower to the Agent and which are not (i) notices or information relating solely to the role of the Agent or any Fronting Bank hereunder, or (ii) required to be furnished by the Borrower directly to the Lenders pursuant to this Agreement.

12.8 Arrangements for Borrowings

(a) **Notices by Agent:** Promptly after receipt by the Agent of any Notice of Drawdown, Notice of Conversion or a Notice of Rollover, the Agent shall advise each relevant Lender of the amount, date and details of each Drawdown, Conversion and Rollover to which such notice relates and of such Lender's share in each Borrowing, as determined by the Agent in accordance with the provisions of Sections 12.8(b) and 12.8(c).

(b) **Drawdowns:** Subject to the terms and conditions of this Agreement, on each Drawdown Date in respect of a Drawdown, in immediately available funds for good value, each Lender will make available to the Borrower:

- (i) the same proportion of such Borrowing by way of Loans as the amount of such Lender's Syndicated Commitment at such time bears to the Total Syndicated Commitment at such time, by forwarding to the Agent at the Agent's Account for Payments the amount of Loans required to be made available by such Lender; ~~and~~
- ~~(ii) the same proportion of such Borrowing by way of Bankers' Acceptances (by accepting and purchasing such Bankers' Acceptances, or, if such Lender is a Non-Acceptance Lender, making BA Equivalent Loans in lieu thereof) as the amount of such Lender's Syndicated Commitment at such time bears to the Total Syndicated Commitment at such time, by forwarding to the Agent at the Agent's Account for Payments the amount of the Discount Proceeds in respect of such Bankers' Acceptances or BA Equivalent Loans required to be accepted and purchased or made by such Lender (less the amount of applicable fees payable by the Borrower to such Lender pursuant to Section 3.5(f) or 5.4).~~

(c) **Conversions and Rollovers:** Subject to the terms and conditions of this Agreement, on each Borrowing Conversion Date and Borrowing Rollover Date in respect of a Conversion or Rollover of a Borrowing, in immediately available funds for good value, each relevant Lender will Convert or Rollover the amount of such Borrowing held by it.

12.9 Arrangements for Repayment of Borrowings

(a) **Prior to Acceleration:** Prior to the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 9.1(b) or 9.1(c), upon receipt by the Agent of payments from the Borrower on account of

principal, interest, fees or any other payment made to the Agent on behalf of the Lenders, the Agent shall pay over to each Lender at its Branch of Account the amount to which it is entitled under this Agreement and shall use its

best efforts to make such payment to such Lender on the same Business Day on which such payment is received by the Agent. If the Agent does not remit any such payment to a Lender on the same Business Day as such payment is received in immediately available funds for good value by the Agent, the Borrower shall nevertheless be deemed to have made such payment to such Lender on such Business Day and the Agent shall pay interest thereon to such Lender until the date of payment at a rate determined by the Agent (such rate to be conclusive and binding on such Lender) in accordance with the Agent's usual banking practice in respect of deposits of amounts comparable to the amount of such payment which are received by the Agent at a time similar to the time at which such payment is received by the Agent.

(b)Subsequent to Acceleration: Following delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 9.1(b) or 9.1(c), the Lenders shall share any payments subsequently received in accordance with Section 9.7.

12.10Repayment by Lenders to Agent

(a)Where Borrower Fails to Pay: Unless the Agent has been notified in writing by the Borrower at least one (1) Business Day prior to the date on which any payment to be made by the Borrower hereunder is due that the Borrower does not intend to remit such payment, the Agent may, in its discretion, assume that the Borrower has remitted such payment when so due and the Agent may, in its discretion and in reliance upon such assumption, make available to each relevant Lender on such payment date an amount equal to the amount of such payment which is due to such Lender pursuant to this Agreement. If the Borrower does not in fact remit such payment to the Agent, the Agent shall promptly notify each relevant Lender and each such Lender shall forthwith on demand repay to the Agent the amount of such assumed payment made available to such Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Agent (such rate to be conclusive and binding on such Lender) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to such Lender.

(b)Where a Lender Fails to Pay: Unless the Agent has been notified in writing by a Lender at least one (1) Business Day prior to a Drawdown Date, Borrowing Conversion Date or Borrowing Rollover Date that such Lender does not intend to make available the amount required to be made available by such Lender pursuant to this Agreement on such Drawdown Date, Borrowing Conversion Date or Borrowing Rollover Date, the Agent may, in its discretion, assume that such Lender has remitted funds to the Agent in an amount equal to the amount required to be made available by such Lender pursuant to this Agreement and the Agent may, in its discretion and in reliance upon such assumption, make available to the Borrower on such Drawdown Date, Borrowing Conversion Date or Borrowing Rollover Date an amount equal to the amount required to be made available by such Lender pursuant to this Agreement. If a Lender does not in fact remit such funds to the Agent, the Agent shall promptly notify such Lender and such Lender shall forthwith remit such funds to the Agent, failing which the Borrower shall forthwith on demand repay to the Agent (without prejudice to the Borrower's rights against such Lender) the amount made available by the Agent on behalf of such Lender, in each case together with interest thereon until the date of repayment thereof at a rate determined by the Agent (such rate to be conclusive and binding on such Lender or the Borrower, as the case may be) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to such Lender.

12.11 Adjustments Among Lenders

(a) **Adjustments to Outstanding Borrowings:** Each Lender agrees that, after delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 9.1(b) or

9.1(c), it will at any time and from time to time upon the request of the Agent as required by any Lender purchase portions of the Borrowings made available by the other Lenders which remain outstanding and make any other adjustments which may be necessary or appropriate, in order that the amount of Outstandings owed to each Lender, as adjusted pursuant to this Section 12.11(a), will be in the same proportion as that Lender's Syndicated Commitment is of the Total Syndicated Commitment at such time.

(b)Application of Payments: The Lenders agree that, after delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 9.1(b) or 9.1(c), the amount of any repayment made by the Borrower under this Agreement, and the amount of any proceeds from the exercise of any rights or remedies of the Lenders under the Loan Documents, which are to be applied against amounts owing hereunder, will be so applied in a manner so that, to the extent possible, the amount of Outstandings owed to each Lender which remain outstanding after giving effect to such application and any adjustments made pursuant to Section 12.11(a) will be in the same proportion as the amount of Outstandings owed to such Lender is of the amount of Outstandings owed to all Lenders as of the date of delivery of such Acceleration Notice or occurrence of such Event of Default, as applicable.

(c)Receipt of Payments other than Borrowings: Notwithstanding anything contained in this Section 12.11, there shall not be taken into account, for the purposes of computing any amount payable to any Lender pursuant to this Section 12.11, any amount which a Lender receives as a result of any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any monies owing by the Borrower to such Lender other than on account of liabilities arising under the Loan Documents; provided that, if at any time after delivery of an Acceleration Notice or the occurrence of an Event of Default under Section 9.1(b) or 9.1(c), a Lender receives any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of monies owing or payable to it by the Borrower in respect of liabilities of the Borrower arising under the Loan Documents, such Lender shall purchase portions of the Borrowings made available by the other Lenders which remain outstanding to the extent required so that, to the extent possible, the amount of Outstandings owed to each Lender after giving effect to such purchase and any adjustments made pursuant to Sections 12.11(a) and 12.11(b) will be in the same proportion as the amount of Outstandings owed to such Lender is of the amount of Outstandings owed to all Lenders as of the date of delivery of such Acceleration Notice or occurrence of such Event of Default, as applicable.

(d)Further Assurances: The Borrower agrees to be bound by and, at the request of the Agent, to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Lenders pursuant to this Section 12.11, but shall incur no increased liabilities, costs or expenses, in aggregate, by reason thereof.

12.12Lenders' Consents to Waivers, Amendments, etc.

(a)Unanimous Consent of All Lenders: No amendment, waiver or consent with respect to any provision of the Loan Documents shall do any of the following:

(i)waive (A) any of the conditions precedent specified in Section 7.1 or (B) a condition precedent to Borrowing if such condition relates to Section 9.1(a) or 9.1(j);

(ii)change the percentage of the Commitments or the aggregate unpaid principal amount of Loans, or the aggregate undrawn face amount of outstanding Letters of Credit, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder;

(iii)(A) release any guarantee provided by the Guarantor for the benefit of the Lenders hereunder, (B) limit the liability of the Guarantor thereunder, (C) postpone any date fixed for payment thereunder or (D) shorten the term of any such guarantee; or

(iv) amend this Section 12.12;

in each case, unless such amendment, waiver or consent is agreed to in writing by all of the Lenders.

(b) Consent of Directly Affected Lenders: No amendment, waiver or consent with respect to any provision of the Loan Documents shall do any of the following:

(i) increase the Syndicated Commitments or subject the Lenders to any additional obligations;

(ii) reduce the principal, or rate of interest on, the Outstandings or any fees or other amounts payable hereunder;

(iii) postpone any date fixed for any payment of principal of, or interest on, the Outstandings or any fees or other amounts payable to the Lenders hereunder or postpone the expiration date of any Letter of Credit beyond the Maturity Date; or

(iv) extend the Maturity Date;

in each case, unless such amendment, waiver or consent is agreed to in writing by each Lender directly affected thereby.

(c) Majority Consent: Subject to the other provisions of this Section 12.12, and except as otherwise provided in the Loan Documents, any waiver of, or any amendment to, any provision of the Loan Documents (including a waiver of a Default or an Event of Default) and any action, consent or other determination in connection with the Loan Documents shall bind all of the Lenders if such waiver, amendment, action, consent or other determination is agreed to in writing by the Majority Lenders.

(d) Agent's Consent: Any waiver of, or any amendment to, any provision of the Loan Documents which relates to the rights or obligations of the Agent shall require the agreement of the Agent thereto.

(e) Fronting Banks' Consent: Any waiver of, or any amendment to, any provision of the Loan Documents which relates to the rights or obligations of the Fronting Banks shall require the agreement of all of the Fronting Banks thereto; provided that, in the case of fronting fees, only the agreement of the relevant Fronting Bank shall be required.

(f) Defaulting Lender's Consent: Any waiver or amendment described in the proviso in Section 12.2019(a)(ii) shall require the agreement of the Defaulting Lender referred to in such proviso.

(g) Minor Amendments: Any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower, the Guarantor and the Agent to (i) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Agent, the Borrower and the

Guarantor) or (ii) effect administrative changes of a technical or immaterial nature and any such amendment shall be deemed approved by the Lenders if the Lenders shall have received at least five (5) Business Days' prior written notice of such amendment and the Agent shall not have received, within five (5) Business Days of the date of such notice to the Lenders, a written

notice from the Majority Lenders stating that the Majority Lenders object to such amendment.

(h)**Benchmark Conforming Amendments:** The Agent, the Borrower and the Guarantor may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Loan Documents or to enter into additional Loan Documents as the Agent deems appropriate in order to implement any Benchmark Replacement or any ~~Benchmark Replacement~~-Conforming Change or otherwise effectuate the terms of Section 10.5 in accordance with the terms thereof.

(i)**Benchmark Replacement:** Notwithstanding anything to the contrary in this Agreement or any other Loan Document, in connection with the use or administration of any Benchmark, or the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time in accordance with Section 10.5, and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

12.13 Reimbursement of Agent's Expenses

Each Lender agrees that it will indemnify the Agent for its Lender's Proportion of any and all costs, expenses and disbursements (including, without limitation, those costs and expenses referred to in Section 11.1) which may be incurred or made by the Agent in good faith in connection with the Loan Documents, and agrees that it will, on written demand detailing such costs, expenses and disbursements, reimburse the Agent for any such costs, expenses or disbursements for which the Agent is not promptly reimbursed at any time by the Borrower. The Agent may refrain from exercising any right, power or discretion or taking any action to protect or enforce the rights of any Lender under the Loan Documents until it has been so reimbursed.

12.14 Reliance by Agent on Notices, etc.

The Agent shall be entitled:

(a)**Reliance on Written Documents:** to rely upon any writing, letter, written notice, certificate, telex, facsimile copy, cable, statement, order or other document believed by the Agent to be genuine and correct and to have been signed, sent or made by the proper Person or Persons; and

(b)**Reliance on Legal Advice:** with respect to legal matters, to act upon advice of legal advisors selected by the Agent (including in-house counsel of the Agent) concerning all matters pertaining to the Loan Documents and the Agent's duties thereunder;

and the Agent shall assume no responsibility and shall incur no liability to the Borrower or any Lender by reason of relying on any such document or acting on any such advice.

12.15 Relations with Borrower

Except for the transactions provided for in this Agreement, each Lender may deal with the Borrower in all transactions and generally do any banking business with, or provide any financial services to, the Borrower without having any liability to account to the other Lenders therefor. With respect to Royal's (or any successor Agent's) Commitment and Lender's Proportion, Royal (or any successor Agent) shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent.

12.16 Successor Agent

The Agent shall resign if at any time:

(a)(i) (A) the Commitment of the Agent in its capacity as a Lender is less than \$100,000,000, at least one other Lender has a Commitment which is greater than the Commitment of the Agent in its capacity as a Lender, and such other Lender is willing to act as Agent or (B) the Agent is a Defaulting Lender and another Lender selected by the Borrower is willing to act as Agent; and

(ii) the Borrower demands by written notice to the Agent that the Agent resign;

in which circumstances such other Lender shall be appointed as Agent hereunder; or

(b) it is no longer a Lender hereunder by reason of an assignment of its rights and obligations under this Agreement and the Loan Documents pursuant to Section 16.9 and, in such event, it shall provide 30 days' prior written notice of any such intended assignment to each of the Lenders and the Borrower.

The Agent may resign at any time by giving 30 days' prior written notice thereof to each of the Lenders and the Borrower, and the Agent may be removed at any time for cause by the Lenders, other than the Agent in its capacity as a Lender (the "**Remaining Lenders**"), provided that Remaining Lenders holding Commitments of eighty percent (80%) or more of the aggregate Commitments of all the Remaining Lenders consent to such removal. Upon any such resignation or removal, other than in the circumstances described in paragraph (a) above, the Remaining Lenders shall have the right to appoint a successor agent with the written approval of the Borrower (such approval not in any event to be unreasonably withheld). Any successor agent appointed under this Section 12.16 shall be a financial institution which has offices in Calgary, Alberta and Toronto, Ontario. If no successor agent shall have been appointed by the Remaining Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, or the Remaining Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders and with the written approval of the Borrower (such approval not to be unreasonably withheld), appoint a successor agent. Should the Remaining Lenders and the retiring Agent fail to appoint a successor agent as aforesaid within 30 days of the aforesaid resignation or removal, the Borrower may appoint a financial institution as successor agent provided the long term debt of such financial institution (if not a Lender) or its parent entity (if not a Lender) is assigned a rating of A2 or better by Moody's. Upon the acceptance of any appointment as Agent by a successor agent, such successor agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent as Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement as Agent. After any retiring Agent's resignation or removal hereunder as the Agent, the provisions of this Agreement shall continue in effect for its benefit and for the benefit of the Lenders in respect of any actions taken or omitted to be taken by the retiring Agent while it was acting as the Agent.

~~12.17 Change of Schedule "I" Reference Bank~~

~~The Agent shall, with the prior written consent of the Borrower (such consent not to be unreasonably withheld), appoint another Lender (with the latter's consent) to act as the Schedule "I" Reference Bank in replacement of the Schedule I Reference Bank if:~~

~~(a) **Assignment of Rights:** the Schedule I Reference Bank assigns, subject to the provisions of Section 16.9, all its rights hereunder or otherwise ceases to be a Lender; or~~

~~(b) **Giving of Notice of Intention:** the Schedule I Reference Bank gives notice of its intention to cease being the Schedule I Reference Bank.~~

12.17~~12.18~~ Indemnity of Agent

Each Lender hereby agrees to indemnify the Agent (to the extent not reimbursed by the Borrower), rateably as to its Lender's Proportion, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent, in any way relating to or arising out of the Loan Documents or any action taken or omitted by Agent under or in respect of the Loan Documents; provided that the Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or wilful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction). Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its Lender's Proportion of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preservation of any rights of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, the Loan Documents, but only to the extent that the Agent is not reimbursed for such expenses by the Borrower.

12.18~~12.19~~ Cash Collateral and Withholding from a Defaulting Lender

(a) To the extent permitted by Applicable Law, each Defaulting Lender shall be required to provide to the Agent cash in such amount, as determined from time to time by the Agent in its reasonable discretion, equal to all obligations of such Defaulting Lender which are either then owing under this Agreement or, in the case of contingent obligations under any outstanding Letters of Credit (after giving effect to the re-allocation provisions in Section 12.~~20~~19), may become owing to any Fronting Bank.

(b) The Agent shall be entitled to withhold from any Defaulting Lender's Lender's Proportion of all payments received from the Borrower hereunder such amount as such Defaulting Lender is required to provide as cash collateral under Section 12.~~19~~8(a) and the Agent is entitled to set-off such amounts against such Defaulting Lender's defaulted obligations to fund amounts previously required to be paid by such Defaulting Lender under this Agreement and to purchase participations previously required to be purchased by such Defaulting Lender under this Agreement.

(c) All funds received by the Agent pursuant to Sections 12.~~19~~8(a) and 12.~~19~~8(b) shall be deposited by the Agent in one or more cash collateral accounts in the name of the Agent, which amounts shall be used by the Agent:

(i) first, to reimburse the Agent for any amounts owing to it, in its capacity as Agent, by the Defaulting Lender pursuant to any Loan Document;

(ii) second, to repay on a pro rata basis the incremental portion of any Loans made by a Non-Defaulting Lender pursuant to Section 12.~~20~~19 in order to fund a funding shortfall created by a Defaulting Lender and, upon receipt of such repayment, each such Non-Defaulting Lender shall be deemed to have assigned to the Defaulting Lender such incremental portion of such Loans; and

(iii)third, to cash collateralize all other contingent obligations of such Defaulting Lender to the Agent or any Fronting Bank which are outstanding pursuant to this Agreement in such amount as shall be determined from time to time by the Agent in its reasonable discretion;

provided that any such funds in excess of such Defaulting Lender's defaulted obligations shall be paid to the Defaulting Lender.

(d)For greater certainty and in addition to the foregoing, neither the Agent nor any of its Affiliates nor any of their respective shareholders, officers, directors, employees, agents or representatives shall be liable to any Lender (including, without limitation, a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Defaulting Lender and received and deposited by the Agent in a cash collateral account and applied in accordance with the provisions of this Agreement, except for the gross negligence or wilful misconduct of the Agent (as determined by a final non-appealable judgment of a court of competent jurisdiction).

~~12.19~~12.20 Funding if there is a Defaulting Lender

(a)Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i)the standby fees payable pursuant to Section 5.89 shall cease to accrue on the unused portion of the Commitment(s) of such Defaulting Lender if and for so long as such Lender is a Defaulting Lender pursuant to (i) or (ii) of the definition thereof or a Lender Insolvency Event exists with respect to such Lender or its Lender Parent;

(ii)a Defaulting Lender shall not be included in determining whether, and the Commitments and Lender's Proportions of such Defaulting Lender shall be excluded in determining whether all Lenders or the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 12.12); provided that any waiver or amendment that (A) applies to such Defaulting Lender in a manner that differs in any material respect from its application to other affected Lenders, (B) increases any Commitment of such Defaulting Lender, (C) extends any Maturity Date applicable to such Defaulting Lender, (D) decreases the Applicable Pricing Margin applicable to such Defaulting Lender or (E) postpones, reduces or waives any principal payment due to such Defaulting Lender hereunder shall in each case require the consent of such Defaulting Lender; and

(iii)for certainty, the Borrower shall retain and reserve its other rights and remedies respecting each Defaulting Lender;

provided that the Agent shall only be required to give effect to (i) and (ii) above if the Agent has actual knowledge that a Lender is a Defaulting Lender. If the Agent acquires actual knowledge that a Lender is a Defaulting Lender, then the Agent shall promptly notify the Borrower and the other Lenders that such Lender is a Defaulting Lender (and such Lender shall be deemed to have consented to such disclosure); provided that, for certainty, the Agent shall have no duty to inquire as to whether any Lender is a Defaulting Lender.

(b) If the Agent has actual knowledge that a Lender is a Defaulting Lender at the time that the Agent receives a Notice of Drawdown, a Notice of Rollover that relates to a Letter of Credit or a Notice of Conversion (or deemed notice) that will result in a currency conversion, then

each Non-Defaulting Lender shall fund its Lender's Proportion of such affected Loan (and, in calculating such Lender's Proportion, the applicable Commitment of each such Defaulting Lender shall be ignored); provided that such re-allocation may only be effected if and to the extent that (i) such re-allocation would not cause any Non-Defaulting Lender's Lender's Proportion of all Borrowings to exceed its applicable Commitment(s) and (ii) the conditions precedent in Sections 7.2(a) and 7.2(b) are satisfied at such time. Each Defaulting Lender agrees to indemnify each Non-Defaulting Lender for any amounts paid by such Non-Defaulting Lender under this Section 12.2019 and which would otherwise have been paid by the Defaulting Lender if its applicable Commitment had been included in determining the Lender's Proportion of such affected Loans.

(c) If any Letter of Credit is outstanding at the time that a Lender becomes a Defaulting Lender then:

(i) all or any part of such Defaulting Lender's Lender's Proportion of such Letter of Credit shall be re-allocated among the Non-Defaulting Lenders in accordance with their respective Lender's Proportions; provided that such re-allocation may only be effected if and to the extent that (A) such re-allocation would not cause any Non-Defaulting Lender's Lender's Proportion of all Borrowings to exceed its applicable Commitment(s) and (B) the conditions precedent in Sections 7.2(a) and 7.2(b) are satisfied at such time;

(ii) if the re-allocation described in clause (i) above cannot be effected, or can only partially be effected, then such Defaulting Lender shall, within one (1) Business Day following notice by the Agent, provide cash collateral for such Defaulting Lender's Lender's Proportion of such Letter of Credit (after giving effect to any partial re-allocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 12.198 for so long as such Letter of Credit is outstanding; and

(iii) if the Lender's Proportions of the Non-Defaulting Lenders are re-allocated pursuant to this Section 12.2019(c), then the issuance fees payable to the Lenders pursuant to Section 5.56 shall be adjusted to give effect to such re-allocations in accordance with each such Non-Defaulting Lender's Lender's Proportions.

(d) So long as any Lender is a Defaulting Lender, no Fronting Bank shall be required to issue, amend or increase any Letter of Credit, unless such Fronting Bank is satisfied that the related exposure will be 100% covered by the Commitments of the Non-Defaulting Lenders and/or cash collateralized in accordance with Section 12.2019(c), and participating interests in any such newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 12.2019(b) or 12.2019(c)(i) as applicable (and Defaulting Lenders shall not participate therein).

(e) If any Lender shall cease to be a Defaulting Lender, then, upon becoming aware of such change, the Agent shall notify the Non-Defaulting Lenders and (in accordance with the written direction of the Agent) such Lender (which has ceased to be a Defaulting Lender) shall purchase, and the Non-Defaulting Lenders shall on a rateable basis sell and assign to such Lender, portions of such Loans equal in total to such Lender's Lender's Proportion thereof without regard to this Section 12.2019.

(f) Each Defaulting Lender hereby indemnifies the Borrower for any losses, claims, costs, damages or liabilities (including reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client basis) incurred by the Borrower as a result of such Defaulting Lender failing to comply with the terms of this Agreement including any failure to fund its portion of any Loans required to be made by it hereunder.

12.2012.21 Erroneous Payments by the Agent

(a) Each Lender hereby agrees that (x*i*) if the Agent notifies such Lender that the Agent has determined in its sole discretion that any funds received by such Lender from the Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a “**Payment**”) were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Agent at the greater of the NYFRB Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y*ii*) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Agent to any Lender under this Section 12.240 shall be conclusive, absent manifest error.

(b) Each Lender hereby further agrees that if it receives a Payment from the Agent or any of its Affiliates (x*i*) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Agent (or any of its Affiliates) with respect to such Payment (a “**Payment Notice**”) or (y*ii*) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Agent of such occurrence and, upon demand from the Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Agent at the greater of the NYFRB Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) The Borrower and each other Obligor hereby agrees that (x*i*) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y*ii*) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Obligor, except, in each case, to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds received by the Agent from the Borrower, the Guarantor or any Subsidiary of the Guarantor for the purpose of making such erroneous Payment.

(d) Each party’s obligations under this Section 12.240 shall survive the resignation or replacement of the Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

~~12.21~~~~12.22~~ Amendment to this Article 12

Save and except for the provisions of Sections 12.5, 12.6, 12.11(d), 12.12(a), 12.12(b), 12.12(c), 12.15, 12.16, 12.17~~8~~, 12.19, ~~12.20~~ and this Section 12.2~~2~~~~1~~, the provisions of this Article 12 may be amended or added to from time to time without the agreement of the Borrower, provided such amendment or addition does not adversely affect any rights of the Borrower hereunder or increase, in aggregate, the liabilities, costs, expenses or reporting requirements of the Borrower hereunder. A copy of the instrument evidencing such amendment or addition shall be forwarded by the Agent to the Borrower as soon as practicable following the execution thereof.

ARTICLE 13 GUARANTEE

13.1 Guarantee

(a) The Guarantor hereby, unconditionally and irrevocably, guarantees to the Agent, for the ratable benefit of the Agent and the Lenders, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) Notwithstanding anything herein or in any other Loan Document to the contrary, the maximum liability of the Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by the Guarantor under applicable federal and state laws relating to the insolvency of debtors.

(c) The Guarantor further agrees to pay any and all reasonable expenses (including all reasonable fees and disbursements of counsel) which may be paid or incurred by the Agent, on behalf of the Lenders, in enforcing any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantor under this Article 13.

(d) The Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of the Guarantor under this Article 13 without impairing this Article 13 or affecting the rights and remedies of the Agent, on behalf of the Lenders, pursuant to this Article 13.

(e) Except as required by applicable law, no payment or payments made by the Borrower, the Guarantor, any other guarantor or any other Person or received or collected by the Agent or any Lender from the Borrower, the Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor under this Article 13 which shall, notwithstanding any such payment or payments other than payments made by the Guarantor in respect of the Obligations or payments received or collected from the Guarantor in respect of the Obligations, remain liable for the Obligations up to the maximum liability of the Guarantor under this Article 13 until the Obligations (excluding from such Obligations and the obligations of the Guarantor under this Article 13 any contingent indemnity or similar obligations that expressly survive repayment or termination of the Loan Documents) are paid in full and the Commitments are terminated.

(f)The Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Agent on account of its liability under this Article 13, it will notify the Agent in writing that such payment is made under this Article 13 for such purpose.

13.2 No Subrogation

Notwithstanding any payment or payments made by the Guarantor pursuant to this Article 13 or any set-off or application of funds of the Guarantor by the Agent or any Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Agent or any Lender against the Borrower or any other guarantor or any collateral security or guarantee or right of offset held by the Agent or any Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from any other guarantor in respect of payments made by such the Guarantor pursuant to this Article 13, until all amounts owing to the Agent and the Lenders by the Guarantor on account of the Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Agent and the Lenders and shall, forthwith upon receipt by the Guarantor, be turned over to the Agent in the exact form received by the Guarantor (duly endorsed by the Guarantor to the Agent, if required), to be applied against the Obligations, whether matured or unmatured, in accordance with this Agreement.

13.3 Amendments, etc. With Respect to the Obligations; Waiver of Rights

The Guarantor shall remain obligated under this Article 13 notwithstanding that, without any reservation of rights against the Guarantor and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by the Agent, on behalf of the Lenders, may be rescinded by the Agent and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Agent or any Lender, and this Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Agent (or the Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. When making any demand of the Guarantor under this Article 13 against the Guarantor, the Agent may, but shall be under no obligation to, make a similar demand on any other guarantor, and any failure by the Agent to make any such demand or to collect any payments from any such other guarantor or any release of any other guarantor shall not relieve the Guarantor of its obligations or liabilities under this Article 13, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Agent, on behalf of the Lenders, against the Guarantor under this Article 13. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

13.4 Guarantee Absolute and Unconditional

The Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Agent or any Lender upon this Article 13 or acceptance of this Agreement, the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Agreement; and all dealings between the Obligors, on the one hand, and the Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Article 13. The Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Guarantor with respect to the Obligations. The Guarantor understands and agrees that this Article 13 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to and shall not be released, discharged, limited or otherwise affected by (a) the validity, regularity or enforceability of this Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of

offset with respect thereto at any time or from time to time held by the Agent or any Lender, (b) any defense, set-off or counterclaim (other than

a defense of payment of performance) which may at any time be available to or be asserted against the Agent or any Lender, (c) any law or regulation of any jurisdiction or any other event affecting any term of a guaranteed obligation or (d) any other circumstance whatsoever (with or without notice to or knowledge of the Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Guarantor for the Obligations, or of the Guarantor under this Article 13, in bankruptcy or in any other instance. When the Agent is pursuing its rights and remedies under this Article 13 against the Guarantor, the Agent and any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrower or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Agent or any Lender to pursue such other rights or remedies or to collect any payments from the Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve the Guarantor of any liability under this Article 13, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Agent against the Guarantor under this Article 13. This Article 13 shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor and the successors and assigns thereof, and shall inure to be benefit of the Agent and the Lenders, until (x) all the outstanding Obligations and the obligations of the Guarantor under this Article 13 shall have been satisfied by payment in full (excluding from such Obligations and the obligations of the Guarantor under this Article 13 any contingent indemnity or similar obligations that expressly survive repayment or termination of the Loan Documents) and the Commitments shall be terminated or (y) the release of the Guarantor pursuant to Section 12.12(a), in each case notwithstanding that from time to time during the term of this Agreement the Obligations may be reduced to zero.

13.5 Reinstatement

This Article 13 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

13.6 Not Affected by Bankruptcy

Notwithstanding any modification, discharge or extension of the Obligations or any amendment, modification, stay or cure of the Agent's or Lenders' rights which may occur in any bankruptcy or reorganization case or proceeding against the Borrower, whether permanent or temporary, and whether or not assented to by the Lender, the Guarantor hereby agrees that the Guarantor shall be obligated under this Article 13 to pay and perform the Obligations and discharge its other obligations in accordance with the terms of the Obligations and the terms of this Article 13. The Guarantor understands and acknowledges that, by virtue of this Article 13, it has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to the Borrower. Without in any way limiting the generality of the foregoing, any subsequent modification of the Obligations in any reorganization case concerning the Borrower shall not affect the obligation of the Guarantor to pay and perform the Obligations in accordance with the original terms thereof.

ARTICLE 14 NOTICES

14.1 Method of Giving Notice

Any notice or other document required or permitted to be given by a party pursuant to this Agreement (in this Article referred to as a “**Notice**”), if no particular manner is specified in which it is to be given, shall be in writing and shall be delivered by hand or transmitted by facsimile addressed in accordance with the particulars set forth (i) in the case of the Borrower, opposite the signature of the Borrower herein, (ii) in the case of the Guarantor, opposite the signature of the Guarantor herein, (iii) in the case of the Agent, as set forth in Schedule “**JG**” or (iv) in the case of any Lender, as set out in its Administrative Questionnaire provided to the Agent.

14.2 Change of Address

A party shall have the right to change any of the particulars of its address or its Branch of Account or place for Notices under Section 12.6 by giving a Notice in accordance with this Article.

14.3 Deemed Receipt

Any Notice given in accordance with the foregoing provisions shall be conclusively deemed received:

(a) **if delivered by hand:** if given to the Person to whose attention such Notice is addressed, at the time of actual receipt; if given to a responsible Person at the address of the party to which the Notice is directed, two (2) hours following receipt by such responsible Person, provided that if such time of deemed receipt is not within the hours during which business is normally conducted by the recipient party, then such Notice shall be deemed received at the next commencement of business on a day that business is normally conducted; and

(b) **if given by facsimile:** if the time of transmission is stated in such Notice, two (2) hours following the time so stated, provided that if such time of deemed receipt is not within the hours during which business is normally conducted by the recipient party, then such Notice shall be deemed received at the next commencement of business on a day that business is normally so conducted; provided that if the time of transmission is not so stated in such Notice, it shall be deemed received at the next commencement of business on a day which business is normally conducted by the recipient party.

ARTICLE 15 GOVERNING LAW AND JUDGMENT CURRENCY

15.1 Governing Law

Without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrower may be, the parties agree that this Agreement is conclusively deemed to be made under and for all purposes to be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

15.2 Jurisdiction

(a)**Submission:** The courts of the Province of Alberta shall have jurisdiction to determine any disputes in connection with the Loan Documents and each of the Lenders, the Agent, the Borrower and the Guarantor accordingly irrevocably submits to the jurisdiction of the courts of the Province of Alberta.

(b)**Forum Convenience and Enforcement Abroad:** The Borrower, the Guarantor, each Lender and the Agent each hereby:

(i)waives objection to the courts of the Province of Alberta on grounds of inconvenient forum or otherwise as regards proceedings in connection with the Loan Documents; and

(ii)agrees that a judgment or order of a court of the Province of Alberta in connection with a Loan Document is conclusive and binding on it (subject to any rights or appeal in respect thereof) and may be enforced against it in the courts of any other jurisdiction.

(c)**Non-Exclusivity:** Nothing in this Section 15.2 limits the right of a Lender or the Agent or the Borrower or the Guarantor to bring proceedings in connection with any Loan Document:

(i)in any other court of competent jurisdiction; or

(ii)concurrently in more than one jurisdiction.

15.3 Judgment Currency

If, for the purpose of obtaining judgment in any court or for any other related purpose hereunder, it is necessary for a Lender to convert an amount due hereunder in the currency in which it is due (the “**Original Currency**”) into another currency (the “**Second Currency**”), the rate of exchange to be applied in respect of such conversion shall be that at which, in accordance with normal banking procedures, such Lender could purchase, in the New York foreign exchange market, the Original Currency with the Second Currency on the date which is one (1) Business Day preceding that on which judgment is given. The Borrower agrees that its obligation in respect of any Original Currency due from it to such Lender hereunder shall, notwithstanding any judgment or payment in the Second Currency, be discharged only to the extent that on the Business Day following receipt of any sum so paid or adjudged to be due hereunder in the Second Currency such Lender may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid or so adjudged to be due; and if the amount of the Original Currency so purchased is less than the amount originally due in the Original Currency, the Borrower agrees that the deficiency shall be a separate obligation of the Borrower independent from its other obligations under this Agreement, and which shall give such Lender a cause of action which shall continue in full force and effect notwithstanding any such judgment, or order to the contrary, and the Borrower agrees, notwithstanding any such payment or judgment, to indemnify such Lender against any such loss or deficiency. If the amount of the Original Currency so purchased is greater than the amount originally due to the Agent or any Lender, the Agent or such Lender, as the case may be, agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under Applicable Law).

ARTICLE 16 MISCELLANEOUS

16.1 Exchange and Confidentiality of Information

(a)The Borrower agrees that the Agent and each Lender may provide any assignee or participant or any bona fide prospective assignee or participant pursuant to Section 16.9 with any information concerning the Guarantor

and its Subsidiaries provided such Person agrees in writing with the Agent or such Lender for the benefit of the Guarantor to be bound by a like duty of confidentiality to that contained in this Section.

(b) Each of the Agent and the Lenders acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to them by the Borrower or the Guarantor pursuant to the Loan Documents (the “**Information**”) and agrees to maintain the confidentiality of the Information; provided, however, that:

(i) the Agent and each of the Lenders may disclose all or any part of the Information if, in their reasonable opinion, such disclosure is required (A) by their respective auditors or (B) in connection with any judicial, administrative or governmental proceedings, including proceedings initiated under or in respect of this Agreement;

(ii) the Agent and each of the Lenders may disclose any Information required to be disclosed by any Applicable Law or by applicable treaty, order, policy or directive having the force of law, to the extent of such requirement;

(iii) the Agent and each of the Lenders may disclose the Information to any Governmental/Judicial Body (including any self-regulatory agency or authority) having jurisdiction over it upon the request thereof;

(iv) the Agent and each of the Lenders may provide any Affiliate thereof with the Information on a “need to know” basis; provided that each such Affiliate shall be under a like duty of confidentiality to that contained in this Section 16.1 and further provided that the Agent or the Lender, as the case may be, providing the Information shall be responsible for any breach by its Affiliate of the aforementioned like duty of confidentiality;

(v) the Agent and each of the Lenders may provide Lenders’ counsel and their other agents and professional advisors with any Information; provided that such advisors shall be under a like duty of confidentiality to that contained in this Section 16.1 and further provided that the Agent or the Lender, as the case may be, providing the Information shall be responsible for any breach by such advisors of the aforementioned like duty of confidentiality;

(vi) the Agent and each of the Lenders may disclose Information to any actual or prospective counterparty to any securitization, swap or derivative transaction relating to the Borrower; provided that such counterparty or other Person agrees in writing to be under a like duty of confidentiality to that contained in this Section and such disclosure is limited solely to the Information necessary for the transaction in question;

(vii) the Agent and each of the Lenders may disclose any Information: (A) which is or becomes readily available to the public (other than by a breach hereof, including, for certainty, by a breach hereof by a Person for which the applicable Lender or the Agent is responsible), (B) which the Agent or the relevant Lender can show was, prior to receipt thereof from the Borrower or the Guarantor, lawfully in the Agent’s or Lender’s possession from a source other than the Borrower or the Guarantor or a representative of the Borrower or the Guarantor and not then subject to any obligation on its part to maintain confidentiality, or (C) which the Agent or the relevant Lender received from a third party who was not, to

the actual knowledge of the Agent or such Lender, under a duty of confidentiality to the Borrower or the Guarantor at the time the information was so received;

(viii)the Agent and each of the Lenders may disclose all or any part of the Information so as to enable the Agent and the Lenders to (A) initiate any lawsuit against the Borrower or the Guarantor or to defend any lawsuit commenced by the Borrower or the Guarantor the issues of which specifically relate to the Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit or (B) enforce any rights or remedies under any Loan Document, but only to the extent such disclosure is necessary to such enforcement;

(ix)the Agent and each of the Lenders may disclose all or any part of the Information to any other party to this Agreement;

(x)the Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments; and

(xi)the Agent and each of the Lenders may disclose all or any part of the Information with the prior written consent of the Borrower or the Guarantor.

(c)The provisions of this Section 16.1 shall survive hereunder for a period of five years following the termination of the Agreement and the repayment of all Loan Indebtedness by the Borrower to the Agent and the Lenders.

16.2Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions; any prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable the provision concerned in any other jurisdiction.

16.3Amendments and Waivers

No amendment, modification or waiver of any provision of this Agreement or consent to any departure by the Borrower from any provision of this Agreement is effective against the Agent or the Lenders except in accordance with Section 12.12 and then the amendment, modification, waiver or consent is effective only in the specific instance and for the specific purpose for which it is given. Any waiver by the Lenders of the strict observance, performance or compliance with any term, covenant, condition or agreement of this Agreement, and any indulgence granted by the Lenders, is not a waiver of any subsequent default.

16.4Survival of Representations

All representations and warranties made pursuant to this Agreement survive the execution and delivery of this Agreement.

16.5Whole Agreement

This Agreement, together with the other Loan Documents delivered by the Borrower hereunder, constitutes the whole and entire agreement between the parties pertaining to the subject matter hereof and, except as provided herein, cancels and supersedes any prior agreements, undertakings, declarations and representations, written or verbal, pertaining to the subject matter hereof.

16.6 Term of Agreement

The term of this Agreement shall continue until the later of the date on which the Lenders have no further Commitments hereunder and the date on which the Borrower has paid to the Agent and the Lenders all Loan Indebtedness owing to them under the Loan Documents.

16.7 Time of Essence

Time shall be of the essence of this Agreement.

16.8 Substitution of Lender

In the event:

(a) the Borrower is required to pay any Lender any additional amounts as a result of applying Section 6.3 or Article 10 or receives a notice as contemplated under Section 10.1 or 10.3;

(b) any Lender shall become a Defaulting Lender; or

(c) any Lender shall withhold its approval to a proposed consent under, waiver of or amendment to the Loan Documents which requires unanimous approval of the Lenders under the Loan Documents (any such Lender being a **“Non-Consenting Lender”**);

(any such Lender being a **“Subject Lender”**), the Borrower may, in its sole discretion (i) request the Agent to use reasonable efforts to obtain a replacement financial institution satisfactory to the Borrower and the Agent to acquire and assume all or part of the Subject Lender’s Borrowings and Commitment (a **“Replacement Lender”**); (ii) request the Subject Lender to use reasonable efforts to obtain a Replacement Lender satisfactory to the Borrower and the Agent to acquire and assume all or part of the Subject Lender’s Loan Indebtedness and Commitments; (iii) request one or more of the other Lenders to acquire and assume all or part of the Subject Lender’s Loan Indebtedness and Commitments (there being no obligation on the other Lenders to do so); (iv) designate a Replacement Lender acceptable to the Agent, acting reasonably, to acquire and assume all or part of the Subject Lender’s Loan Indebtedness and Commitments; (v) elect to terminate all of the non-assigned Commitments of the Subject Lender on 15 days’ notice to the Agent and such Lender, without terminating any or all of the Commitments of any other Lenders; and (vi) any combination of the foregoing. Any such replacement, acquisition and assumption, designation or termination shall only be effective upon the Subject Lender receiving, as applicable, payment of, or the purchase price for, all loans, interest and fees accrued hereunder to the date of such event, or such lesser amount as may be agreed by the Subject Lender, and adequate provision, satisfactory to the Subject Lender (acting reasonably), being made for ~~(w) payment at maturity of the face amount of Bankers’ Acceptances outstanding hereunder which were accepted by the Subject Lender; (x) A~~ indemnification, cash collateralization or release of the Subject Lender from its obligations in respect of any outstanding Letters of Credit including its obligations under Section 3.75(d); ~~(y) B~~ any costs, losses, premiums or expenses incurred by the Subject Lender by reason of a liquidation or re-deployment of deposits or other funds in respect of ~~Term Benchmark~~ **CORRA Loans or SOFR** Loans outstanding hereunder; and ~~(z) C~~ in any case, payment of all other amounts accrued to the date of such event which are owed to the Subject Lender hereunder. Any such acquisition and assumption by a Replacement Lender shall be made pursuant to and in accordance with the provisions of the last 3 sentences of Section 16.9(a), *mutatis mutandis*. Any such replacement or repayment of a Non-Consenting Lender shall only be permitted if, after doing so, the proposed consent, waiver or amendment will be approved in accordance with the Loan Documents.

16.9 Successors and Assigns

(a) **Assignments:** Subject to Section 8.2(c), the Borrower may not assign its rights or obligations hereunder without the prior written consent of all of the Lenders. If an Event of Default has occurred and is continuing, a Lender may, at the Borrower's cost and expense, with the prior consent of the Agent (other than in the case of an assignment to such Lender's Affiliate) and the Fronting Banks (such consents not to be unreasonably withheld) but without the Borrower's consent, assign in whole or in part its rights and obligations under this Agreement and the other Loan Documents to any Person (other than the Borrower or any of its Subsidiaries). If no Event of Default has occurred and is continuing, a Lender may, at its sole cost and expense, with the prior consent of the Agent, the Fronting Banks and the Borrower (such consents not to be unreasonably withheld), assign in whole or in part, its rights and obligations under this Agreement and the other Loan Documents to any Person (other than the Borrower or any of its Subsidiaries); it being agreed by each Lender that if no Event of Default has occurred and is continuing, it shall not make any such assignment which does not comply with this sentence. If no Event of Default has occurred and is continuing, unless a lesser amount shall be agreed by the Borrower and the Agent, no assignment of a part of the rights and obligations of a Lender hereunder shall (i) be less than an aggregate of US\$10,000,000 of the assigning Lender's Commitments unless the assigning Lender's Commitments are then less than US\$10,000,000 in which case the assignment shall be of the whole of the assigning Lender's Commitments, (ii) be made in increments of less than US\$1,000,000, unless the Commitments being assigned consist of the whole of the assigning Lender's Commitments, or (iii) result in any Lender's Commitments, after giving effect to a partial assignment of that Lender's Commitments amounting to less than US\$10,000,000. Assignments shall be substantially in the form of Schedule "F". Upon any assignment by a Lender to a Person (a "**Permitted Assignee**") in accordance with the provisions of this Section 16.9, such Lender shall pay a fee of US\$3,500 as a processing fee to the Agent and shall cause such Permitted Assignee to be substituted for such Lender in respect of the rights and obligations under the Loan Documents which are so assigned; the Agent shall, and is hereby authorized by the Borrower and each Lender to, issue a revised Schedule "G" giving effect to such assignment; and the assigning Lender shall, as of the effective date thereof, be released from its obligations to the Borrower hereunder relating to the assigned interests arising subsequent to such date to the extent thereof. Any such assignment shall not increase, in aggregate, the liabilities (by way of withholding tax, any obligation to pay additional amounts pursuant to Section 6.3 or Additional Compensation pursuant to Article 10, or otherwise), costs and out-of-pocket expenses of the Borrower hereunder, other than the requirement to pay any costs and expenses incurred by the Lenders in completing any assignment by the Borrower, or by a Lender if an Event of Default has occurred and is continuing; ~~provided that an assignment shall be deemed not to increase the liabilities, costs and expenses of the Borrower hereunder solely due to the fact that the assignee is a Schedule II Bank or a Schedule III Bank thereby potentially resulting in a higher Discount Rate than would be the case with a Schedule "I" Bank, or that such assignment increases the number of Lenders.~~

(b) **Participations:** The Borrower agrees that a Lender may, without the consent of or notice to the Agent, the Borrower or any Fronting Bank, sell or agree to sell a participation (a "**Participation**") to a Person (a "**Participant**") in all or any part of any Borrowings made or to be made by it; provided that upon the sale of any such Participation, the Participant purchasing such Participation shall not have any rights under any of the Loan Documents other than the same benefits as the Lenders with respect to Section 10.2 (subject to the requirements and limitations therein); provided that such Participant (A) agrees to be subject to Section 16.9(a)

as if it were an assignee thereunder; and (B) shall not be entitled to receive any greater payment under Section 10.2, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in any Applicable Law that

occurs after the Participant acquired the applicable participation; and the Borrower shall not have any obligations to such Participant, and all amounts payable by the Borrower under this Agreement shall be determined pursuant to this Agreement solely as between such Lender and the Borrower as if such Lender had not sold or agreed to sell such Participation. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 12.12(a) or 12.12(b) that affects such Participant. Notwithstanding the foregoing, the consent of the Agent and the Borrower shall not be required in connection with any Participation which is sold (i) to an Affiliate of the selling Lender or (ii) after an Event of Default has occurred and is continuing.

(c)Rights and Obligations of a Lender on a Participation: Notwithstanding anything herein to the contrary, the sale by a Lender of a Participation to a Participant shall not affect the Lender's Proportion of such Lender nor otherwise alter the obligations of such Lender to the Borrower pursuant to this Agreement, and such Lender shall continue to perform fully all of its obligations to the Borrower under this Agreement pursuant to the terms hereof, regardless of any failure to perform by any Participant or any other term, condition or event relating to any Participation. Any Participant's rights against such Lender and obligations in favour of such Lender in respect of such Participation shall be those set forth in any agreement executed by such Lender and such Participant relating thereto.

(d)Exception for Lender Pledges: Any Lender may, without the consent of the Borrower, the Agent or the Fronting Banks, at any time pledge or assign a security interest in all or any portion of its rights under the Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, or other central bank having jurisdiction over such Lender and this Section 16.9 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

16.10 AML Legislation and "Know Your Client" Requirements

(a) Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA)* or any other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" Applicable Laws (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), it may be required to obtain, verify and record information that identifies the Guarantor, the Borrower and each Material Subsidiary or Restricted Subsidiary, which information includes the name and address of each such Person and such other information that will allow such Lender or the Agent, as applicable, to identify each such Person in accordance with AML Legislation (including, information regarding such Person's directors, authorized signing officers, or other Persons in control of each such Person). The Borrower shall provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Agent or any Lender in order to assist the Agent and the Lenders in maintaining compliance

with AML Legislation. The Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent (for itself and not on behalf of any Lender), or any prospective assignee of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If, upon the written request of any Lender, the Agent (for itself and not on behalf of any Lender) has ascertained the identity of the Guarantor, the Borrower or any Material Subsidiary or Restricted Subsidiary or any authorized signatories of such Person for the purposes of applicable AML Legislation on such Lender's behalf, then the Agent:

(i) shall be deemed to have done so as an agent for such Lender, and this Agreement shall constitute a "written agreement" in such regard between such Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

(c) Notwithstanding anything to the contrary in this Section 16.10, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of the Guarantor, the Borrower or any Material Subsidiary or Restricted Subsidiary or any authorized signatories of such Person, on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any such Person or any such authorized signatory in doing so.

16.11 Platform

(a) Each of the Borrower and the Guarantor agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "**Platform**").

(b) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications caused by posting such Communications on the Platform. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose or freedom from viruses or other code defects, is made by any Agent Party in connection with the Platform. In no event shall the Agent or any of its Affiliates (collectively, the "**Agent Parties**") have any liability to the Guarantor or any of its Subsidiaries, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any of its Subsidiaries' or the Agent's transmission of Communications through the Platform. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material that the Guarantor or any Subsidiary thereof provides to the Agent specifically for posting on the Platform pursuant to any Loan Document or the transactions contemplated therein which is distributed to any Lender by means of the Platform.

16.12 Waiver of Jury Trial

To the extent permitted by Applicable Law, each of the Borrower, the Guarantor, the Agent and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the Loan Documents or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

16.13 Electronic Communications

(a) Any demand, notice or communication to be made or given hereunder may be delivered or furnished by electronic communication (including email and internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender if such Lender has notified the Agent that it is incapable of receiving notices by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular demands, notices or communications.

(b) Unless the Agent otherwise prescribes, demands, notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), and demands, notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address of notification that such notice or communication is available and identifying the website address therefor, provided that, if such demand, notice, email or other communication is not sent within normal business hours of the recipient, such demand, notice or other communication shall be deemed to have been sent at the opening of business on the next Business Day.

16.14 Counterparts

This Agreement may be executed in any number of counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopier or other electronic means shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "execute," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement or any other Loan Document shall be deemed to include electronic signatures, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, as provided in Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario), the *Electronic Transactions Act* (British Columbia), the *Electronic Transactions Act* (Alberta), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada. The Agent may, in its discretion, require that any such documents and signatures executed electronically or delivered by facsimile or other electronic transmission be confirmed by a manually-signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by facsimile or other electronic transmission.

16.15 Acknowledgement and Consent to Bail-In of Affected Financial Institutions

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its Lender Parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

16.16 No Advisory or Fiduciary Responsibility

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Obligor acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between each Obligor and its Subsidiaries and any Lead Arranger, the Agent or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether any Lead Arranger, the Agent, or any Lender has advised or is advising any Obligor or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by the Lead Arrangers, the Agent and the Lenders are arm's-length commercial transactions between each Obligor and its Affiliates, on the one hand, and the Lead Arrangers, the Agent and the Lenders, on the other hand, (iii) each Obligor has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) each Obligor is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Lead Arrangers, the Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Obligor or any of its Affiliates, or any other Person; (ii) none of the Lead Arrangers, the Agent and the Lenders has any obligation to any Obligor or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Lead Arrangers, the Agent and the Lenders and their respective branches and Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of each Obligor and its Affiliates, and none of the Lead Arrangers, the Agent and the Lenders has any obligation to disclose any of such interests to any Obligor or its Affiliates. To the fullest extent permitted by Applicable Law, each Obligor hereby waives and releases any claims that it may have against any of the Lead Arrangers, the Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

(Remainder of page intentionally left blank.)

Notice
Address:
500
Centre
Street
S.E.
P.O. Per:
Box
2850
Calgary,
Alberta
T2P
2S5
Attention:
Chief
Financial
Officer
Facsimile:
(403)
645-4853
*with
a
copy
to:*
Treasury
Department
Facsimile:
(403)
645-4613

**OVINT
CANADIAN
ULC,
AS
BORR**

Name:

Title:

Name:

Title:

Notice
Address:
370
17th Street,
Suite
1700Per:
Denver,
Colorado
80202
Attention:
Treasurer
Facsimile:
(303)
623-2400

**OVINT
INC.,
AS
GUAR**

Name:

Title:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**ROYAL
BANK
OF
CANADA**
as
Agent

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**ROYAL
BANK
OF
CANADA**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

JPMORGAN
CHASIE
BANK,
N.A.,
TORONTO
BRAN

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]



Per:

Name:

Title:

Per:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**THE
TORONTO
DOMINION
BANK**

Per:

Name:

Title:

Per:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**CITIBA
N.A.,
CANAD
BRAN**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**BANK
OF
MONT**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**THE
BANK
OF
NOVA
SCOTIA**

Per:

Name:

Title:

Per:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**NATIO
BANK
OF
CANAD**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**SUMIT
MITSU
BANK
CORP
CANAD
BRAN**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

BANC
OF
AMER
CREDI
SUISS
AG,
TORON
BRAN
INC.

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**WELLS
FARGO
BANK,
N.A.**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**BANK
OF
AMER
N.A.,
CANAD
BRAN**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**MUFG
BANK,
LTD.,
CANADA
BRANCH**

Per:

Name:

Title:

Per:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**BARC
BANK
PLC**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

Per:

Name:

Title:

Per:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**PNC
BANK
CANADA
BRANCH**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**TRUIS
BANK**

Per:

Name:

Title:

Per:

Name:

Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**MORG
STANL
BANK,
N.A.**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

**BANK
OF
CHINA
(CANADA)**

Per:

Name:
Title:

Per:

Name:
Title:

[Signature Page to Amended and Restated Credit Agreement – Ovintiv Canada ULC]

~~Schedule "A" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC., as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

SCHEDULE "A"
NOTICE OF DRAWDOWN, REPAYMENT OR
CANCELLATION OF COMMITMENT

Date:

•

Dear Sirs/Mesdames:

We refer to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent (the "**Credit Agreement**"). Terms and expressions defined in the Credit Agreement which are used and not otherwise defined herein shall have the same meanings ascribed to them in the Credit Agreement.

We hereby give notice of our request for a **[Borrowing, repayment and/or cancellation of Commitment]** pursuant to Section **[3.3, 3.75, 3.408 or 4.3]** of the Credit Agreement as follows:

1.Amount of **[Borrowing, repayment and/or cancellation]** **[Cdn. or US]** \$ _____ .

2.Date of **[Borrowing, repayment and/or cancellation of Commitment]** _____ .

3.**[If applicable]** Payment instructions of **[Borrowing, repayment]**

4.**[If applicable]** Nature of Borrowing is by way of a **[Prime Loan, USBR Loan, Daily Compounded CORRA Loan, Term BenchmarkCORRA Loan, SOFR Loan or Letter of Credit]**.

5.**[If applicable]** The Interest Period for the ~~Term Benchmark Loan~~**[Daily Compounded CORRA Loan, Term CORRA Loan or SOFR Loan]** is _____ **[days/months]** commencing _____ , _____.

6.**[If applicable][Payment/Amount of Commitment to be cancelled]** is to be applied to the Commitments of **[those Lenders which are not Non-Extending Lenders in the amount of US\$● / those Lenders which are Non-Extending Lenders in the amount of US\$●]**.

Yours very truly,

OVINTIV
CANADA
ULC

Per:

Name:

Title:

A-1

Per:
Name:
Title:

cc. **[If applicable] [Name of Fronting Bank]**

A-2

~~Schedule "B" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

~~NOTICE OF DRAWDOWN
BY WAY OF BANKERS' ACCEPTANCES~~

~~Date:~~

~~•~~

~~Dear Sirs/Mesdames:~~

~~Re: Issuance of Bankers' Acceptances for
[amount] on [date]~~

~~We refer to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent (the "Credit Agreement"). Terms and expressions defined in the Credit Agreement which are used and not otherwise defined herein shall have the same meanings ascribed to them in the Credit Agreement.~~

~~We hereby request that the Lenders issue Bankers' Acceptance(s) (or, as applicable, make BA Equivalent Loans) pursuant to Section [3.3, 3.8 or 3.9] of the Credit Agreement on the date and in the aggregate face amount and with the specified maturity date set out below.~~

~~General Information:~~

~~Aggregate amount due at maturity
in regard to Borrowing:
Date of issuance:
Specified maturity date:
Payment instructions:~~

~~Cdn.\$~~

~~Upon maturity of these Bankers' Acceptance(s) (or, as applicable, BA Equivalent Loans) on [specified maturity date], you are authorized to make payment directly to the Lenders of an amount equal to the face or principal amounts of such Bankers' Acceptances (or, as applicable, BA Equivalent Loans) respectively accepted or made by them and charge the Borrower's Accounts with the principal amount of the aggregate of such face or principal amounts.~~

~~Yours truly,~~

~~Per:~~

~~OVINTIV
CANADA
ULC~~

~~Name:~~

~~Title:~~

~~Per:~~

Name:

Title:

A-1

~~Schedule "C" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

SCHEDULE "B"
NOTICE OF CONVERSION

Date:

•

Dear Sirs/Mesdames:

**Re: Notice of Conversion Pursuant to
Section 3.86 of the Credit Agreement**

We refer to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent (the "**Credit Agreement**"), and in particular to Section 3.86 of the Credit Agreement. Terms and expressions defined in the Credit Agreement which are used and not otherwise defined herein shall have the same meanings ascribed to them in the Credit Agreement.

We have outstanding [Cdn. or US] \$ _____ of Borrowings by way of [**Prime Loans, USBR Loans, Bankers' Acceptances (or, as applicable, BA Equivalent Daily Compounded CORRA Loans) or, Term Benchmark CORRA Loans or SOFR Loans**] [if applicable] [having ~~a maturity date of / an~~ Interest Period ending on the ____ day of _____, _____.] Please convert [Cdn. or US] \$ _____ outstanding by way of [**Prime Loans, USBR Loans, Bankers' Acceptances (or, as applicable, BA Equivalent Daily Compounded CORRA Loans) or, Term Benchmark CORRA Loans or SOFR Loans**] into a Borrowing by way of _____ [**Prime Loans, USBR Loans, Bankers' Acceptances (or, as applicable, BA Equivalent Daily Compounded CORRA Loans) or, Term Benchmark CORRA Loans or SOFR Loans**] on the _____ day of _____.

[If applicable] General Information:

Aggregate amount due at maturity
in regard to Borrowing:

[Cdn.
or
US]
\$●

Date of issuance:

Specified maturity date:

Payment instructions:

~~[If applicable] Upon maturity of these Bankers' Acceptance(s) (or, as applicable, BA Equivalent Loans) on [specified maturity date], you are authorized to make payment directly to the Lenders of an amount equal to the face or principal amounts of such Bankers' Acceptances (or, as applicable, BA Equivalent Loans) respectively accepted or made by them and charge the Borrower's Accounts with the principal amount of the aggregate of such face or principal amounts.~~

[If applicable] The Interest Period for the Borrowing by way of **Term Benchmark Loans** [**Daily Compounded CORRA Loans, Term CORRA Loans or SOFR Loans**] to which such Conversion is being effected is _____ [days/
months].

Pursuant to Section 2.3 of the Credit Agreement, this Notice of Conversion given by the Borrower to the Agent shall be deemed to be a representation and warranty by the Borrower to each of the Lenders and the Agent that the representation and warranty contained in Section 2.1(l) of the Credit Agreement is, as of the date of this notice, and will be, as of the applicable Borrowing Conversion Date, true and correct in all material respects as of such date, except as stated otherwise herein.

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[Set forth exceptions, if applicable.]

Yours truly,

OVINT
CANAL
ULC

Per:

Name:
Title:

Per:

Name:
Title:

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~~Schedule "D" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

SCHEDULE "C"
NOTICE OF ROLLOVER

Date:

•

Dear Sirs/Mesdames:

**Re: Notice of Rollover Pursuant to
Section 3.97 of the Credit Agreement**

We refer to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent (the "Credit Agreement"), and in particular to Section 3.97 of the Credit Agreement. Terms and expressions defined in the Credit Agreement which are used and not otherwise defined herein shall have the same meanings ascribed to them in the Credit Agreement.

We have outstanding [Cdn. or US] \$ _____ of Borrowings by way of [~~Bankers' Acceptances (or, as applicable, BA Equivalent Daily Compounded CORRA Loans) or, Term Benchmark CORRA Loans, SOFR Loans or Letter of Credit described in Schedule "A" hereto] [as applicable] [having a maturity date of / an Interest Period / expiration date ending on the ____ day of _____, _____.] Please Rollover [Cdn. or US] \$ _____ outstanding by way of [~~Bankers' Acceptances (or, as applicable, BA Equivalent Daily Compounded CORRA Loans) or, Term Benchmark CORRA Loans, SOFR Loans or such Letter of Credit] into a further Borrowing by way of [~~Bankers' Acceptances (or, as applicable, BA Equivalent Daily Compounded CORRA Loans) or, Term Benchmark CORRA Loans, SOFR Loans or an extended or replacement Letter of Credit in accordance with Schedule "A" hereto] on the _____ day of _____, _____.~~~~~~

[If applicable] General Information:

Aggregate amount due at maturity
in regard to Borrowing:

[Cdn.
or
US]
\$●

Date of issuance:

Specified maturity date:

Payment instructions:

~~[If applicable] Upon maturity of these Bankers' Acceptance(s) (or, as applicable, BA Equivalent Loans) on [specified maturity date], you are authorized to make payment directly to the Lenders of an amount equal to the face or principal amounts of such Bankers' Acceptances (or, as applicable, BA Equivalent Loans) respectively accepted or made by them and charge the Borrower's Accounts with the principal amount of the aggregate of such face or principal amounts.~~

[If applicable] The Interest Period for the Borrowing by way of ~~Term Benchmark Loans~~ Daily Compounded CORRA Loans, Term CORRA Loans or SOFR Loans to which such Rollover is being effected is _____ [days/months].

Pursuant to Section 2.3 of the Credit Agreement, this Notice of Rollover given by the Borrower to the Agent shall be deemed to be a representation and warranty by the Borrower to each of the Lenders and the Agent that the representation and warranty contained in Section 2.1(l) of the Credit Agreement is, as of the date

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of this notice, and will be, as of the applicable Borrowing Rollover Date, true and correct in all material respects as of such date, except as stated otherwise herein.

[Set forth exceptions, if applicable.]

Yours truly,

Per:

Per:

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**OVINT
CANADIAN
ULC**

Name:
Title:

Name:
Title:

~~Schedule "E" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

SCHEDULE "D"
REQUEST FOR EXTENSION

Date:

Dear Sirs/Mesdames:

Re: Request for Extension Pursuant to Sections 3.120 (Commitment) or 3.75(f) (Fronting Bank Commitment) of the Credit Agreement

We refer to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent (the "**Credit Agreement**"), and in particular to Sections 3.75(f) and 3.120 of the Credit Agreement. Terms and expressions defined in the Credit Agreement which are used and not otherwise defined herein shall have the same meanings ascribed to them in the Credit Agreement.

We hereby request that:

~~1.7.~~ the Maturity Date with respect to the Commitments of all Lenders which have not become Non-Extending Lenders be extended to _____; and

~~2.8.~~ **[If applicable]** the Fronting Banks extend their respective Fronting Bank Commitments to _____.

We hereby confirm that no Default or Event of Default has occurred and is continuing **[other than as described below]**.

We also confirm that, as of the end of the immediately preceding Fiscal **[Quarter] [Year]** ending _____:

(a) all of the Material Subsidiaries and Restricted Subsidiaries are listed in the attached schedule;

(b) the Guarantor and the Material Subsidiaries (all of which are listed in the attached schedule) directly own approximately _____% of the Consolidated Assets of the Guarantor (as reported on the balance sheet of the Guarantor as at the end of such Fiscal **[Year] [Quarter]**); and

(c) the Guarantor and the Restricted Subsidiaries (all of which are listed in the attached schedule) directly own approximately _____% of the Consolidated Net Tangible Assets (without adding back the non-cash ceiling test impairments and other changes as at December 31, 2011 as a consequence of Encana's adoption of US GAAP).

Yours truly,

Per:

OVINTIV
CANADA
ULC

Name:

Per:
Name:
Title:

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~~Schedule "F" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

SCHEDULE "E"
COMPLIANCE CERTIFICATE

I, _____, of the City of _____, in the [Province] [State] of _____, for and on behalf of Ovintiv Inc., and without incurring any personal liability, hereby certify as follows:

~~1.9.~~ That I am the _____ of Ovintiv Inc. (the "Guarantor");

~~2.10.~~ That this Certificate applies to the Fiscal [Quarter] [Year] ending _____;

~~3.11.~~ That I am familiar with and have examined the provisions of the Amended and Restated Credit Agreement dated as of April 1, 2022 (as amended from time to time, the "Credit Agreement") between Ovintiv Canada ULC as Borrower, Ovintiv Inc. as Guarantor, the financial and other institutions named therein from time to time as Lenders and Royal as Agent, and have made such reasonable inquiries as I have deemed necessary for purposes of this Certificate;

~~4.12.~~ That based on the foregoing and to the best of my knowledge, information and belief:

(a) the Obligors are not, as of the date of this Certificate, in breach of any material provision of the Credit Agreement [other than – describe]; and

(b) on the date of this Certificate, there is no Event of Default outstanding under the Credit Agreement [other than – describe];

~~5.13.~~ That the Guarantor's Consolidated financial statements for the Fiscal [Year] [Quarter] ending _____, accompanying this Certificate present fairly the financial position of the Guarantor as of that date and have been prepared in accordance with GAAP;

~~6.14.~~ For the purposes of this Certificate, the following terms have been determined in accordance with the definitions of such terms set out in the Credit Agreement on a Consolidated basis (except to the extent specified below) in accordance with GAAP as at the last day of the Fiscal [Year] [Quarter] to which this Certificate applies:

A.

Consolidated Debt

All Financing Debt of the Guarantor US\$ _____

Less: all Financing Debt of the Guarantor referred to in the proviso to the definition of Consolidated Debt to Consolidated Capitalization Ratio US\$ _____

Consolidated Debt US\$ _____

B.

Consolidated Net Worth

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Consolidated shareholders' equity of the Guarantor as shown on the Consolidated balance sheet of the Guarantor (including preferred securities and minority interests to the extent included thereon) US\$_____

Less: to the extent not already excluded from the preceding amount, all amounts included in shareholders' equity attributable to Non-Recourse Assets US\$_____

Plus: the non-cash ceiling test impairments and other changes as at December 31, 2011 as a consequence of Encana's adoption of US GAAP US\$ 7,746,000

Consolidated Net Worth US\$_____

C.

Consolidated Tangible Assets

Total assets of the Guarantor shown on the Consolidated balance sheet of the Guarantor US\$_____

Less: to the extent not already excluded from the preceding amounts, goodwill, trademarks, copyrights and other similar intangible assets US\$_____

Less: to the extent not already excluded from the preceding amounts, Non-Recourse Assets US\$_____

Less: deposits referred to in either (i) or (ii) of the proviso to the definition of Consolidated Debt to Consolidated Capitalization Ratio US\$_____

Plus: the non-cash ceiling test impairments and other changes as at December 31, 2011 as a consequence of Encana's adoption of US GAAP US\$ 10,585,000

Consolidated Tangible Assets US\$_____

~~7.45.~~ That as of the end of the Fiscal **[Year] [Quarter]** to which this Certificate applies, and as detailed on the attached schedule, the Consolidated Debt to Consolidated Capitalization Ratio as at the last day of such Fiscal **[Year] [Quarter]**, which is not to exceed 60%, was _____%;

~~8.46.~~ That as of the end of the Fiscal **[Year] [Quarter]** to which this Compliance Certificate applies:

(a)US\$ _____, being the aggregate amount of Financing Debt of all Material Subsidiaries (other than the Borrower) which are Non-Guarantor Subsidiaries, on a Consolidated basis, plus, without duplication,

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(b)US\$ _____, being the aggregate Indebtedness secured by security interests over Restricted Property given by the Guarantor or any Material Subsidiary in favour of Non-Guarantor Subsidiaries which are not Material Subsidiaries, plus, without duplication,

(c)US\$ _____, being the aggregate Financing Debt of Finance Co., plus, without duplication,

(d)US\$ _____, being the amount by which the aggregate Financing Debt of any Subsidiary (other than Finance Co. or a Material Subsidiary) exceeds an aggregate of US\$750,000,000 and which Financing Debt is guaranteed by the Guarantor or any Material Subsidiary (whether directly or indirectly through corporate law applicable to unlimited liability companies),

(which is not to exceed 17.5% of Consolidated Tangible Assets) is equal to _____% of the Consolidated Tangible Assets after taking into account the exclusions permitted by Section 8.2(e). Reasonable particulars of the calculation of the items referred to in paragraphs 8(a), (b), (c) and (d) above, and the exclusions therefrom permitted by Section 8.2(e), are described in the attached schedule;

~~9.17.~~ That as of the end of the Fiscal **[Year] [Quarter]** to which this Certificate applies:

(a)the Guarantor and the Material Subsidiaries (all of which are listed in the attached schedule) directly own approximately _____% of the Consolidated Assets of the Guarantor (as reported on the balance sheet of the Guarantor as at the end of such Fiscal **[Year] [Quarter]**); and

(b)the Guarantor and the Restricted Subsidiaries (all of which are listed in the attached schedule) directly own approximately _____% of the Consolidated Net Tangible Assets (without adding back the non-cash ceiling test impairments and other changes as at December 31, 2011 as a consequence of Encana's adoption of US GAAP); and

~~10.18.~~ That all capitalized terms used in this Certificate have the same meaning as in the Credit Agreement.

EXECUTED at the City of _____, in the **[Province] [State]** of _____, this ___ day of _____, _____.

OVINT
CANAL
INC.

Per:

Name:
Title:

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~~[Intentionally Deleted.]~~

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~~Schedule "H" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

~~**POWER OF ATTORNEY – BANKERS' ACCEPTANCES**~~

~~19. This Power of Attorney is provided pursuant to the Amended and Restated Credit Agreement dated as of April 1, 2022 among Ovintiv Canada ULC as borrower (the "**Borrower**"), Ovintiv Inc. as guarantor, the financial and other institutions named therein from time to time as Lenders and Royal Bank of Canada as Agent (as amended, modified, supplemented or restated from time to time, the "**Credit Agreement**"). Terms and expressions defined in the Credit Agreement which are used in this Power of Attorney and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.~~

~~20. The Borrower hereby appoints each Lender which is not a Non-Acceptance Lender (individually, the "**Lender**"), acting by any authorized signatory of the Lender, the attorney of the Borrower:~~

~~(a) to sign, for and on behalf and in the name of the Borrower as drawer, and to endorse on its behalf, Bankers' Acceptances drawn on the Lender and, if applicable, payable to the order of a "clearing house" as defined in the *Depository Bills and Notes Act* (Canada); and~~

~~(b) to fill in the amount payable at maturity, date and maturity date of such Bankers' Acceptances;~~

~~provided that such acts in each case are to be undertaken by the Lender strictly in accordance with instructions given to the Lender by the Agent as hereinafter provided in paragraph 3 of this Power of Attorney. The Borrower understands signatures of any authorized signatory of the Lender may be mechanically reproduced in facsimile on Bankers' Acceptances in accordance herewith and such facsimile signatures shall be binding and effective as if they had been manually executed by such authorized signatory of the Lender.~~

~~21. Instructions from the Borrower to the Lender relating to the amounts payable at maturity, date and maturity dates of Bankers' Acceptances to be purchased by the Lender shall be communicated by the Borrower in writing to the Lender by delivery to the Agent on behalf of the Lender of a Notice of Drawdown by way of Bankers' Acceptance in the form of Schedule "B" to the Credit Agreement, a Notice of Conversion where a Borrowing is to be converted into a Borrowing by way of Bankers' Acceptances or a Notice of Rollover in respect of a Borrowing by way of Bankers' Acceptances (each being a "**Notice**") in accordance with provisions of the Credit Agreement. The communications in writing by the Borrower to the Agent on behalf of the Lender of the instructions set out in the Notice shall constitute (a) the authorization and instruction of the Borrower to the Lender to sign for and on behalf and in the name of the Borrower as drawer the requested Bankers' Acceptances and to complete and/or endorse Bankers' Acceptances in accordance with such information as set out therein, and (b) the request of the Borrower to the Lender to accept such Bankers' Acceptances and purchase the same in accordance with the Credit Agreement. The Borrower acknowledges that the Lender shall not be obligated to accept or purchase any such Bankers' Acceptances except in accordance with the provisions of the Credit Agreement.~~

~~22. The Lender shall be and it is hereby authorized to act on behalf of the Borrower upon and in compliance with instructions from the Agent communicated to the Lender as provided herein if the Lender reasonably believes such instructions to be genuine. The Lender's actions in compliance with such instructions from the Agent shall be conclusively deemed to have been in accordance with the instructions of the Borrower.~~

~~23. The Borrower hereby agrees to indemnify the Lender and its directors, officers, employees, Affiliates and agents and to hold it and them harmless from and against any loss, liability, expense or claim of any kind or nature whatsoever incurred by any of them as a result of any action or inaction in~~

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~~any way relating to or arising out of this Power of Attorney or the acts contemplated hereby; provided that this indemnity shall not apply to any such loss, liability, expense or claim which results from the gross negligence or wilful misconduct of the Lender or any of its directors, officers, employees, Affiliates and agents.~~

~~24. No revocation of this Power of Attorney shall reduce, limit or otherwise affect the obligations of the Borrower in respect of any Bankers' Acceptances executed, completed, endorsed, discounted and/or delivered in accordance herewith prior to the time at which such revocation becomes effective.~~

~~25. The Power of Attorney is in addition to and not in substitution of any agreement to which the Lender and the Borrower are parties, including the Credit Agreement.~~

~~26. The Power of Attorney shall be governed in all respects by the laws of Alberta and the laws of Canada applicable therein and the Borrower and the Lender each hereby irrevocably attorns to the non-exclusive jurisdiction of the courts and such jurisdiction in respect of all matters arising out of this Power of Attorney.~~

~~27. In the event of a conflict between the provisions of this Power of Attorney and the Credit Agreement, the Credit Agreement shall prevail.~~

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~~Schedule "I" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

Schedule "F"
LENDER TRANSFER AGREEMENT

To: Ovintiv Canada ULC

To: Royal Bank of Canada, as Agent

Dear Sirs:

We refer to Section 16.9 of the Amended and Restated Credit Agreement dated as of April 1, 2022 among Ovintiv Canada ULC as borrower (the "**Borrower**"), Ovintiv Inc. as guarantor, the financial and other institutions named therein from time to time as Lenders (the "**Lenders**") and Royal Bank of Canada as agent (the "**Agent**") (as amended, modified, supplemented or restated from time to time, the "**Credit Agreement**"). Unless otherwise defined herein or the context otherwise requires, terms used herein have the meanings provided in the Credit Agreement.

This Agreement is delivered to you pursuant to Section 16.9 of the Credit Agreement and constitutes notice of confirmation to each of you of the assignment from _____ (the "**Assignor**") to _____ (the "**Assignee**") of _____% of the Outstandings owing to the Assignor and the Assignor's Commitment outstanding under the Credit Agreement on the date hereof. After giving effect to the foregoing assignment, the Borrowings and Commitments of the Assignor and Assignee for the purposes of the Credit Agreement are as set forth opposite such Person's name on the signature pages hereof.

The Assignee hereby acknowledges and confirms that it has received a copy of the Credit Agreement and the exhibits related thereto, together with copies of the documents which were required to be delivered under the Credit Agreement as a condition to the making of Borrowings thereunder. The Assignee further confirms and agrees that in becoming a Lender and in making its Commitment and its Lender's Proportion of Borrowings, such actions have and will be made without recourse to, or representation or warranty by the Agent.

Except as otherwise provided in the Credit Agreement, effective as of the date of acceptance hereof by the Agent and the Borrower:

(a) the Assignee:

(i) shall be deemed automatically to have become a party to the Credit Agreement and to have all the rights and obligations of a "Lender" under the Credit Agreement and the other Loan Documents as if it were an original signatory thereto to the extent specified in the second paragraph hereof; and

(ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement and the other Loan Documents as if it were an original signatory thereto;

(b) **[If applicable] [except as provided for in Section 3.75(d)(ii)(D) of the Credit Agreement,] the Assignor shall be released from its obligations arising after such date under the Credit Agreement and the other Loan Documents to the extent specified in the second paragraph hereof; [provided, however, that the Assignee shall indemnify the Assignor and hold the Assignor harmless from and against any losses or costs paid**

or incurred by the Assignor in connection with Section 3.75(d)(ii)(D) of the Credit Agreement (other than losses or costs which arise out of the negligence or wilful misconduct of the Assignor);]

(c) the Assignor and the Assignee shall make all appropriate adjustments in payments for periods prior to such date by the Agent or with respect to the making of this Assignment directly between themselves; and

(d) if any ~~Bankers' Acceptances accepted by the Assignor or~~ Letters of Credit issued by the Assignor remain outstanding on such date, such ~~Bankers' Acceptances and~~ Letters of Credit shall remain the liability and obligation of the Assignor and the Assignor shall be entitled to all of the rights, titles and benefits arising out of the Credit Agreement and the other Loan Documents with respect to such ~~Bankers' Acceptances and~~ Letters of Credit (including reimbursement rights); provided, however, that the Assignee shall indemnify the Assignor and hold the Assignor harmless from and against any losses or costs paid or incurred by the Assignor in connection with ~~such Bankers' Acceptances and~~ its Lender's Proportion of such Letters of Credit (other than losses or costs which arise out of the negligence or wilful misconduct of the Assignor).

The Assignee hereby advises each of you of the following administrative details with respect to the assigned Outstandings and Commitments and further requests the Agent to acknowledge receipt of this document:

(A) Branch of Account:

(B) Notice Address:

(C) Payment Instructions:

This Agreement shall be governed by laws in force in the Province of Alberta and may be executed by the Assignor and Assignee in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

DATED at Calgary, Alberta this ● day of ●, ●.

After giving effect to this Assignment:

Loans:

[describe amount,

Per: type and currency]

~~Bankers' Acceptances:~~

Letters of Credit:

Commitment: US\$[●]

Fronting Bank

Commitment: US\$[●]

[ASSIG

Name:

●

Title:

●

Name:

●

Title:

●

After

giving
effect

Per: to
this
Assignment:

Loans:

**[describe
amount,
type
and
currency]**

~~Bankers'~~

~~Acceptances:~~

Letters

of

Credit:

Commitment:

US\$[●]

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[ASSIC

Name:

●

Title:

●

Fronting
Bank
Commitment:
US\$[●]

Per:
Name:
●
Title:
●

Accepted and Acknowledged this ● day of ●, ●

ROYAL BANK OF CANADA as Agent

By:

Name:

●

Title:

●

By:

Name:

●

Title:

●

Accepted and Acknowledged this ● day of ●, ●

OVINTIV CANADA ULC

By:

Name:

●

Title:

●

By:

Name:

●

Title:

●

[If applicable] [Add consent and release from the Fronting Bank(s) under Section 3.75(d)(ii)(D) of the Credit Agreement]

~~Schedule "J" to the Amended and Restated Credit Agreement dated as of April 1, 2022 among OVINTIV-CANADA ULC as Borrower, OVINTIV INC. as Guarantor, the financial and other institutions named therein from time to time as Lenders and ROYAL BANK OF CANADA as Agent~~

Schedule "G"
COMMITMENTS

AGENT:

	Name	Notice Address
	Royal Bank of Canada, as Administrative Agent	Royal Bank of Canada Agency Services Group RBC Centre 155 Wellington Street West 8th Floor Toronto, Ontario M5V 3K7 Attention: Manager, Agency Facsimile: (416) 842-4023

LENDERS:

	Name	Fronting Bundled Commitment
	Royal Bank of Canada	US\$87,500,000
	JPMorgan Chase Bank, N.A., Toronto Branch	US\$87,500,000

Canadian Imperial Bank of Commerce	US\$87,500,000
The Toronto-Dominion Bank	US\$87,500,000
Citibank N.A., Canadian Branch	US\$87,500,000
Bank of Montreal	US\$76,000,000
The Bank of Nova Scotia	US\$76,000,000
National Bank of Canada	US\$76,000,000
Fédération des Caisses Desjardins du Québec	US\$75,000,000
Sumitomo Mitsui Banking Corporation, Canada Branch	US\$62,000,000

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**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brendan M. McCracken, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ovintiv Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 30, 2024

/s/ Brendan M. McCracken

Brendan M. McCracken
President & Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Corey D. Code, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ovintiv Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 30, 2024

/s/ Corey D. Code

Corey D. Code
Executive Vice-President & Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Ovintiv Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brendan M. McCracken, President & Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Brendan M. McCracken

Brendan M. McCracken
President & Chief Executive Officer

Dated: July 30, 2024

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Ovintiv Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Corey D. Code, Executive Vice-President & Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Corey D. Code

Corey D. Code
Executive Vice-President & Chief Financial Officer

Dated: July 30, 2024

**Document and Entity
Information - shares**

6 Months Ended

Jun. 30, 2024

Jul. 19, 2024

Cover [Abstract]

<u>Document Type</u>	10-Q	
<u>Amendment Flag</u>	false	
<u>Document Period End Date</u>	Jun. 30, 2024	
<u>Document Fiscal Period Focus</u>	Q2	
<u>Document Fiscal Year Focus</u>	2024	
<u>Entity Registrant Name</u>	Ovintiv Inc.	
<u>Entity Central Index Key</u>	0001792580	
<u>Current Fiscal Year End Date</u>	--12-31	
<u>Entity Filer Category</u>	Large Accelerated Filer	
<u>Entity Small Business</u>	false	
<u>Entity Emerging Growth Company</u>	false	
<u>Entity Common Stock, Shares Outstanding</u>		263,608,160
<u>Trading Symbol</u>	OVV	
<u>Document Quarterly Report</u>	true	
<u>Document Transition Report</u>	false	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Interactive Data Current</u>	Yes	
<u>Entity Shell Company</u>	false	
<u>Entity File Number</u>	001-39191	
<u>Entity Tax Identification Number</u>	84-4427672	
<u>Entity Address, Address Line One</u>	Suite 1700	
<u>Entity Address, Address Line Two</u>	370 17th Street	
<u>Entity Address, City or Town</u>	Denver	
<u>Entity Address, State or Province</u>	CO	
<u>Entity Address, Country</u>	US	
<u>Entity Address, Postal Zip Code</u>	80202	
<u>City Area Code</u>	303	
<u>Local Phone Number</u>	623-2300	
<u>Entity Incorporation, State or Country Code</u>	DE	
<u>Title of 12(b) Security</u>	Common Shares	
<u>Security Exchange Name</u>	NYSE	

Condensed Consolidated Statement of Earnings (Unaudited) - USD (\$) shares in Millions, \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Revenues				
<u>Product and service revenues</u>	\$ 2,193	\$ 2,352	\$ 4,580	\$ 4,944
<u>Gains (losses) on risk management, net</u>	77	147	23	89
<u>Sublease revenues</u>	18	18	37	35
<u>Total Revenues</u>	2,288	2,517	4,640	5,068
Operating Expenses				
<u>Production, mineral and other taxes</u>	89	76	172	160
<u>Transportation and processing</u>	413	452	832	907
<u>Operating</u>	237	175	480	381
<u>Purchased product</u>	333	692	773	1,393
<u>Depreciation, depletion and amortization</u>	580	419	1,146	783
<u>Accretion of asset retirement obligation</u>	4	4	9	9
<u>Administrative</u>	76	168	178	226
<u>Total Operating Expenses</u>	1,732	1,986	3,590	3,859
<u>Operating Income (Loss)</u>	556	531	1,050	1,209
Other (Income) Expenses				
<u>Interest</u>	105	80	203	151
<u>Foreign exchange (gain) loss, net</u>	(10)	25	(38)	22
<u>Other (gains) losses, net</u>	(5)	(11)	(9)	(14)
<u>Total Other (Income) Expenses</u>	90	94	156	159
<u>Net Earnings (Loss) Before Income Tax</u>	466	437	894	1,050
<u>Income tax expense (recovery)</u>	126	101	216	227
<u>Net Earnings (Loss)</u>	\$ 340	\$ 336	\$ 678	\$ 823
Net Earnings (Loss) per Share of Common Stock				
<u>Basic</u>	\$ 1.28	\$ 1.35	\$ 2.53	\$ 3.33
<u>Diluted</u>	\$ 1.27	\$ 1.34	\$ 2.51	\$ 3.28
Weighted Average Shares of Common Stock Outstanding (millions)				
<u>Basic</u>	266.2	249.4	267.9	246.9
<u>Diluted</u>	268.1	250.8	270.6	250.8

**Condensed Consolidated
Statement of Comprehensive
Income (unaudited) - USD
($\$$)**

3 Months Ended

6 Months Ended

Jun. 30, 2024 Jun. 30, 2023 Jun. 30, 2024 Jun. 30, 2023

\$ in Millions

Statement of Comprehensive Income [Abstract]

<u>Net Earnings (Loss)</u>	\$ 340	\$ 336	\$ 678	\$ 823
<u>Other Comprehensive Income (Loss), Net of Tax</u>				
<u>Foreign currency translation adjustment</u>	(31)	53	(107)	55
<u>Pension and other post-employment benefit plans</u>	(2)	(1)	(3)	(3)
<u>Other Comprehensive Income (Loss)</u>	(33)	52	(110)	52
<u>Comprehensive Income (Loss)</u>	\$ 307	\$ 388	\$ 568	\$ 875

**Condensed Consolidated
Balance Sheet (unaudited) -
USD (\$)
\$ in Millions**

**Jun. 30, Dec. 31,
2024 2023**

Current Assets

<u>Cash and cash equivalents</u>	\$ 8	\$ 3
<u>Accounts receivable and accrued revenues (net of allowances of \$5 million (2023: \$5 million))</u>	1,208	1,442
<u>Risk management</u>	117	214
<u>Income tax receivable</u>	67	17
<u>Total Current Assets</u>	1,400	1,676

Oil and natural gas properties, based on full cost accounting

<u>Proved properties</u>	65,239	64,084
<u>Unproved properties</u>	1,152	1,486
<u>Other</u>	900	907
<u>Property, plant and equipment</u>	67,291	66,477
<u>Less: Accumulated depreciation, depletion and amortization</u>	(52,447)	(51,837)
<u>Property, plant and equipment, net</u>	14,844	14,640
<u>Other Assets</u>	978	1,015
<u>Risk Management</u>	10	4
<u>Deferred Income Taxes</u>	0	53
<u>Goodwill</u>	2,577	2,599
<u>Total Assets</u>	19,809	19,987

Current Liabilities

<u>Accounts payable and accrued liabilities</u>	1,872	2,209
<u>Current portion of operating lease liabilities</u>	85	87
<u>Income tax payable</u>	2	232
<u>Risk management</u>	7	0
<u>Current portion of long-term debt</u>	1,234	284
<u>Total Current Liabilities</u>	3,200	2,812
<u>Long-Term Debt</u>	4,853	5,453
<u>Operating Lease Liabilities</u>	804	832
<u>Other Liabilities and Provisions</u>	141	132
<u>Risk Management</u>	6	2
<u>Asset Retirement Obligation</u>	261	276
<u>Deferred Income Taxes</u>	216	110
<u>Total Liabilities</u>	9,481	9,617

Commitments and Contingencies

Shareholders' Equity

<u>Share capital - authorized 775 million shares of stock 2024 issued and outstanding: 264.1 million shares (2023: 271.7 million shares)</u>	3	3
<u>Paid in surplus</u>	8,170	8,620
<u>Retained earnings</u>	1,215	697
<u>Accumulated other comprehensive income</u>	940	1,050

<u>Total Shareholders' Equity</u>	10,328	10,370
<u>Total Liabilities and Shareholders' Equity</u>	\$ 19,809	\$ 19,987

**Condensed Consolidated
Balance Sheet
(Parenthetical) (unaudited) -
USD (\$)
\$ in Millions**

Jun. 30, 2024 Dec. 31, 2023

Statement of Financial Position [Abstract]

<u>Allowances for accounts receivable and accrued revenues</u>	\$ 5	\$ 5
<u>Share Capital, Authorized</u>	775,000,000	775,000,000
<u>Common Stock, Shares, Issued</u>	264,100,000	271,700,000
<u>Common Stock, Shares, Outstanding</u>	264,100,000	271,700,000

Condensed Consolidated Statement of Changes in Shareholders' Equity (unaudited) - USD (\$) \$ in Millions	Total	Share Capital [Member]	Paid in Surplus [Member]	Retained Earnings [Member]	Accumulated Other Comprehensive Income [Member]
<u>Balance, Beginning of Period at Dec. 31, 2022</u>	\$ 7,689	\$ 3	\$ 7,776	\$ (1,081)	\$ 991
<u>Net Earnings (Loss)</u>	823	0	0	823	0
<u>Dividends on Shares of Common Stock</u>	(143)	0	0	(143)	0
<u>Shares of Common Stock Purchased</u>	(328)	0	(328)	0	0
<u>Shares of Common Stock Issued</u>	1,169	0	1,169	0	0
<u>Equity-Settled Compensation Costs</u>	54	0	54	0	0
<u>Other Comprehensive Income (Loss)</u>	52	0	0	0	52
<u>Balance, End of Period at Jun. 30, 2023</u>	9,316	3	8,671	(401)	1,043
<u>Balance, Beginning of Period at Dec. 31, 2022</u>	7,689	3	7,776	(1,081)	991
<u>Shares of Common Stock Purchased</u>		0			
<u>Shares of Common Stock Issued</u>		0			
<u>Balance, End of Period at Dec. 31, 2023</u>	10,370	3	8,620	697	1,050
<u>Balance, Beginning of Period at Mar. 31, 2023</u>	7,894	3	7,555	(655)	991
<u>Net Earnings (Loss)</u>	336	0	0	336	0
<u>Dividends on Shares of Common Stock</u>	(82)	0	0	(82)	0
<u>Shares of Common Stock Purchased</u>	(89)	0	(89)	0	0
<u>Shares of Common Stock Issued</u>	1,169	0	1,169	0	0
<u>Equity-Settled Compensation Costs</u>	36	0	36	0	0
<u>Other Comprehensive Income (Loss)</u>	52	0	0	0	52
<u>Balance, End of Period at Jun. 30, 2023</u>	9,316	3	8,671	(401)	1,043
<u>Balance, Beginning of Period at Dec. 31, 2023</u>	10,370	3	8,620	697	1,050

<u>Net Earnings (Loss)</u>	678	0	0	678	0
<u>Dividends on Shares of Common Stock</u>	(160)	0	0	(160)	0
<u>Shares of Common Stock Purchased</u>	(434)	0	(434)	0	0
<u>Shares of Common Stock Issued</u>		0			
<u>Equity-Settled Compensation Costs</u>	(16)	0	(16)	0	0
<u>Other Comprehensive Income (Loss)</u>	(110)	0	0	0	(110)
<u>Balance, End of Period at Jun. 30, 2024</u>	10,328	3	8,170	1,215	940
<u>Balance, Beginning of Period at Mar. 31, 2024</u>	10,262	3	8,331	955	973
<u>Net Earnings (Loss)</u>	340	0	0	340	0
<u>Dividends on Shares of Common Stock</u>	(80)	0	0	(80)	0
<u>Shares of Common Stock Purchased</u>	(184)	0	(184)	0	0
<u>Equity-Settled Compensation Costs</u>	23	0	23	0	0
<u>Other Comprehensive Income (Loss)</u>	(33)	0	0	0	(33)
<u>Balance, End of Period at Jun. 30, 2024</u>	\$ 10,328	\$ 3	\$ 8,170	\$ 1,215	\$ 940

**Condensed Consolidated
Statement of Changes in
Shareholders' Equity
(Parenthetical) (unaudited) -
\$ / shares**

3 Months Ended **6 Months Ended**
Jun. 30, 2024 Jun. 30, 2023 Jun. 30, 2024 Jun. 30, 2023

Statement of Stockholders' Equity [Abstract]

Dividends on Shares of Common Stock, per share \$ 0.3 \$ 0.3 \$ 0.6 \$ 0.55

**Condensed Consolidated
Statement of Cash Flows**
(unaudited) - USD (\$)
\$ in Millions

3 Months Ended 6 Months Ended
Jun. 30, Jun. 30, Jun. 30, Jun. 30,
2024 2023 2024 2023

Operating Activities

<u>Net earnings (loss)</u>	\$ 340	\$ 336	\$ 678	\$ 823
<u>Depreciation, depletion and amortization</u>	580	419	1,146	783
<u>Accretion of asset retirement obligation</u>	4	4	9	9
<u>Deferred income taxes</u>	103	47	161	111
<u>Unrealized (gain) loss on risk management</u>	(8)	(142)	92	(160)
<u>Unrealized foreign exchange (gain) loss</u>	(5)	10	(28)	5
<u>Foreign exchange (gain) loss on settlements</u>	(5)	4	(7)	3
<u>Other</u>	16	21	9	(24)
<u>Net change in other assets and liabilities</u>	(42)	(12)	(54)	(17)
<u>Net change in non-cash working capital</u>	37	144	(327)	366
<u>Cash From (Used in) Operating Activities</u>	1,020	831	1,679	1,899

Investing Activities

<u>Capital expenditures</u>	(622)	(640)	(1,213)	(1,250)
<u>Acquisitions</u>	(5)	(15)	(195)	(214)
<u>Corporate acquisition, net of cash acquired</u>	0	(3,225)	12	(3,225)
<u>Proceeds from divestitures</u>	2	717	4	729
<u>Net change in investments and other</u>	(16)	155	(10)	89
<u>Cash From (Used in) Investing Activities</u>	(641)	(3,008)	(1,402)	(3,871)

Financing Activities

<u>Net issuance (repayment) of revolving debt</u>	(111)	100	350	287
<u>Issuance of long-term debt</u>	0	2,278	0	2,278
<u>Purchase of shares of common stock</u>	(184)	(89)	(434)	(328)
<u>Dividends on shares of common stock</u>	(80)	(82)	(160)	(143)
<u>Finance lease payments and other</u>	(1)	(1)	(30)	(72)
<u>Cash From (Used in) Financing Activities</u>	(376)	2,206	(274)	2,022
<u>Foreign Exchange Gain (Loss) on Cash, Cash Equivalents and Restricted Cash Held in Foreign Currency</u>	0	(3)	2	(3)
<u>Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash</u>	3	26	5	47
<u>Cash, Cash Equivalents and Restricted Cash, Beginning of Period</u>	5	26	3	5
<u>Cash, Cash Equivalents and Restricted Cash, End of Period</u>	8	52	8	52
<u>Cash, End of Period</u>	6	9	6	9
<u>Cash Equivalents, End of Period</u>	2	43	2	43
<u>Restricted Cash, End of Period</u>	\$ 0	\$ 0	\$ 0	\$ 0

**Basis of Presentation and
Principles of Consolidation**
**Organization, Consolidation
and Presentation of
Financial Statements**
[Abstract]
**Basis of Presentation and
Principles of Consolidation**

**6 Months Ended
Jun. 30, 2024**

1.

Ovintiv is in the business of the exploration for, the development of, and the production and marketing of oil, NGLs and natural gas.

The interim Condensed Consolidated Financial Statements include the accounts of Ovintiv and entities in which it holds a controlling interest. All intercompany accounts and transactions are eliminated on consolidation. Undivided interests in oil and natural gas exploration and production joint ventures and partnerships are accounted for on a proportionate basis. Investments in non-controlled entities over which the Company has the ability to exercise significant influence are accounted for using the equity method.

The interim Condensed Consolidated Financial Statements are prepared in conformity with U.S. GAAP and the rules and regulations of the SEC. In accordance with the rules and regulations, certain information and disclosures normally required under U.S. GAAP have been condensed or have been disclosed on an annual basis. Accordingly, the interim Condensed Consolidated Financial Statements should be read in conjunction with the annual audited Consolidated Financial Statements and notes thereto for the year ended December 31, 2023, which are included in Item 8 of Ovintiv's 2023 Annual Report on Form 10-K.

The interim Condensed Consolidated Financial Statements have been prepared following the same accounting policies and methods of computation as the annual audited Consolidated Financial Statements for the year ended December 31, 2023.

These unaudited interim Condensed Consolidated Financial Statements reflect, in the opinion of Management, all normal and recurring adjustments necessary to present fairly the financial position and results of the Company as at and for the periods presented. Interim condensed consolidated financial results are not necessarily indicative of consolidated financial results expected for the fiscal year.

**Recent Accounting
Pronouncements**

[Accounting Standards
Update and Change in
Accounting Principle
\[Abstract\]](#)

[Recent Accounting
Pronouncements](#)

**6 Months Ended
Jun. 30, 2024**

2.

Changes in Accounting Policies and Practices

On January 1, 2024, Ovintiv adopted ASU 2023-07 “Improvements to Reportable Segment Disclosures”, issued by FASB. The amendments enhance requirements about significant segment expenses that are regularly provided to the chief operating decision maker and included within reported margin or loss. The amendments do not change how an entity identifies its operating segments. In addition, all annual disclosures are to be presented in interim periods in the first quarter of 2025. The amendments will be applied retrospectively to all prior periods presented in the annual disclosures and are not expected to have a material impact on the Company’s Consolidated Financial Statements.

New Standards Issued Not Yet Adopted

As of January 1, 2025, Ovintiv will be required to adopt ASU 2023-09 “Improvements to Income Tax Disclosures”. The standard requires disaggregation of the Company’s effective tax rate reconciliation as well as information on income taxes paid. The amendment requires the tabular rate reconciliation to include both percentages and amounts, with additional separate disclosure for any reconciling items within certain categories equal to or greater than five percent of loss before income tax and the applicable statutory federal income tax rate. The amendment also requires the disaggregation of income taxes paid in foreign jurisdictions, as well as additional disaggregated information on income taxes paid to an individual jurisdiction equal to or greater than five percent of total taxes paid. Amendments will be applied prospectively at the date of adoption and are not expected to have a material impact on the Company’s Consolidated Financial Statements.

Segmented Information

Segment Reporting

[Abstract]

Segmented Information

6 Months Ended

Jun. 30, 2024

3.

Ovintiv's reportable segments are determined based on the following operations and geographic locations:

•**USA Operations** includes the exploration for, development of, and production of oil, NGLs and natural gas and other related activities within the USA.

•**Canadian Operations** includes the exploration for, development of, and production of oil, NGLs and natural gas and other related activities within the Canadian center.

•**Market Optimization** is primarily responsible for the sale of the Company's proprietary production. These results are reported in the USA and Canadian Operations. Market optimization activities include third-party purchases and sales of product to provide operational flexibility and cost mitigation for transportation, based on product type, delivery points and customer diversification. These activities are reflected in the Market Optimization segment. Market Optimization also includes the Company's upstream production to third-party customers. Transactions between segments are based on market values and are eliminated on consolidation.

Corporate and Other mainly includes unrealized gains or losses recorded on derivative financial instruments. Once the instruments are settled, the gains or losses are recorded in the reporting segment to which the derivative instruments relate. Corporate and Other also includes amounts related to sublease revenues.

Results of Operations (For the three months ended June 30)

Segment and Geographic Information

	USA Operations		Canadian Operations		
	2024	2023	2024	2023	
Revenues					
Product and service revenues	\$ 1,421	\$ 1,181	\$ 422	\$ 468	\$ -
Gains (losses) on risk management, net	31	5	38	-	-
Sublease revenues	-	-	-	-	-
Total Revenues	1,452	1,186	460	468	-
Operating Expenses					
Production, mineral and other taxes	85	73	4	3	3
Transportation and processing	126	148	260	268	-
Operating	205	167	26	2	-
Purchased product	-	-	-	-	-
Depreciation, depletion and amortization	498	336	76	78	-
Total Operating Expenses	914	724	366	351	-
Operating Income (Loss)	\$ 538	\$ 462	\$ 94	\$ 117	\$ -

	Corporate and Other		Market Optimization		
	2024	2023	2024	2023	
Revenues					
Product and service revenues	-	-	-	-	-
Gains (losses) on risk management, net	8	142	-	-	-
Sublease revenues	18	18	-	-	-
Total Revenues	26	160	26	160	-
Operating Expenses					
Production, mineral and other taxes	-	-	-	-	-
Transportation and processing	-	-	-	-	-
Operating	-	-	-	-	-
Purchased product	-	-	-	-	-
Depreciation, depletion and amortization	6	5	-	-	-
Accretion of asset retirement obligation	4	4	-	-	-
Administrative	76	168	-	-	-
Total Operating Expenses	86	177	86	177	-
Operating Income (Loss)	\$ (60)	\$ (17)	\$ (60)	\$ (17)	\$ -

Other (Income) Expenses

Interest
Foreign exchange (gain) loss, net

Other (gains) losses, net	
Total Other (Income) Expenses	
Net Earnings (Loss) Before Income Tax	
Income tax expense (recovery)	
Net Earnings (Loss)	\$

Results of Operations (For the six months ended June 30)

Segment and Geographic Information

	USA Operations				Canadian
	2024		2023		
Revenues					
Product and service revenues	\$ 2,883	\$ 2,367	\$ 891	\$ 1,158	\$
Gains (losses) on risk management, net	55	7	60	(78)	
Sublease revenues	-	-	-	-	
Total Revenues	2,938	2,374	951	1,080	
Operating Expenses					
Production, mineral and other taxes	165	153	7	7	
Transportation and processing	253	295	511	535	
Operating	416	337	51	31	
Purchased product	-	-	-	-	
Depreciation, depletion and amortization	987	630	148	143	
Total Operating Expenses	1,821	1,415	717	716	
Operating Income (Loss)	\$ 1,117	\$ 959	\$ 234	\$ 364	\$

					Corporate
Revenues					
Product and service revenues			\$ -	\$ -	\$
Gains (losses) on risk management, net			(92)	160	
Sublease revenues			37	35	
Total Revenues			(55)	195	
Operating Expenses					
Production, mineral and other taxes			-	-	
Transportation and processing			-	-	
Operating			-	-	
Purchased product			-	-	
Depreciation, depletion and amortization			11	10	
Accretion of asset retirement obligation			9	9	
Administrative			178	226	
Total Operating Expenses			198	245	
Operating Income (Loss)			\$ (253)	\$ (50)	

	Other (Income) Expenses	
	2024	2023
Interest		
Foreign exchange (gain) loss, net		
Other (gains) losses, net		
Total Other (Income) Expenses		
Net Earnings (Loss) Before Income Tax		
Income tax expense (recovery)		
Net Earnings (Loss)		\$

Intersegment Information

	Marketing Sales		Upstream Elimination	
	2024	2023	2024	2023
For the three months ended June 30,				

Revenues	\$ 2,393	\$ 2,874	\$ (2,043)	\$ (2,171)	\$
Operating Expenses					
Transportation and processing	156	180	(129)	(144)	
Operating	6	6	-	-	
Purchased product	2,247	2,719	(1,914)	(2,027)	
Operating Income (Loss)	\$ (16)	\$ (31)	\$ -	\$ -	\$

	Marketing Sales		Upstream Elin		
	2024		2023		
	For the six months ended June 30,				
Revenues	\$ 4,891	\$ 6,010	\$ (4,085)	\$ (4,591)	\$
Operating Expenses					
Transportation and processing	326	345	(258)	(268)	
Operating	13	13	-	-	
Purchased product	4,600	5,716	(3,827)	(4,323)	
Operating Income (Loss)	\$ (48)	\$ (64)	\$ -	\$ -	\$

Capital Expenditures by Segment

	2024		
	Three Months Ended June 30,		
USA Operations	\$ 504	\$ 502	\$
Canadian Operations	117	137	
Corporate & Other	1	1	
	\$ 622	\$ 640	\$

Goodwill, Property, Plant and Equipment and Total Assets by Segment

	Goodwill		Property, Plant and Equipment		
	As at		As at		
	June 30, 2024		December 31, 2023		
USA Operations	\$ 1,938	\$ 1,938	\$ 13,286	\$ 13,129	\$
Canadian Operations	639	661	1,416	1,357	
Market Optimization	-	-	-	-	
Corporate & Other	-	-	142	154	
	\$ 2,577	\$ 2,599	\$ 14,844	\$ 14,640	\$

Revenues from Contracts
with Customers

6 Months Ended
Jun. 30, 2024

[Revenue from Contract with
Customer \[Abstract\]](#)

[Revenues from Contracts with
Customers](#)

4.

The following table summarizes Ovintiv's revenues from contracts with customers.

Revenues (For the three months ended June 30)

	USA Operations				Canadian
	2024		2023		
Revenues from Customers					
Product revenues (1)					
Oil	\$ 1,192	\$ 947	\$ 4	\$ -	\$ -
NGLs	176	149	271	-	246
Natural gas	55	86	150	-	223
Service revenues					
Gathering and processing	1	2	-	-	1
Product and Service Revenues	\$ 1,424	\$ 1,184	\$ 425	\$ 470	\$ -

					Corporate
Revenues from Customers					
Product revenues (1)					
Oil			\$ -	\$ -	\$ -
NGLs			-	-	-
Natural gas			-	-	-
Service revenues					
Gathering and processing			-	-	-
Product and Service Revenues			\$ -	\$ -	\$ -

(1) Includes revenues from production and revenues of product purchased from third parties, but excludes intercompany marketing fees transacted between the Company's operating segments.

Revenues (For the six months ended June 30)

	USA Operations				Canadian
	2024		2023		
Revenues from Customers					
Product revenues (1)					
Oil	\$ 2,373	\$ 1,798	\$ 5	\$ -	\$ -
NGLs	364	333	505	-	483
Natural gas	152	241	385	-	678
Service revenues					
Gathering and processing	2	2	1	-	2
Product and Service Revenues	\$ 2,891	\$ 2,374	\$ 896	\$ 1,163	\$ -

					Corporate
Revenues from Customers					

	Product revenues (1)			
Oil		\$	-	\$
NGLs			-	-
Natural gas			-	-
	Service revenues			
Gathering and processing			-	-
Product and Service Revenues		\$	-	\$

(1) Includes revenues from production and revenues of product purchased from third parties, but excludes intercompany marketing fees transacted between the Company's operating s

The Company's revenues from contracts with customers consists of product sales including oil, NGLs and natural gas, as well as the provision of services to third parties. Ovintiv had no contract asset or liability balances during the periods presented. As at June 30, 2024, receivables and accrued contracts with customers were \$917 million (\$1,070 million as at December 31, 2023).

Ovintiv's product sales are sold under short-term contracts with terms that are less than one year at either fixed or market index prices or under long-term contracts exceeding one year at market index prices.

The Company's gathering and processing services are provided on an interruptible basis with transaction prices that are for fixed prices and/or variable prices. Variable consideration received is related to recovery of plant operating costs or escalation of the fixed price based on a consumer price index. As the contracts are interruptible, with service provided on an "as available" basis, there are no unsatisfied performance obligations remaining at June 30, 2024.

As at June 30, 2024, all remaining performance obligations are priced at market index prices or are variable volume delivery contracts. As such, the revenue is allocated entirely to the wholly unsatisfied performance obligation or promise to deliver units of production, and revenue is recognized at the amount of the product delivered. As the period between when the product sales are transferred and Ovintiv receives payment is less than 30 days, there is no financing element associated with customer contracts. In addition, Ovintiv does not disclose unsatisfied performance obligations with terms less than 12 months or for variable consideration related to unsatisfied performance obligations.

Interest

6 Months Ended
Jun. 30, 2024

[Interest Expense, Operating and Nonoperating \[Abstract\]](#)
[Interest](#)

5.

	Three Months Ended			
	June 30,			
	2024			
Interest Expense on:				
Debt	\$	100	\$	77
Finance leases		1		1
Other		4		2
	\$	105	\$	80

**Foreign Exchange (Gain)
Loss, Net**

**6 Months Ended
Jun. 30, 2024**

[Foreign Currency \[Abstract\]](#)
[Foreign Exchange \(Gain\)](#)
[Loss, Net](#)

6.



	Three Months Ended		
	June 30,		
	2024		
Unrealized Foreign Exchange (Gain) Loss on:			
Translation of U.S. dollar risk management contracts issued from Canada	\$ 1	\$ (9)	\$
Translation of intercompany notes	(6)	19	
	(5)	10	
Foreign Exchange (Gain) Loss on Settlements of:			
U.S. dollar financing debt issued from Canada	1	(1)	
U.S. dollar risk management contracts issued from Canada	1	3	
Intercompany notes	(6)	5	
Other Monetary Revaluations	(1)	8	
	\$ (10)	\$ 25	\$

Income Taxes

[Income Tax Disclosure](#)
[\[Abstract\]](#)
[Income Taxes](#)

6 Months Ended
 Jun. 30, 2024

7.

	Three Months Ended			
	June 30,			
	2024			
	Current Tax			
United States	\$ 10	\$ 8	\$	
Canada	13	46		
Total Current Tax Expense (Recovery)	23	54		
	Deferred Tax			
United States	77	65		
Canada	26	(18)		
Total Deferred Tax Expense (Recovery)	103	47		
Income Tax Expense (Recovery)	\$ 126	\$ 101	\$	
Effective Tax Rate	27.0%	23.1%		

Ovintiv's interim income tax expense is determined using the estimated annual effective income tax rate applied to year-to-date net earnings before the effect of legislative changes and amounts in respect of prior periods. The estimated annual effective income tax rate is impacted by expected annual valuation allowances, income tax related to foreign operations, state taxes, the effect of legislative changes, non-taxable items and tax differences produce interim effective tax rate fluctuations.

Acquisitions and Divestitures

6 Months Ended
Jun. 30, 2024

[Acquisitions And
Divestitures \[Abstract\]](#)
[Acquisitions and Divestitures](#)

8.

	Three Months Ended			
	June 30,			
	2024		2023	
	Acquisitions			
USA Operations	\$ 5	\$ 15	\$ 15	\$ 15
Canadian Operations	-	-	-	-
Total Acquisitions	5	15	15	15
	Divestitures			
USA Operations	(2)	(718)	(718)	(718)
Canadian Operations	-	1	1	1
Total Divestitures	(2)	(717)	(717)	(717)
Net Acquisitions & (Divestitures)	\$ 3	\$ (702)	\$ (702)	\$ (702)

Acquisitions

For the three and six months ended June 30, 2024, acquisitions in the USA Operations were \$5 million and \$195 million, respectively, which primarily consisted of purchases in Permian with oil and liquids-rich potential.

For the three and six months ended June 30, 2023, acquisitions in the USA Operations were \$15 million and \$208 million, respectively, which primarily consisted of purchases in Permian and Uinta with oil and liquids-rich potential.

Divestitures

For the three and six months ended June 30, 2024, divestitures in the USA Operations were \$2 million and \$4 million respectively, which primarily consisted of certain properties that did not complement Ovintiv's existing portfolio of assets.

For the three and six months ended June 30, 2023, divestitures in the USA Operations were \$718 million and \$730 million, respectively, which primarily consisted of Bakken located in North Dakota for proceeds of approximately \$706 million, after closing and other adjustments.

Amounts received from the Company's divestiture transactions have been deducted from the respective U.S. and Canadian full cost pools.

9.

Acquisition of Midland Basin Assets (“Permian Acquisition”)

On June 12, 2023, Ovintiv completed a business combination to purchase all of the outstanding equity interests in seven Delaware limited liability LLCs”) pursuant to the purchase agreement with Black Swan Oil & Gas, LLC, PetroLegacy II Holdings, LLC, Piedra Energy III Holdings, LLC, and EnCap Holdings, LLC, which were portfolio companies of funds managed by EnCap Investments L.P. (“EnCap”). The Company paid aggregate cash consideration of approximately \$3.2 billion and issued approximately 31.8 million shares of Ovintiv common stock, representing a value of approximately \$1.2 billion. The consideration was funded through a combination of net proceeds from the Company’s May 2023 senior notes offering, net proceeds from the Company’s second quarter of 2023, cash on hand and proceeds from short-term borrowings. During the period from June 12, 2023 to December 31, 2023, transaction costs of approximately \$76 million were included in administrative expense.

The acquisition was strategically located in close proximity to Ovintiv’s current Permian operations and added approximately 1,050 net well locations, inventory and approximately 65,000 net acres. The results of operations from the acquired Permian assets have been included in Ovintiv’s consolidated financial statements since June 12, 2023.

Purchase Price Allocation

The Permian LLCs were accounted for under the acquisition method and as a single transaction because the purchase agreement was entered into with EnCap and in contemplation of one another to achieve an overall economic effect. The purchase price allocations represent the consideration paid for the assets acquired, and liabilities assumed as of the acquisition date. The purchase price allocation was finalized during the first quarter of 2024.

	Purchase Price Allocation	—	—
		Consideration:	
Fair value of shares of Ovintiv common stock issued ⁽¹⁾			
Consideration paid in cash ⁽²⁾			
<hr/>			
Total Consideration			
		Assets Acquired:	
Cash and cash equivalents			
Accounts receivable and accrued revenues ⁽³⁾			
Proved properties ⁽³⁾			
Unproved properties ⁽³⁾			
Other property, plant and equipment ⁽³⁾			
		Liabilities Assumed:	
Accounts payable and accrued liabilities ⁽³⁾			
Asset retirement obligation			
Other liabilities and provisions ⁽³⁾			
<hr/>			
Total Purchase Price			

(1) The fair value was based on the issuance of 31.8 million shares of common stock using the NYSE price of \$36.78 on June 12, 2023.

(2) Cash consideration paid reflects final cash settlements of \$12 million which were completed during the first quarter of 2024.

(3) Since the completion of the business combination on June 12, 2023, additional information related to pre-acquisition assets and liabilities was obtained resulting in measurement period adjustments. The fair value estimates comprised an increase in accounts receivable and accrued revenues of \$22 million, an increase in proved properties of \$134 million, a decrease in unproved properties of \$16 million, a decrease in other property, plant and equipment of \$16 million, a decrease in accounts payable and accrued liabilities of \$73 million and a decrease in other liabilities and provisions of \$2 million.

The Company used the income approach valuation technique for the fair value of assets acquired and liabilities assumed. The carrying amounts of cash and accounts payable approximate their fair values due to their nature and/or short-term maturity of the instruments. The fair value of tubular inventory, plant and equipment was based on the fair value approach, which utilized subsequent sales of inventory, asset listings and cost records with consideration of age, condition, utilization and economic support of the inventory. The fair values of the proved properties, unproved properties and asset retirement obligations were categorized within Level 3 and were determined using relevant market assumptions, including discount rates, future commodity prices and costs, production activities, projections of oil and gas reserves, and estimates to abandon and reclaim producing wells. Level 3 inputs require significant judgment and estimation.

For income tax purposes, the Permian Acquisition was treated as an asset purchase, and as a result, the tax basis in the assets and liabilities reflect the carrying amounts.

Property, Plant and
Equipment, Net
[Property, Plant and
Equipment \[Abstract\]](#)
[Property, Plant and
Equipment, Net](#)

6 Months Ended
Jun. 30, 2024

10.

	As at June 30, 2024				Accumulated	
	Cost				DD&A	
USA Operations						
Proved properties	\$ 48,897	\$ (36,786)	\$ 12,111	\$ 47,440	\$	
Unproved properties	1,121	-	1,121	1,449		
Other	54	-	54	39		
	50,072	(36,786)	13,286	48,928		
Canadian Operations						
Proved properties	16,342	(14,963)	1,379	16,644		
Unproved properties	31	-	31	37		
Other	6	-	6	8		
	16,379	(14,963)	1,416	16,689		
Market Optimization	7	(7)	-	7		
Corporate & Other	833	(691)	142	853		
	\$ 67,291	\$ (52,447)	\$ 14,844	\$ 66,477	\$	

USA and Canadian Operations' property, plant and equipment include internal costs directly related to exploration, development and construction which have been capitalized during the six months ended June 30, 2024 (2023 - \$76 million).

Leases

[Leases \[Abstract\]](#)
[Leases](#)

6 Months Ended
Jun. 30, 2024

11.

The following table outlines Ovintiv's estimated future sublease income as at June 30, 2024. All subleases are classified as operating leases.

	(undiscounted)	2024			2025			2026			
Sublease Income	\$	25	\$	51	\$	51	\$	46	\$	41	\$

For the three and six months ended June 30, 2024, operating lease income was \$12 million and \$26 million, respectively (2023 - \$12 million and \$26 million, respectively) and variable lease income was \$6 million and \$11 million, respectively (2023 - \$6 million and \$11 million, respectively).

Long-Term Debt

[Debt Disclosure \[Abstract\]](#)
[Long-Term Debt](#)

6 Months Ended
 Jun. 30, 2024

12.

	U.S. Dollar Denominated Debt	
Revolving credit and term loan borrowings		\$ 634
	U.S. Unsecured Notes:	
5.65% due May 15, 2025		600
5.375% due January 1, 2026		459
5.65% due May 15, 2028		700
8.125% due September 15, 2030		300
7.20% due November 1, 2031		350
7.375% due November 1, 2031		500
6.25% due July 15, 2033		600
6.50% due August 15, 2034		599
6.625% due August 15, 2037		390
6.50% due February 1, 2038		430
5.15% due November 15, 2041		148
7.10% due July 15, 2053		400
Total Principal		6,110
Increase in Value of Debt Acquired		19
Unamortized Debt Discounts and Issuance Costs		(42)
Total Long-Term Debt		\$ 6,087
Current Portion		\$ 1,234
Long-Term Portion		4,853
		\$ 6,087

On May 31, 2023, Ovintiv completed a public offering of senior unsecured notes of \$600 million with a coupon rate of 5.65 percent due May 15, 2025, \$600 million with a coupon rate of 5.65 percent due May 15, 2028, \$600 million with a coupon rate of 6.25 percent due July 15, 2033, and \$400 million with a coupon rate of 7.10 percent due July 15, 2053. The net proceeds of the offering, totaling \$2,278 million, were used to fund a portion of the Company's Permian Acquisition. See Note 10 for more information on the business combination.

As at June 30, 2024, the Company had outstanding commercial paper of \$384 million maturing at various dates with a weighted average interest rate of 5.65 percent. As at June 30, 2024, the Company also had \$250 million drawn on its revolving credit facilities. The credit facilities are unsecured and bear interest at the U.S. base rate, Canadian prime, Bankers' Acceptances, SOFR or CORRA, plus applicable margins.

As at June 30, 2024, total long-term debt had a carrying value of \$6,087 million and a fair value of \$6,293 million (as at December 31, 2023 - carrying value of \$6,087 million and a fair value of \$5,989 million). The estimated fair value of long-term borrowings is categorized within Level 2 of the fair value hierarchy and is determined based on market information of long-term debt with similar terms and maturity, or by discounting future payments of interest and principal expected to be available to the Company at period end.

Other Liabilities and Provisions

**6 Months Ended
Jun. 30, 2024**

[Other Liabilities Disclosure \[Abstract\]](#)
[Other Liabilities and Provisions](#)

13.

Finance Lease Obligations	\$	16
Unrecognized Tax Benefits		36
Pensions and Other Post-Employment Benefits		77
Other		12
	\$	141

Share Capital

6 Months Ended
Jun. 30, 2024

[Class of Stock Disclosures](#)

[\[Abstract\]](#)

[Share Capital](#)

14.

Authorized

Ovintiv is authorized to issue 750 million shares of common stock, par value \$0.01 per share, and 25 million shares of preferred stock, par value \$0.01 per share. As of June 30, 2024, 264.1 million shares of common stock and 3 million shares of preferred stock are outstanding.

Issued and Outstanding

	As at	
	June 30, 2024	
	Number	
	(millions)	
Shares of Common Stock Outstanding, Beginning of Year	271.7	\$ 3
Shares of Common Stock Purchased	(9.0)	-
Shares of Common Stock Issued	1.4	-
Shares of Common Stock Outstanding, End of Period	264.1	\$ 3

On June 12, 2023, in accordance with the terms of the Permian Acquisition agreement, Ovintiv issued approximately 31.8 million shares of common stock in consideration of the consideration paid to EnCap as discussed in Note 9. In conjunction with the share issuance, the Company recognized share capital of \$318 million and a share premium surplus of \$1,169 million.

Ovintiv's Performance Share Units ("PSU") and Restricted Share Units ("RSU") stock-based compensation plans allow the Company to settle the awards in the Company's common stock. Accordingly, Ovintiv issued 1.4 million shares of common stock during the six months ended June 30, 2024 (4.4 million shares of common stock during the twelve months ended December 31, 2023), as certain PSU and RSU grants vested during the period.

Normal Course Issuer Bid and Other Share Buybacks

During the three and six months ended June 30, 2024, the Company purchased approximately 3.6 million shares and 9.0 million shares, respectively, for a total consideration of approximately \$184 million and \$434 million, respectively. Of the amounts paid during the same three and six month periods, \$36 thousand and \$434 million, respectively, were charged to share capital and \$148 million and \$0, respectively, were charged to paid in surplus.

During the three and six months ended June 30, 2023, the Company purchased approximately 2.5 million shares and 7.7 million shares, respectively, for a total consideration of approximately \$89 million and \$328 million, respectively. Of the amounts paid during the same three and six month periods, \$25 thousand and \$328 million, respectively, were charged to share capital and \$64 million and \$0, respectively, were charged to paid in surplus.

For the twelve months ended December 31, 2023, the Company purchased approximately 9.9 million shares for total consideration of approximately \$426 million. Of the amounts paid during the period, \$99 thousand was charged to share capital and \$327 million was charged to paid in surplus.

All NCIB purchases were made in accordance with their respective programs at prevailing market prices plus brokerage fees, with consideration allocated up to the par value of the shares, with any excess allocated to paid in surplus.

Dividends

During the three months ended June 30, 2024, the Company declared and paid dividends of \$0.30 per share of common stock totaling \$80 million (totaling \$82 million of common stock).

During the six months ended June 30, 2024, the Company declared and paid dividends of \$0.60 per share of common stock totaling \$160 million (totaling \$143 million of common stock).

On July 30, 2024, the Board of Directors declared a dividend of \$0.30 per share of common stock payable on September 27, 2024, to shareholders on September 13, 2024.

Earnings Per Share of Common Stock

The following table presents the calculation of net earnings (loss) per share of common stock:

	Three Months Ended	
	June 30,	
(US\$ millions, except per share amounts)	2024	

Accumulated Other
Comprehensive Income
Accumulated Other
Comprehensive Income
(Loss), Net of Tax [Abstract]
Accumulated Other
Comprehensive Income

6 Months Ended
Jun. 30, 2024

15.

	Three Months Ended			
	June 30,			
	2024		2023	
	Foreign Currency Translation Adjustment			
Balance, Beginning of Period	\$ 924	\$ 939	\$	
Change in Foreign Currency Translation Adjustment	(31)	53		
Balance, End of Period	\$ 893	\$ 992	\$	
	Pension and Other Post-Employment Benefit Plans			
Balance, Beginning of Period	\$ 49	\$ 52	\$	
	Amounts Reclassified from Other Comprehensive Income:			
Reclassification of net actuarial (gains) and losses to net earnings	(2)	(2)		
Income taxes	-	1		
Balance, End of Period	\$ 47	\$ 51	\$	
Total Accumulated Other Comprehensive Income	\$ 940	\$ 1,043	\$	

[Variable Interest Entity, Not
Primary Beneficiary,
Disclosures \[Abstract\]](#)
[Variable Interest Entities](#)

16.

Veresen Midstream Limited Partnership

Veresen Midstream Limited Partnership (“VMLP”) provides gathering, compression and processing services under various agreements related to development of liquids and natural gas production in the Montney play. As at June 30, 2024, VMLP provides approximately 1,153 MMcf/d of natural gas compression and 913 MMcf/d of natural gas processing under long-term service agreements with remaining terms ranging from seven to 21 years, with terms providing up to a potential maximum of 10 years.

Ovintiv has determined that VMLP is a variable interest entity and that Ovintiv holds variable interests in VMLP. Ovintiv is not the primary beneficiary and does not have the power to direct the activities that most significantly impact VMLP’s economic performance. These key activities relate to the operation, maintenance and marketing of the assets owned by VMLP. The variable interests arise from certain terms under the various long-term service agreements: i) take or pay for volumes in certain agreements; ii) an operating fee of which a portion can be converted into a fixed fee once VMLP assumes operations; and iii) a potential payout of minimum costs in certain agreements. The potential payout of minimum costs will be assessed in the eighth year of term and is based on whether there is an overall shortfall of total system cash flows from natural gas gathered and compressed under certain agreements. The amount can be reduced in the event VMLP markets unutilized capacity to third-party users. Ovintiv is not required to provide any financial support.

As a result of Ovintiv’s involvement with VMLP, the maximum total exposure to loss related to the commitments under the agreements is estimated at June 30, 2024. The estimate comprises the take or pay volume commitments and the potential payout of minimum costs. The take or pay volume commitments associated with certain gathering and processing assets are included in Note 21 under Transportation and Processing. The potential payout requirement is as the amount is contingent on future production estimates, pace of development and downstream transportation constraints. As at June 30, 2024, accrued liabilities included \$0.6 million related to the take or pay commitment.

Compensation Plans

[Share-Based Payment Arrangement \[Abstract\]](#)
[Compensation Plans](#)

6 Months Ended
 Jun. 30, 2024

17.

As at June 30, 2024, there were no changes to Ovintiv’s compensation plans and the Company has sufficient common stock held in reserve for its equity-settled stock-based compensation plans.

The Company has recognized the following share-based compensation costs:

	Three Months Ended			
	2024		June 30,	
	\$	\$	\$	\$
Total Compensation Costs of Transactions Classified as Cash-Settled	(3)	4		
Total Compensation Costs of Transactions Classified as Equity-Settled	24	24		
Less: Total Share-Based Compensation Costs Capitalized	(8)	(5)		
Total Share-Based Compensation Expense (Recovery)	\$ 13	\$ 23		
	Recognized in the Condensed Consolidated Statement of Earnings in:			
Operating	\$ 5	\$ 7		
Administrative	8	16		
	\$ 13	\$ 23		

As at June 30, 2024, the liability for cash-settled share-based payment transactions totaled \$14 million (\$14 million as at December 31, 2023), which includes accounts payable and accrued liabilities.

The following weighted average assumptions were used to determine the fair value of SAR and TSAR units outstanding:

	As at June 30, 2024
Risk Free Interest Rate	4.04%
Dividend Yield	2.56%
Expected Volatility Rate (1)	48.63%
Expected Term	1.0 yrs
Market Share Price	US\$46.87
Weighted Average Grant Date Fair Value	US\$40.91

(1) Volatility was estimated using historical rates.

The following units were granted primarily in conjunction with the Company’s annual grant of long-term incentive awards. The PSUs and RSUs were valued based on the volume-weighted average trading price of shares of Ovintiv common stock for the five days prior to the grant date.

Six Months Ended June

RSUs
PSUs
DSUs

Fair Value Measurements

6 Months Ended
Jun. 30, 2024

[Fair Value Disclosures](#)
[\[Abstract\]](#)
[Fair Value Measurements](#)

18.

The fair values of cash and cash equivalents, accounts receivable and accrued revenues, and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term maturity of those instruments. The fair values of restricted cash and marketable securities included in other assets approximate their carrying amounts due to the nature of the instruments held.

Recurring fair value measurements are performed for risk management assets and liabilities and other derivative contracts, as discussed further in Note 17, and are carried at fair value in the Condensed Consolidated Balance Sheet and are classified within the three levels of the fair value hierarchy in the following table.

Fair value changes and settlements for amounts related to risk management assets and liabilities are recognized in revenues and foreign exchange income, respectively, according to their purpose.

	As at June 30, 2024	Level 1 Quoted Prices in Active Markets	Level 2 Other Observable Inputs	Level 3 Unobservable Inputs
Risk Management Assets				
Commodity Derivatives:				
Current assets	\$ -	\$ 126	\$ -	\$ 126
Long-term assets	-	16	-	16
Foreign Currency Derivatives:				
Current assets	-	1	-	1
Risk Management Liabilities				
Commodity Derivatives:				
Current liabilities	\$ -	\$ -	\$ 17	\$ 17
Long-term liabilities	-	12	-	12

	As at December 31, 2023	Level 1 Quoted Prices in Active Markets	Level 2 Other Observable Inputs	Level 3 Unobservable Inputs
Risk Management Assets				
Commodity Derivatives:				
Current assets	\$ -	\$ 188	\$ 16	\$ 204
Long-term assets	-	5	-	5
Foreign Currency Derivatives:				
Current assets	-	11	-	11
Risk Management Liabilities				
Commodity Derivatives:				
Current liabilities	\$ -	\$ 1	\$ -	\$ 1
Long-term liabilities	-	3	-	3
Other Derivative Contracts (2)				
Current in accounts payable and accrued liabilities	\$ -	\$ 4	\$ -	\$ 4

(1) Netting to offset derivative assets and liabilities where the legal right and intention to offset exists, or where counterparty master netting arrangements contain provisions for net settlement.

(2)Includes credit derivatives associated with certain prior years' divestitures.

The Company's Level 1 and Level 2 risk management assets and liabilities consist of commodity fixed price contracts, NYMEX three-way option collars, foreign currency swaps and basis swaps with terms to 2025. The fair values of these contracts are estimated using inputs which are either observable from active markets, such as exchange and other published prices, broker quotes and observable trading activity throughout the term of

Level 3 Fair Value Measurements

As at June 30, 2024, the Company's Level 3 risk management assets and liabilities consist of WTI costless collars and WTI three-way options with WTI three-way options are a combination of a sold call, a bought put and a sold put. The WTI costless collars are a combination of a sold call and bought put contracts allow the Company to participate in the upside of commodity prices to the ceiling of the call option and provide the Company with commodity (three-way) downside price protection through the put options. The fair values of these contracts are determined using an option pricing model using unobservable inputs such as implied volatility. The unobservable inputs are obtained from third parties whenever possible and reviewed by the Company.

A summary of changes in Level 3 fair value measurements for risk management positions is presented below:

Balance, Beginning of Year	\$	16
Total Gains (Losses)		(42)
	Purchases, Sales, Issuances and Settlements:	
Purchases, sales and issuances		-
Settlements		9
Transfers Out of Level 3		-
Balance, End of Period	\$	(17)
	Change in Unrealized Gains (Losses) During the	
Period Included in Net Earnings (Loss)	\$	(33)

Quantitative information about unobservable inputs used in Level 3 fair value measurements is presented below as at June 30, 2024:

		Valuation Technique
Risk Management		
WTI Options		Option Model

(1)Unobservable inputs were weighted by the relative fair value of the instruments.

A 10 percent increase or decrease in implied volatility for the WTI options would cause an approximate corresponding \$4 million (\$1 million as a percentage of net risk management assets and liabilities) increase or decrease to net risk management assets and liabilities.

A) Financial Instruments

Ovintiv's financial assets and liabilities are recognized in cash and cash equivalents, accounts receivable and accrued revenues, other assets, accounts payable and other liabilities, risk management assets and liabilities, long-term debt, and other liabilities and provisions.

B) Risk Management Activities

Ovintiv uses derivative financial instruments to manage its exposure to fluctuating commodity prices and foreign currency exchange rates. The Company uses hedge accounting to any of its derivative financial instruments. As a result, gains and losses from changes in the fair value are recognized in net earnings.

Commodity Price Risk

Commodity price risk arises from the effect that fluctuations in future commodity prices may have on revenues from production. To partially mitigate commodity price risk, the Company has entered into various derivative financial instruments. The use of these derivative instruments is governed by the Company's risk management policy and is subject to limits established by the Board of Directors.

Oil and NGLs - To partially mitigate oil and NGL commodity price risk, the Company uses WTI- and NGL-based contracts such as fixed price contracts and costless collars. Ovintiv has also entered into basis swaps to manage against widening price differentials between various production areas, production and benchmark prices.

Natural Gas - To partially mitigate natural gas commodity price risk, the Company uses NYMEX-based contracts such as fixed price contracts, options and basis swaps. Ovintiv has also entered into basis swaps to manage against widening price differentials between various production areas and benchmark price differentials.

Foreign Exchange Risk

Foreign exchange risk arises from changes in foreign currency exchange rates that may affect the fair value or future cash flows from the Company's operations. To partially mitigate the effect of foreign exchange fluctuations on future commodity revenues and expenses, the Company may enter into derivative contracts. As at June 30, 2024, the Company has entered into \$236 million notional U.S. dollar denominated currency swaps at an average rate of C\$1.3697 to US\$1, which mature monthly through the remainder of 2024.

Risk Management Positions as at June 30, 2024

			Notional Volumes
	Oil and NGL Contracts		
	Fixed Price Contracts		
Ethane Fixed Price	5.0 Mbbls/d	2024	10.28
	WTI Three-Way Options		
Sold call / bought put / sold put	45.0 Mbbls/d	2024	86.75 / 65.00 / 50.00
Sold call / bought put / sold put	25.3 Mbbls/d	2025	85.52 / 65.00 / 50.00
	WTI Costless Collars		
Sold call / bought put	5.0 Mbbls/d	2024	92.06 / 60.00
Basis Contracts ⁽¹⁾		2024	
Oil and NGLs Fair Value Position			
	Natural Gas Contracts		
	Fixed Price Contracts		
NYMEX Fixed Price	200 MMcf/d	2024	3.62

	NYMEX Three-Way Options			
Sold call / bought put / sold put	200 MMcf/d	2024		4.51 / 3.00 / 2.25
Sold call / bought put / sold put	500 MMcf/d	2025		4.54 / 3.00 / 2.25
	NYMEX Costless Collars			
Sold call / bought put	400 MMcf/d	2024		4.49 / 3.00
Basis Contracts ⁽²⁾		2024		
		2025		
Natural Gas Fair Value Position				
	Foreign Currency Contracts			
Fair Value Position ⁽³⁾		2024		
Total Fair Value Position				

(1)Ovintiv has entered into oil differential swaps associated with Canadian condensate and WTI.

(2)Ovintiv has entered into natural gas basis swaps associated with AECO, Waha and NYMEX.

(3)Ovintiv has entered into U.S. dollar denominated fixed-for-floating average currency swaps to protect against fluctuations between the Canadian and U.S. dollars.

Earnings Impact of Realized and Unrealized Gains (Losses) on Risk Management Positions

	Three Months Ended			
	June 30,			
	2024			
	Realized Gains (Losses) on Risk Management Commodity and Other Derivatives:			
Revenues ⁽¹⁾	\$ 69	\$ 5	\$	
Foreign exchange	(1)	(3)		
Interest Rate ⁽²⁾	-	1		
	\$ 68	\$ 3	\$	
	Unrealized Gains (Losses) on Risk Management Commodity and Other Derivatives:			
Revenues ⁽³⁾	\$ 8	\$ 142	\$	
Foreign exchange	(2)	9		
	\$ 6	\$ 151	\$	
	Total Realized and Unrealized Gains (Losses) on Risk			

	Management, net Commodity and Other Derivatives:			
Revenues ⁽¹⁾⁽³⁾	\$ 77	\$	147	\$
Foreign exchange	(3)		6	
Interest Rate ⁽²⁾	-		1	
	\$ 74	\$	154	\$

(1)Includes a realized gain of \$4 million for the three and six months ended June 30, 2024, respectively (2023 - nil, respectively), related to other derivative contracts.

(2)The interest rate swap was executed and settled during the three months ended June 30, 2023, in relation to the senior notes issuance described in Note 12. The gain was recognized

(3)There were no unrealized gains or losses related to other derivative contracts for the three or six months ended June 30, 2024 or 2023.

Reconciliation of Unrealized Risk Management Positions from January 1 to June 30

				Fair
Fair Value of Contracts, Beginning of Year		\$	212	
Change in Fair Value of Contracts in Place at Beginning of Year				
and Contracts Entered into During the Period			12	\$
Settlement of Other Derivative Contracts			4	
Fair Value of Contracts Realized During the Period			(114)	
Fair Value of Contracts, End of Period		\$	114	\$

Risk management assets and liabilities arise from the use of derivative financial instruments and are measured at fair value. See Note 18 for a discussion of fair value measurements.

Unrealized Risk Management Positions

Current	Risk Management Assets	\$	117
Long-term			10
			127
Current	Risk Management Liabilities		7
Long-term			6
			13
Current in accounts payable and accrued liabilities	Other Derivative Contract Liabilities		-
			-
Net Risk Management Assets (Liabilities) and Other Derivative Contracts		\$	114

C) Credit Risk

Credit risk arises from the potential that the Company may incur a loss if a counterparty to a financial instrument fails to meet its obligation in accordance with the terms. While exchange-traded contracts are subject to nominal credit risk due to the financial safeguards established by the exchanges and clearing

over-the-counter traded contracts expose Ovintiv to counterparty credit risk. Counterparties to the Company's derivative financial instruments consist of financial institutions and companies within the energy industry. This credit risk exposure is mitigated through the use of credit policies approved by the Board governing the Company's credit portfolio including credit practices that limit transactions according to counterparties' credit quality. Mitigation strategies include master netting arrangements, requesting collateral, purchasing credit insurance and/or transacting credit derivatives. The Company executes commodity contracts and instruments under master agreements that have netting provisions that provide for offsetting payables against receivables. Ovintiv actively evaluates its counterparties, assigns appropriate credit limits and monitors credit exposures against those assigned limits. As at June 30, 2024, Ovintiv's maximum net exposure due to credit risk from derivative financial instrument assets on a gross and net fair value basis was \$143 million and \$127 million, respectively, and the Company had no significant credit derivatives in place and held no collateral at June 30, 2024.

Any cash equivalents include high-grade, short-term securities, placed primarily with financial institutions with investment grade ratings. Any derivatives entered into are with major financial institutions that have investment grade credit ratings.

A substantial portion of the Company's accounts receivable are with customers and working interest owners in the oil and gas industry and are subject to credit risks. As at June 30, 2024, approximately 93 percent (91 percent as at December 31, 2023) of Ovintiv's accounts receivable and financial assets were with investment grade counterparties.

During 2015 and 2017, the Company entered into agreements resulting from divestitures, which required Ovintiv to fulfill certain payment obligations and volume commitments assumed by the purchasers. The circumstances that would require Ovintiv to perform under the agreements included events that required Ovintiv to make payment to the guaranteed party and/or a purchaser was subject to an insolvency event. The agreements had a fair value of \$4 million as at June 30, 2024 and expired in June 2024.

20.

Supplemental disclosures to the Condensed Consolidated Statement of Cash Flows are presented below:

A) Net Change in Non-Cash Working Capital

	Three Months Ended			
	June 30,			
	2024			
Operating Activities				
Accounts receivable and accrued revenues	\$ 63	\$	205	\$
Accounts payable and accrued liabilities	(9)		(103)	
Current portion of operating lease liabilities	6		(3)	
Income tax receivable and payable	(23)		45	
	\$ 37	\$	144	\$

B) Non-Cash Activities

	Three Months Ended			
	June 30,			
	2024			
Non-Cash Operating Activities				
ROU operating lease assets and liabilities	\$ (25)	\$	(40)	\$
Non-Cash Investing Activities				
Property, plant and equipment accruals	\$ (17)	\$	93	\$
Capitalized long-term incentives	-		-	
Property additions/dispositions, including swaps	14		4	
Non-Cash Financing Activities				
Common shares issued in conjunction with the Permian Acquisition (See Note 9)	\$ -	\$	(1,169)	\$

**Commitments and
Contingencies**

**[Commitments and
Contingencies Disclosure](#)**

[\[Abstract\]](#)

**[Commitments and
Contingencies](#)**

**6 Months Ended
Jun. 30, 2024**

21.

Commitments

The following table outlines the Company's commitments as at June 30, 2024:

			Expected Future Payments			
	(undiscounted)	2024	2025	2026		
Transportation and Processing	\$ 336	\$ 669	\$ 594	\$ 498	\$ 445	
Drilling and Field Services	172	105	7	-	-	
Building Leases & Other Commitments	5	9	8	7	6	
Total	\$ 513	\$ 783	\$ 609	\$ 505	\$ 451	

Operating leases with terms greater than one year are not included in the commitments table above. The table above includes short-term leases with 12 months, such as drilling rigs and field office leases, as well as non-lease operating cost components associated with building leases.

Included within transportation and processing in the table above are certain commitments associated with midstream service agreements with VM 16. Divestiture transactions can reduce certain commitments disclosed above.

Contingencies

Ovintiv is involved in various legal claims and actions arising in the normal course of the Company's operations. Although the outcome of these matters with certainty, the Company does not expect these matters to have a material adverse effect on Ovintiv's financial position, cash flows or results of operations. Management's assessment of these matters may change in the future as these matters are subject to a number of uncertainties. For any material matter in which the Company believes an unfavorable outcome is reasonably possible, the Company discloses the nature and a range of potential exposures, if reasonably estimated. If an unfavorable outcome were to occur, there exists the possibility of a material impact on the Company's consolidated net earnings or loss for the period in which the outcome is reasonably estimable. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. Such accruals are based on the Company's information known about the matters, estimates of the outcomes of such matters and experience in handling similar matters.

During the second quarter of 2024, Ovintiv resolved a dispute related to the previous disposition of certain legacy assets. The Company expects to recognize approximately \$150 million later in the year, at which time the Company will recognize a contingent gain within Other (gains) losses, net in its Consolidated Earnings. Ovintiv recognizes contingent gains in its Consolidated Financial Statements when the gain is realized or considered realizable.

**Basis of Presentation and
Principles of Consolidation
(Policies)**

6 Months Ended

Jun. 30, 2024

**Organization, Consolidation
and Presentation of
Financial Statements**
[Abstract]

**Basis of Presentation and
Principles of Consolidation**

Ovintiv is in the business of the exploration for, the development of, and the production and marketing of oil, NGLs and natural gas.

The interim Condensed Consolidated Financial Statements include the accounts of Ovintiv and entities in which it holds a controlling interest. All intercompany balances and transactions are eliminated on consolidation. Undivided interests in oil and natural gas exploration and production joint ventures and partnerships are consolidated on a proportionate basis. Investments in non-controlled entities over which the Company has the ability to exercise significant influence are accounted for using the equity method.

The interim Condensed Consolidated Financial Statements are prepared in conformity with U.S. GAAP and the rules and regulations of the SEC. Pursuant to these rules and regulations, certain information and disclosures normally required under U.S. GAAP have been condensed or have been disclosed on an annual basis only. Accordingly, the interim Condensed Consolidated Financial Statements should be read in conjunction with the annual audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2023, which are included in Item 8 of Ovintiv's 2023 Annual Report on Form 10-K.

The interim Condensed Consolidated Financial Statements have been prepared following the same accounting policies and methods of computation as the annual audited Consolidated Financial Statements for the year ended December 31, 2023.

These unaudited interim Condensed Consolidated Financial Statements reflect, in the opinion of Management, all normal and recurring adjustments necessary to present fairly the financial position and results of the Company as at and for the periods presented. Interim condensed consolidated financial results are not necessarily indicative of consolidated financial results expected for the fiscal year.

**Changes in Accounting
Policies and Practices and
New Standards Issued Not Yet
Adopted**

Changes in Accounting Policies and Practices

On January 1, 2024, Ovintiv adopted ASU 2023-07 "Improvements to Reportable Segment Disclosures", issued by FASB. The amendments enhance annual disclosure requirements about significant segment expenses that are regularly provided to the chief operating decision maker and included within reported measures of segment profit or loss. The amendments do not change how an entity identifies its operating segments. In addition, all annual disclosures are to be presented in interim periods beginning in the first quarter of 2025. The amendments will be applied retrospectively to all prior periods presented in the annual disclosures and are not expected to have a material impact on the Company's Consolidated Financial Statements.

New Standards Issued Not Yet Adopted

As of January 1, 2025, Ovintiv will be required to adopt ASU 2023-09 "Improvements to Income Tax Disclosures". The standard requires disaggregated information about the Company's effective tax rate reconciliation as well as information on income taxes paid. The amendment requires the tabular rate reconciliation to be presented using both percentages and amounts, with additional separate disclosure for any reconciling items within certain categories equal to or greater than five percent of net earnings or loss before income tax and the applicable statutory federal income tax rate. The amendment also requires the disaggregation of income taxes paid by federal, state, and foreign jurisdictions, as well as additional disaggregated information on

income taxes paid to an individual jurisdiction equal to or greater than five percent of total income taxes paid. Amendments will be applied prospectively at the date of adoption and are not expected to have a material impact on the Company's Consolidated Financial Statements.

Segmented Information
(Tables)

6 Months Ended
Jun. 30, 2024

[Segment Reporting](#)
[\[Abstract\]](#)

[Segment and Geographic](#)
[Information](#)

Results of Operations (For the three months ended June 30)

Segment and Geographic Information

	USA Operations		2023		Canadian
	2024				
Revenues					
Product and service revenues	\$ 1,421	\$ 1,181	\$ 422	\$ 468	\$
Gains (losses) on risk management, net	31	5	38	-	-
Sublease revenues	-	-	-	-	-
Total Revenues	1,452	1,186	460	468	
Operating Expenses					
Production, mineral and other taxes	85	73	4	3	
Transportation and processing	126	148	260	268	
Operating	205	167	26	2	
Purchased product	-	-	-	-	
Depreciation, depletion and amortization	498	336	76	78	
Total Operating Expenses	914	724	366	351	
Operating Income (Loss)	\$ 538	\$ 462	\$ 94	\$ 117	\$

	USA Operations		2023		Canadian
	2024				
Revenues					
Product and service revenues			\$ -	\$ -	\$
Gains (losses) on risk management, net			8	142	
Sublease revenues			18	18	
Total Revenues			26	160	
Operating Expenses					
Production, mineral and other taxes			-	-	
Transportation and processing			-	-	
Operating			-	-	
Purchased product			-	-	
Depreciation, depletion and amortization			6	5	
Accretion of asset retirement obligation			4	4	
Administrative			76	168	
Total Operating Expenses			86	177	
Operating Income (Loss)			\$ (60)	\$ (17)	\$

	Other (Income) Expenses
Interest	
Foreign exchange (gain) loss, net	
Other (gains) losses, net	
Total Other (Income) Expenses	
Net Earnings (Loss) Before Income Tax	
Income tax expense (recovery)	
Net Earnings (Loss)	\$

Results of Operations (For the six months ended June 30)

Segment and Geographic Information

	USA Operations		2023		Canadian
	2024				
Revenues					
Product and service revenues	\$ 2,883	\$ 2,367	\$ 891	\$ 1,158	\$
Gains (losses) on risk management, net	55	7	60	(78)	

Sublease revenues	-	-	-	-
Total Revenues	2,938	2,374	951	1,080
Operating Expenses				
Production, mineral and other taxes	165	153	7	7
Transportation and processing	253	295	511	535
Operating	416	337	51	31
Purchased product	-	-	-	-
Depreciation, depletion and amortization	987	630	148	143
Total Operating Expenses	1,821	1,415	717	716
Operating Income (Loss)	\$ 1,117	\$ 959	\$ 234	\$ 364

Corporate				
Revenues				
Product and service revenues			\$ -	\$ -
Gains (losses) on risk management, net			(92)	160
Sublease revenues			37	35
Total Revenues			(55)	195
Operating Expenses				
Production, mineral and other taxes			-	-
Transportation and processing			-	-
Operating			-	-
Purchased product			-	-
Depreciation, depletion and amortization			11	10
Accretion of asset retirement obligation			9	9
Administrative			178	226
Total Operating Expenses			198	245
Operating Income (Loss)			\$ (253)	\$ (50)

Other (Income) Expenses				
Interest				
Foreign exchange (gain) loss, net				
Other (gains) losses, net				
Total Other (Income) Expenses				
Net Earnings (Loss) Before Income Tax				
Income tax expense (recovery)				
Net Earnings (Loss)				\$

[Schedule of Marketing Intersegment Eliminations](#)

Intersegment Information

	Marketing Sales		Upstream Elin	
	2024		2023	
For the three months ended June 30,				
Revenues	\$ 2,393	\$ 2,874	\$ (2,043)	\$ (2,171)
Operating Expenses				
Transportation and processing	156	180	(129)	(144)
Operating	6	6	-	-
Purchased product	2,247	2,719	(1,914)	(2,027)
Operating Income (Loss)	\$ (16)	\$ (31)	\$ -	\$ -

	Marketing Sales		Upstream Elin	
	2024		2023	
For the six months ended June 30,				

Revenues from Contracts
with Customers (Tables)
[Disaggregation of Revenue
\[Abstract\]](#)
[Disaggregation of Revenue](#)

6 Months Ended
Jun. 30, 2024

Revenues (For the three months ended June 30)

	USA Operations		2023		Canadian
	2024				
Revenues from Customers					
Product revenues (1)					
Oil	\$ 1,192	\$ 947	\$ 4	\$ -	\$ -
NGLs	176	149	271	-	246
Natural gas	55	86	150	-	223
Service revenues					
Gathering and processing	1	2	-	-	1
Product and Service Revenues	\$ 1,424	\$ 1,184	\$ 425	\$ 470	\$ -
Revenues from Customers					
Product revenues (1)					
Oil			\$ -	\$ -	\$ -
NGLs			-	-	-
Natural gas			-	-	-
Service revenues					
Gathering and processing			-	-	-
Product and Service Revenues			\$ -	\$ -	\$ -

(1) Includes revenues from production and revenues of product purchased from third parties, but excludes intercompany marketing fees transacted between the Company's operating s

Revenues (For the six months ended June 30)

	USA Operations		2023		Canadian
	2024				
Revenues from Customers					
Product revenues (1)					
Oil	\$ 2,373	\$ 1,798	\$ 5	\$ -	\$ -
NGLs	364	333	505	-	483
Natural gas	152	241	385	-	678
Service revenues					
Gathering and processing	2	2	1	-	2
Product and Service Revenues	\$ 2,891	\$ 2,374	\$ 896	\$ 1,163	\$ -
Revenues from Customers					
Product revenues (1)					
Oil			\$ -	\$ -	\$ -
NGLs			-	-	-
Natural gas			-	-	-

	Service revenues				
Gathering and processing		-		-	
Product and Service Revenues		\$ -	\$ -	-	\$ -

(1) Includes revenues from production and revenues of product purchased from third parties, but excludes intercompany marketing fees transacted between the Company's operating s

Interest (Tables)

[Interest Expense, Operating and Nonoperating \[Abstract\]](#)
[Schedule of Interest Expense](#)

6 Months Ended
 Jun. 30, 2024

	2024		Three Months Ended	
	June 30,		June 30,	
Interest Expense on:				
Debt	\$ 100	\$ 77		\$
Finance leases	1	1		
Other	4	2		
	\$ 105	\$ 80		\$

**Foreign Exchange (Gain)
Loss, Net (Tables)**

[Foreign Currency \[Abstract\]](#)

[Foreign Exchange \(Gain\)](#)

[Loss, Net](#)

**6 Months Ended
Jun. 30, 2024**

	Three Months Ended		
	June 30,		
	2024		
Unrealized Foreign Exchange (Gain) Loss on:			
Translation of U.S. dollar risk management contracts issued from Canada	\$ 1	\$ (9)	\$
Translation of intercompany notes	(6)	19	
	(5)	10	
Foreign Exchange (Gain) Loss on Settlements of:			
U.S. dollar financing debt issued from Canada	1	(1)	
U.S. dollar risk management contracts issued from Canada	1	3	
Intercompany notes	(6)	5	
Other Monetary Revaluations	(1)	8	
	\$ (10)	\$ 25	\$

Income Taxes (Tables)

6 Months Ended
Jun. 30, 2024

[Income Tax Disclosure](#)
[\[Abstract\]](#)
[Provision For Income Taxes](#)

	2024		Three Months Ended	
			June 30,	
	Current Tax			
United States	\$ 10	\$ 8	\$	
Canada	13	46		\$
Total Current Tax Expense (Recovery)	23	54		
	Deferred Tax			
United States	77	65		
Canada	26	(18)		
Total Deferred Tax Expense (Recovery)	103	47		
Income Tax Expense (Recovery)	\$ 126	\$ 101	\$	
Effective Tax Rate	27.0%	23.1%		

**Acquisitions and Divestitures
(Tables)**

[Acquisitions And
Divestitures \[Abstract\]](#)
[Schedule of Net Acquisitions
& \(Divestitures\)](#)

**6 Months Ended
Jun. 30, 2024**

	Three Months Ended			
	2024		June 30,	
	Acquisitions			
USA Operations	\$ 5	\$ 15	\$	
Canadian Operations	-	-		
Total Acquisitions	5	15		
	Divestitures			
USA Operations	(2)	(718)		
Canadian Operations	-	1		
Total Divestitures	(2)	(717)		
Net Acquisitions & (Divestitures)	\$ 3	\$ (702)	\$	

Acquisitions

**Business Combination
(Tables)**

**6 Months Ended
Jun. 30, 2024**

[Business Combinations](#)

[\[Abstract\]](#)

[Schedule of Purchase Price Allocation](#)

	Purchase Price Allocation
	—
	Consideration:
Fair value of shares of Ovintiv common stock issued ⁽¹⁾	
Consideration paid in cash ⁽²⁾	
Total Consideration	
	Assets Acquired:
Cash and cash equivalents	
Accounts receivable and accrued revenues ⁽³⁾	
Proved properties ⁽³⁾	
Unproved properties ⁽³⁾	
Other property, plant and equipment ⁽³⁾	
	Liabilities Assumed:
Accounts payable and accrued liabilities ⁽³⁾	
Asset retirement obligation	
Other liabilities and provisions ⁽³⁾	
Total Purchase Price	

(1)The fair value was based on the issuance of 31.8 million shares of common stock using the NYSE price of \$36.78 on June 12, 2023.

(2)Cash consideration paid reflects final cash settlements of \$12 million which were completed during the first quarter of 2024.

(3)Since the completion of the business combination on June 12, 2023, additional information related to pre-acquisition assets and liabilities was obtained resulting in measurement p fair value estimates comprised an increase in accounts receivable and accrued revenues of \$22 million, an increase in proved properties of \$134 million, a decrease in unproved prop in other property, plant and equipment of \$16 million, a decrease in accounts payable and accrued liabilities of \$73 million and a decrease in other liabilities and provisions of \$2 mill

Property, Plant and
Equipment, Net (Tables)
[Property, Plant and
Equipment \[Abstract\]](#)
[Schedule Of Property, Plant
And Equipment](#)

6 Months Ended
Jun. 30, 2024

		As at June 30, 2024			
		Cost		Accumulated DD&A	
USA Operations					
Proved properties	\$	48,897	\$ (36,786)	\$ 12,111	\$ 47,440
Unproved properties		1,121	-	1,121	1,449
Other		54	-	54	39
		50,072	(36,786)	13,286	48,928
Canadian Operations					
Proved properties		16,342	(14,963)	1,379	16,644
Unproved properties		31	-	31	37
Other		6	-	6	8
		16,379	(14,963)	1,416	16,689
Market Optimization		7	(7)	-	7
Corporate & Other		833	(691)	142	853
	\$	67,291	\$ (52,447)	\$ 14,844	\$ 66,477

Leases (Tables)

6 Months Ended
Jun. 30, 2024

[Leases \[Abstract\]](#)
[Schedule of Estimated Future
Sublease Income](#)

The following table outlines Ovintiv's estimated future sublease income as at June 30, 2024. All subleases are classified as operating leases.

	(undiscounted)	2024			2025			2026			
Sublease Income	\$	25	\$	51	\$	51	\$	46	\$	41	\$

Long-Term Debt (Tables)

6 Months Ended
Jun. 30, 2024

[Debt Disclosure \[Abstract\]](#)
[Schedule Of Long-Term Debt](#)

	U.S. Dollar Denominated Debt	
Revolving credit and term loan borrowings		\$ 634
	U.S. Unsecured Notes:	
5.65% due May 15, 2025		600
5.375% due January 1, 2026		459
5.65% due May 15, 2028		700
8.125% due September 15, 2030		300
7.20% due November 1, 2031		350
7.375% due November 1, 2031		500
6.25% due July 15, 2033		600
6.50% due August 15, 2034		599
6.625% due August 15, 2037		390
6.50% due February 1, 2038		430
5.15% due November 15, 2041		148
7.10% due July 15, 2053		400
Total Principal		6,110
Increase in Value of Debt Acquired		19
Unamortized Debt Discounts and Issuance Costs		(42)
Total Long-Term Debt		\$ 6,087
Current Portion		\$ 1,234
Long-Term Portion		4,853
		\$ 6,087

Other Liabilities and Provisions (Tables)

**6 Months Ended
Jun. 30, 2024**

[Other Liabilities Disclosure \[Abstract\]](#)
[Schedule of Other Liabilities and Provisions](#)

Finance Lease Obligations	\$	16
Unrecognized Tax Benefits		36
Pensions and Other Post-Employment Benefits		77
Other		12
	\$	141

Share Capital (Tables)

6 Months Ended
Jun. 30, 2024

[Class of Stock Disclosures](#)
[\[Abstract\]](#)
[Schedule of Common Stock](#)
[Issued and Outstanding](#)

	As at	
	June 30, 2024	
	Number (millions)	
Shares of Common Stock Outstanding, Beginning of Year	271.7	\$ 3
Shares of Common Stock Purchased	(9.0)	-
Shares of Common Stock Issued	1.4	-
Shares of Common Stock Outstanding, End of Period	264.1	\$ 3

[Earnings Per Common Share](#)

The following table presents the calculation of net earnings (loss) per share of common stock:

	Three Months Ended	
	June 30,	
	2024	
	(US\$ millions, except per share amounts)	
Net Earnings (Loss)	\$ 340	\$ 336
Number of Shares of Common Stock:		
Weighted average shares of common stock outstanding - Basic	266.2	249.4
Effect of dilutive securities	1.9	1.4
Weighted Average Shares of Common Stock Outstanding - Diluted	268.1	250.8
Net Earnings (Loss) per Share of Common Stock		
Basic	\$ 1.28	\$ 1.35
Diluted	1.27	1.34

Accumulated Other
Comprehensive Income
(Tables)

6 Months Ended
Jun. 30, 2024

Accumulated Other
Comprehensive Income
(Loss), Net of Tax [Abstract]
Schedule of Accumulated
Other Comprehensive Income

	Three Months Ended			
	2024		June 30,	
	Foreign Currency Translation Adjustment			
Balance, Beginning of Period	\$	924	\$	939
Change in Foreign Currency Translation Adjustment		(31)		53
Balance, End of Period	\$	893	\$	992
	Pension and Other Post-Employment Benefit Plans			
Balance, Beginning of Period	\$	49	\$	52
	Amounts Reclassified from Other Comprehensive Income:			
Reclassification of net actuarial (gains) and losses to net earnings		(2)		(2)
Income taxes		-		1
Balance, End of Period	\$	47	\$	51
Total Accumulated Other Comprehensive Income	\$	940	\$	1,043

Compensation Plans (Tables)

6 Months Ended
Jun. 30, 2024

[Share-Based Payment Arrangement \[Abstract\] Amounts Recognized For Share-Based Payment Transactions](#)

The Company has recognized the following share-based compensation costs:

	Three Months Ended			
	2024		June 30,	
Total Compensation Costs of Transactions Classified as Cash-Settled	\$	(3)	\$	4
Total Compensation Costs of Transactions Classified as Equity-Settled		24		24
Less: Total Share-Based Compensation Costs Capitalized		(8)		(5)
Total Share-Based Compensation Expense (Recovery)	\$	13	\$	23
		Recognized in the Condensed Consolidated Statement of Earnings in:		
Operating	\$	5	\$	7
Administrative		8		16
	\$	13	\$	23

[Schedule of Weighted Average Assumptions Used to Fair Value Share Units](#)

The following weighted average assumptions were used to determine the fair value of SAR and TSAR units outstanding:

	As at June 30, 2024
Risk Free Interest Rate	4.04%
Dividend Yield	2.56%
Expected Volatility Rate (1)	48.63%
Expected Term	1.0 yrs
Market Share Price	US\$46.87
Weighted Average Grant Date Fair Value	US\$40.91

(1) Volatility was estimated using historical rates.

[Schedule of Share-based Compensation Activity](#)

The following units were granted primarily in conjunction with the Company's annual grant of long-term incentive awards. The PSUs and RSUs volume-weighted average trading price of shares of Ovintiv common stock for the five days prior to the grant date.

RSUs
PSUs

Six Months Ended June 30, 2024 (thousands of units)

**Fair Value Measurements
(Tables)**

**6 Months Ended
Jun. 30, 2024**

Fair Value Disclosures

[Abstract]

Schedule Of Fair Value, Assets

And Liabilities Measured On

Recurring Basis

Fair value changes and settlements for amounts related to risk management assets and liabilities are recognized in revenues and foreign exchange according to their purpose.

	As at June 30, 2024	Level 1 Quoted Prices in Active Markets			Level 2 Other Observable Inputs		
Risk Management Assets							
Commodity Derivatives:							
Current assets	\$ -	\$ 126	\$ -		\$ 126	\$ -	
Long-term assets	-	16	-		16	-	
Foreign Currency Derivatives:							
Current assets	-	1	-		1	-	
Risk Management Liabilities							
Commodity Derivatives:							
Current liabilities	\$ -	\$ -	\$ 17		\$ 17	\$ -	
Long-term liabilities	-	12	-		12	-	

	As at December 31, 2023	Level 1 Quoted Prices in Active Markets			Level 2 Other Observable Inputs		
Risk Management Assets							
Commodity Derivatives:							
Current assets	\$ -	\$ 188	\$ 16		\$ 204	\$ -	
Long-term assets	-	5	-		5	-	
Foreign Currency Derivatives:							
Current assets	-	11	-		11	-	
Risk Management Liabilities							
Commodity Derivatives:							
Current liabilities	\$ -	\$ 1	\$ -		\$ 1	\$ -	
Long-term liabilities	-	3	-		3	-	
Other Derivative Contracts (2)							
Current in accounts payable and accrued liabilities	\$ -	\$ 4	\$ -		\$ 4	\$ -	

(1) Netting to offset derivative assets and liabilities where the legal right and intention to offset exists, or where counterparty master netting arrangements contain provisions for net settlement.

(2) Includes credit derivatives associated with certain prior years' divestitures.

Summary Of Changes In Level 3 Fair Value Measurements

A summary of changes in Level 3 fair value measurements for risk management positions is presented below:

Balance, Beginning of Year	\$	16
Total Gains (Losses)		(42)
	Purchases, Sales, Issuances and Settlements:	
Purchases, sales and issuances		-
Settlements		9
Transfers Out of Level 3		-
Balance, End of Period	\$	(17)
	Change in Unrealized Gains (Losses) During the	
Period Included in Net Earnings (Loss)	\$	(33)

[Quantitative Information About Unobservable Inputs Used In Level 3](#)

Quantitative information about unobservable inputs used in Level 3 fair value measurements is presented below as at June 30, 2024:

			Valuation Technique
	—	—	—
Risk Management			Option Model
- WTI Options		—	—

(1) Unobservable inputs were weighted by the relative fair value of the instruments.

Financial Instruments and Risk Management (Tables)

[Derivative Instruments and Hedging Activities Disclosure \[Abstract\]](#)
[Risk Management Positions](#)

**6 Months Ended
 Jun. 30, 2024**

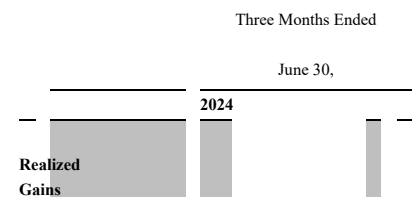
				Notional Volumes
	Oil and NGL Contracts			
	Fixed Price Contracts			
Ethane Fixed Price	5.0 Mbbls/d	2024		10.28
	WTI Three-Way Options			
Sold call / bought put / sold put	45.0 Mbbls/d	2024		86.75 / 65.00 / 50.00
Sold call / bought put / sold put	25.3 Mbbls/d	2025		85.52 / 65.00 / 50.00
	WTI Costless Collars			
Sold call / bought put	5.0 Mbbls/d	2024		92.06 / 60.00
Basis Contracts ⁽¹⁾		2024		
Oil and NGLs Fair Value Position				
	Natural Gas Contracts			
	Fixed Price Contracts			
NYMEX Fixed Price	200 MMcf/d	2024		3.62
	NYMEX Three-Way Options			
Sold call / bought put / sold put	200 MMcf/d	2024		4.51 / 3.00 / 2.25
Sold call / bought put / sold put	500 MMcf/d	2025		4.54 / 3.00 / 2.25
	NYMEX Costless Collars			
Sold call / bought put	400 MMcf/d	2024		4.49 / 3.00
Basis Contracts ⁽²⁾		2024		
		2025		
Natural Gas Fair Value Position				
	Foreign Currency Contracts			
Fair Value Position ⁽³⁾		2024		
Total Fair Value Position				

(1)Ovintiv has entered into oil differential swaps associated with Canadian condensate and WTI.

(2)Ovintiv has entered into natural gas basis swaps associated with AECO, Waha and NYMEX.

(3)Ovintiv has entered into U.S. dollar denominated fixed-for-floating average currency swaps to protect against fluctuations between the Canadian and U.S. dollars.

[Earnings Impact of Realized and Unrealized Gains \(Losses\) on Risk Management Positions](#)



	(Losses)				
	on				
	Risk				
	Management				
	Commodity				
	and				
	Other				
	Derivatives:				
Revenues ⁽¹⁾	\$	69	\$	5	\$
Foreign exchange		(1)		(3)	
Interest Rate ⁽²⁾		-		1	
	\$	68	\$	3	\$
<hr/>					
	Unrealized				
	Gains				
	(Losses)				
	on				
	Risk				
	Management				
	Commodity				
	and				
	Other				
	Derivatives:				
Revenues ⁽³⁾	\$	8	\$	142	\$
Foreign exchange		(2)		9	
	\$	6	\$	151	\$
<hr/>					
	Total				
	Realized				
	and				
	Unrealized				
	Gains				
	(Losses)				
	on				
	Risk				
	Management,				
	net				
	Commodity				
	and				
	Other				
	Derivatives:				
Revenues ⁽¹⁾⁽³⁾	\$	77	\$	147	\$
Foreign exchange		(3)		6	
Interest Rate ⁽²⁾		-		1	
	\$	74	\$	154	\$

(1)Includes a realized gain of \$4 million for the three and six months ended June 30, 2024, respectively (2023 - nil, respectively), related to other derivative contracts.

(2)The interest rate swap was executed and settled during the three months ended June 30, 2023, in relation to the senior notes issuance described in Note 12. The gain was recognized

(3)There were no unrealized gains or losses related to other derivative contracts for the three or six months ended June 30, 2024 or 2023.

Reconciliation of Unrealized Risk Management Positions

Fair Value of Contracts, Beginning of Year		\$	212		Fair
Change in Fair Value of Contracts in Place at					

	Beginning of Year		
and Contracts Entered into During the Period		12	\$
Settlement of Other Derivative Contracts		4	
Fair Value of Contracts Realized During the Period		(114)	
Fair Value of Contracts, End of Period		\$ 114	\$

Unrealized Risk Management
Positions

		Risk Management Assets	
Current		\$	117
Long-term			10
			127
		Risk Management Liabilities	
Current			7
Long-term			6
			13
		Other Derivative Contract Liabilities	
Current in accounts payable and accrued liabilities			-
			-
Net Risk Management Assets (Liabilities) and Other Derivative Contracts		\$	114

Supplementary Information
(Tables)

6 Months Ended
Jun. 30, 2024

[Supplemental Cash Flow Elements \[Abstract\]](#)
[Net Change in Non-Cash Working Capital](#)

A) Net Change in Non-Cash Working Capital

	Three Months Ended			
	June 30,			
	2024			
Operating Activities				
Accounts receivable and accrued revenues	\$ 63	\$	205	\$
Accounts payable and accrued liabilities	(9)		(103)	
Current portion of operating lease liabilities	6		(3)	
Income tax receivable and payable	(23)		45	
	\$ 37	\$	144	\$

[Non-Cash Activities](#)

B) Non-Cash Activities

	Three Months Ended			
	June 30,			
	2024			
Non-Cash Operating Activities				
ROU operating lease assets and liabilities	\$ (25)	\$	(40)	\$
Non-Cash Investing Activities				
Property, plant and equipment accruals	\$ (17)	\$	93	\$
Capitalized long-term incentives	-		-	
Property additions/dispositions, including swaps	14		4	
Non-Cash Financing Activities				
Common shares issued in conjunction with the Permian Acquisition (See Note 9)	\$ -	\$	(1,169)	\$

**Commitments and
Contingencies (Tables)**

[Commitments and
Contingencies Disclosure
\[Abstract\]
Commitments](#)

**6 Months Ended
Jun. 30, 2024**

The following table outlines the Company's commitments as at June 30, 2024:

			Expected Future Payments								
	(undiscounted)	2024		2025		2026					
Transportation and Processing	\$	336	\$	669	\$	594	\$	498	\$	445	\$
Drilling and Field Services		172		105		7		-		-	
Building Leases & Other Commitments		5		9		8		7		6	
Total	\$	513	\$	783	\$	609	\$	505	\$	451	\$

**Recent Accounting
Pronouncements (Narrative)
(Details) - ASU 2023-07
[Member]**

Jun. 30, 2024

[New Accounting Pronouncements or Change in Accounting Principle \[Line Items\]](#)

[Change in Accounting Principle, Accounting Standards Update, Adopted \[true false\]](#) true

[Change in Accounting Principle, Accounting Standards Update, Adoption Date](#) Jan. 01, 2024

Segmented Information (Segment and Geographic Information) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Segment Reporting Information [Line Items]</u>				
<u>Product and service revenues</u>	\$ 2,193	\$ 2,352	\$ 4,580	\$ 4,944
<u>Gains (losses) on risk management, net</u>	77	147	23	89
<u>Sublease revenues</u>	18	18	37	35
<u>Total Revenues</u>	2,288	2,517	4,640	5,068
<u>Production, mineral and other taxes</u>	89	76	172	160
<u>Transportation and processing</u>	413	452	832	907
<u>Operating</u>	237	175	480	381
<u>Purchased product</u>	333	692	773	1,393
<u>Depreciation, depletion and amortization</u>	580	419	1,146	783
<u>Accretion of asset retirement obligation</u>	4	4	9	9
<u>Administrative</u>	76	168	178	226
<u>Total Operating Expenses</u>	1,732	1,986	3,590	3,859
<u>Operating Income (Loss)</u>	556	531	1,050	1,209
<u>Interest</u>	105	80	203	151
<u>Foreign exchange (gain) loss, net</u>	(10)	25	(38)	22
<u>Other (gains) losses, net</u>	(5)	(11)	(9)	(14)
<u>Total Other (Income) Expenses</u>	90	94	156	159
<u>Net Earnings (Loss) Before Income Tax</u>	466	437	894	1,050
<u>Income tax expense (recovery)</u>	126	101	216	227
<u>Net Earnings (Loss)</u>	340	336	678	823
<u>Operating Segments [Member] USA Operations</u> <u>[Member]</u>				
<u>Segment Reporting Information [Line Items]</u>				
<u>Product and service revenues</u>	1,421	1,181	2,883	2,367
<u>Gains (losses) on risk management, net</u>	31	5	55	7
<u>Sublease revenues</u>	0	0	0	0
<u>Total Revenues</u>	1,452	1,186	2,938	2,374
<u>Production, mineral and other taxes</u>	85	73	165	153
<u>Transportation and processing</u>	126	148	253	295
<u>Operating</u>	205	167	416	337
<u>Purchased product</u>	0	0	0	0
<u>Depreciation, depletion and amortization</u>	498	336	987	630
<u>Total Operating Expenses</u>	914	724	1,821	1,415
<u>Operating Income (Loss)</u>	538	462	1,117	959
<u>Operating Segments [Member] Canadian Operations</u> <u>[Member]</u>				
<u>Segment Reporting Information [Line Items]</u>				
<u>Product and service revenues</u>	422	468	891	1,158

<u>Gains (losses) on risk management, net</u>	38	0	60	(78)
<u>Sublease revenues</u>	0	0	0	0
<u>Total Revenues</u>	460	468	951	1,080
<u>Production, mineral and other taxes</u>	4	3	7	7
<u>Transportation and processing</u>	260	268	511	535
<u>Operating</u>	26	2	51	31
<u>Purchased product</u>	0	0	0	0
<u>Depreciation, depletion and amortization</u>	76	78	148	143
<u>Total Operating Expenses</u>	366	351	717	716
<u>Operating Income (Loss)</u>	94	117	234	364
<u>Operating Segments [Member] Market Optimization</u>				
<u>[Member]</u>				
<u>Segment Reporting Information [Line Items]</u>				
<u>Product and service revenues</u>	350	703	806	1,419
<u>Gains (losses) on risk management, net</u>	0	0	0	0
<u>Sublease revenues</u>	0	0	0	0
<u>Total Revenues</u>	350	703	806	1,419
<u>Production, mineral and other taxes</u>	0	0	0	0
<u>Transportation and processing</u>	27	36	68	77
<u>Operating</u>	6	6	13	13
<u>Purchased product</u>	333	692	773	1,393
<u>Depreciation, depletion and amortization</u>	0	0	0	0
<u>Total Operating Expenses</u>	366	734	854	1,483
<u>Operating Income (Loss)</u>	(16)	(31)	(48)	(64)
<u>Corporate & Other [Member]</u>				
<u>Segment Reporting Information [Line Items]</u>				
<u>Product and service revenues</u>	0	0	0	0
<u>Gains (losses) on risk management, net</u>	8	142	(92)	160
<u>Sublease revenues</u>	18	18	37	35
<u>Total Revenues</u>	26	160	(55)	195
<u>Production, mineral and other taxes</u>	0	0	0	0
<u>Transportation and processing</u>	0	0	0	0
<u>Operating</u>	0	0	0	0
<u>Purchased product</u>	0	0	0	0
<u>Depreciation, depletion and amortization</u>	6	5	11	10
<u>Accretion of asset retirement obligation</u>	4	4	9	9
<u>Administrative</u>	76	168	178	226
<u>Total Operating Expenses</u>	86	177	198	245
<u>Operating Income (Loss)</u>	\$ (60)	\$ (17)	\$ (253)	\$ (50)

Segmented Information
(Schedule of Marketing
Intersegment Eliminations)
(Details) - USD (\$)
\$ in Millions

3 Months Ended 6 Months Ended
Jun. 30, Jun. 30, Jun. 30, Jun. 30,
2024 2023 2024 2023

Product Information [Line Items]

<u>Revenues</u>	\$ 2,288	\$ 2,517	\$ 4,640	\$ 5,068
<u>Transportation and processing</u>	413	452	832	907
<u>Operating</u>	237	175	480	381
<u>Purchased product</u>	333	692	773	1,393
<u>Operating Income (Loss)</u>	556	531	1,050	1,209

Market Optimization [Member] | Operating Segments [Member]

Product Information [Line Items]

<u>Revenues</u>	350	703	806	1,419
<u>Transportation and processing</u>	27	36	68	77
<u>Operating</u>	6	6	13	13
<u>Purchased product</u>	333	692	773	1,393
<u>Operating Income (Loss)</u>	(16)	(31)	(48)	(64)

Market Optimization [Member] | Reportable Subsegments [Member] |

Marketing Sales [Member]

Product Information [Line Items]

<u>Revenues</u>	2,393	2,874	4,891	6,010
<u>Transportation and processing</u>	156	180	326	345
<u>Operating</u>	6	6	13	13
<u>Purchased product</u>	2,247	2,719	4,600	5,716
<u>Operating Income (Loss)</u>	(16)	(31)	(48)	(64)

Market Optimization [Member] | Intersubsegment Eliminations [Member]

Product Information [Line Items]

<u>Revenues</u>	(2,043)	(2,171)	(4,085)	(4,591)
<u>Transportation and processing</u>	(129)	(144)	(258)	(268)
<u>Operating</u>	0	0	0	0
<u>Purchased product</u>	(1,914)	(2,027)	(3,827)	(4,323)
<u>Operating Income (Loss)</u>	\$ 0	\$ 0	\$ 0	\$ 0

Segmented Information (Capital Expenditures by Segment) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Segment Reporting, Asset Reconciling Item [Line Items]				
Capital Expenditures	\$ 622	\$ 640	\$ 1,213	\$ 1,250
Operating Segments [Member] USA Operations [Member]				
Segment Reporting, Asset Reconciling Item [Line Items]				
Capital Expenditures	504	502	961	969
Operating Segments [Member] Canadian Operations [Member]				
Segment Reporting, Asset Reconciling Item [Line Items]				
Capital Expenditures	117	137	250	279
Corporate & Other [Member]				
Segment Reporting, Asset Reconciling Item [Line Items]				
Capital Expenditures	\$ 1	\$ 1	\$ 2	\$ 2

Segmented Information
(Goodwill, Property, Plant
and Equipment and Total
Assets by Segment) (Details)
- USD (\$)
\$ in Millions

Jun. 30, 2024 Dec. 31, 2023

Segment Reporting, Asset Reconciling Item [Line Items]

<u>Goodwill</u>	\$ 2,577	\$ 2,599
<u>Property, Plant and Equipment</u>	14,844	14,640
<u>Total Assets</u>	19,809	19,987

Operating Segments [Member] | USA Operations [Member]

Segment Reporting, Asset Reconciling Item [Line Items]

<u>Goodwill</u>	1,938	1,938
<u>Property, Plant and Equipment</u>	13,286	13,129
<u>Total Assets</u>	16,098	16,033

Operating Segments [Member] | Canadian Operations [Member]

Segment Reporting, Asset Reconciling Item [Line Items]

<u>Goodwill</u>	639	661
<u>Property, Plant and Equipment</u>	1,416	1,357
<u>Total Assets</u>	2,348	2,404

Operating Segments [Member] | Market Optimization [Member]

Segment Reporting, Asset Reconciling Item [Line Items]

<u>Goodwill</u>	0	0
<u>Property, Plant and Equipment</u>	0	0
<u>Total Assets</u>	200	232

Corporate & Other [Member]

Segment Reporting, Asset Reconciling Item [Line Items]

<u>Goodwill</u>	0	0
<u>Property, Plant and Equipment</u>	142	154
<u>Total Assets</u>	\$ 1,163	\$ 1,318

**Revenues from Contracts
with Customers
(Disaggregation of Revenue)
(Details) - USD (\$)
\$ in Millions**

**3 Months 6 Months
Ended Ended
Jun. Jun. Jun. Jun.
30, 30, 30, 30,
2024 2023 2024 2023**

Disaggregation of Revenue [Line Items]

Product revenues

\$ \$ \$ \$
2,193 2,352 4,580 4,944

Operating Segments [Member] | USA Operations Excluding Intercompany Segment Transactions [Member]

Disaggregation of Revenue [Line Items]

Product revenues

1,424 1,184 2,891 2,374

Operating Segments [Member] | Canadian Operations Excluding Intercompany Segment Transactions [Member]

Disaggregation of Revenue [Line Items]

Product revenues

425 470 896 1,163

Operating Segments [Member] | Market Optimization Excluding Intercompany Segment Transactions [Member]

Disaggregation of Revenue [Line Items]

Product revenues

344 698 793 1,407

Corporate & Other [Member]

Disaggregation of Revenue [Line Items]

Product revenues

0 0 0 0

Oil [Member] | Product Revenues Including Sale of Product Purchased from Third Parties [Member]

Disaggregation of Revenue [Line Items]

Product revenues

1,514 1,591 3,088 3,051

Oil [Member] | Operating Segments [Member] | Product Revenues Including Sale of Product Purchased from Third Parties [Member] | USA Operations Excluding Intercompany Segment Transactions [Member]

Disaggregation of Revenue [Line Items]

Product revenues

1,192 947 2,373 1,798

Oil [Member] | Operating Segments [Member] | Product Revenues Including Sale of Product Purchased from Third Parties [Member] | Canadian Operations Excluding Intercompany Segment Transactions [Member]

Disaggregation of Revenue [Line Items]

Product revenues

4 0 5 0

Oil [Member] | Operating Segments [Member] | Product Revenues Including Sale of Product Purchased from Third Parties [Member] | Market Optimization Excluding Intercompany Segment Transactions [Member]

Disaggregation of Revenue [Line Items]

Product revenues

318 644 710 1,253

Oil [Member] | Corporate & Other [Member] | Product Revenues Including Sale of Product Purchased from Third Parties [Member]

Disaggregation of Revenue [Line Items]

Product revenues	0	0	0	0
Natural Gas Liquids [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	450	400	880	841
Natural Gas Liquids [Member] Operating Segments [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member] USA Operations Excluding Intercompany Segment Transactions [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	176	149	364	333
Natural Gas Liquids [Member] Operating Segments [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member] Canadian Operations Excluding Intercompany Segment Transactions [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	271	246	505	483
Natural Gas Liquids [Member] Operating Segments [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member] Market Optimization Excluding Intercompany Segment Transactions [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	3	5	11	25
Natural Gas Liquids [Member] Corporate & Other [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	0	0	0	0
Natural Gas [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	228	358	609	1,048
Natural Gas [Member] Operating Segments [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member] USA Operations Excluding Intercompany Segment Transactions [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	55	86	152	241
Natural Gas [Member] Operating Segments [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member] Canadian Operations Excluding Intercompany Segment Transactions [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	150	223	385	678
Natural Gas [Member] Operating Segments [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member] Market Optimization Excluding Intercompany Segment Transactions [Member]				
Disaggregation of Revenue [Line Items]				
Product revenues	23	49	72	129
Natural Gas [Member] Corporate & Other [Member] Product Revenues Including Sale of Product Purchased from Third Parties [Member]				
Disaggregation of Revenue [Line Items]				

<u>Product revenues</u>	0	0	0	0
<u>Natural Gas Gathering and Processing [Member]</u>				
<u>Disaggregation of Revenue [Line Items]</u>				
<u>Product revenues</u>	1	3	3	4
<u>Natural Gas Gathering and Processing [Member] Operating Segments [Member] USA</u>				
<u>Operations Excluding Intercompany Segment Transactions [Member]</u>				
<u>Disaggregation of Revenue [Line Items]</u>				
<u>Product revenues</u>	1	2	2	2
<u>Natural Gas Gathering and Processing [Member] Operating Segments [Member] </u>				
<u>Canadian Operations Excluding Intercompany Segment Transactions [Member]</u>				
<u>Disaggregation of Revenue [Line Items]</u>				
<u>Product revenues</u>	0	1	1	2
<u>Natural Gas Gathering and Processing [Member] Operating Segments [Member] </u>				
<u>Market Optimization Excluding Intercompany Segment Transactions [Member]</u>				
<u>Disaggregation of Revenue [Line Items]</u>				
<u>Product revenues</u>	0	0	0	0
<u>Natural Gas Gathering and Processing [Member] Corporate & Other [Member]</u>				
<u>Disaggregation of Revenue [Line Items]</u>				
<u>Product revenues</u>	\$ 0	\$ 0	\$ 0	\$ 0

Revenues from Contracts with Customers (Narrative) (Details) - USD (\$) \$ in Millions	6 Months Ended	
	Jun. 30, 2024	Dec. 31, 2023
Revenue from Contract with Customer [Abstract]		
<u>Contract with customer, asset net</u>	\$ 0	\$ 0
<u>Contract with customer, liability</u>	0	0
<u>Receivables & accrued revenues from contracts with customers</u>	917	\$ 1,070
<u>Revenue, remaining performance obligation</u>	\$ 0	
<u>Description of payment terms</u>	As the period between when the product sales are transferred and Ovintiv receives payments is generally 30 to 60 days, there is no financing element associated with customer contracts.	

Interest (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Interest Expense, Operating and Nonoperating</u>				
<u>[Abstract]</u>				
<u>Interest Expense on Debt</u>	\$ 100	\$ 77	\$ 197	\$ 137
<u>Interest on Finance Leases</u>	1	1	1	1
<u>Interest - Other</u>	4	2	5	13
<u>Interest</u>	\$ 105	\$ 80	\$ 203	\$ 151

Foreign Exchange (Gain) Loss, Net (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Schedule Of Foreign Exchange Transactions [Line Items]</u>				
<u>Unrealized Foreign Exchange (Gain) Loss</u>	\$ (5)	\$ 10	\$ (28)	\$ 5
<u>Foreign Exchange (Gain) Loss, Net</u>	(10)	25	(38)	22
<u>Translation of U.S. Dollar Debt Issued From Canada [Member]</u>				
<u>Schedule Of Foreign Exchange Transactions [Line Items]</u>				
<u>Foreign Exchange on Settlements</u>	1	(1)	1	(2)
<u>Translation of U.S. Dollar Risk Management Contracts Issued From Canada [Member]</u>				
<u>Schedule Of Foreign Exchange Transactions [Line Items]</u>				
<u>Unrealized Foreign Exchange (Gain) Loss</u>	1	(9)	7	(15)
<u>Foreign Exchange on Settlements</u>	1	3	1	7
<u>Translation of Intercompany Notes [Member]</u>				
<u>Schedule Of Foreign Exchange Transactions [Line Items]</u>				
<u>Unrealized Foreign Exchange (Gain) Loss</u>	(6)	19	(35)	20
<u>Foreign Exchange on Settlements</u>	(6)	5	(8)	5
<u>Other Monetary Revaluations [Member]</u>				
<u>Schedule Of Foreign Exchange Transactions [Line Items]</u>				
<u>Foreign Exchange on Settlements</u>	\$ (1)	\$ 8	\$ (4)	\$ 7

Income Taxes (Provision For Income Taxes) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Income Tax Disclosure [Line Items]</u>				
<u>Total Current Tax Expense (Recovery)</u>	\$ 23	\$ 54	\$ 55	\$ 116
<u>Total Deferred Tax Expense (Recovery)</u>	103	47	161	111
<u>Income Tax Expense (Recovery)</u>	\$ 126	\$ 101	\$ 216	\$ 227
<u>Effective Tax Rate</u>	27.00%	23.10%	24.20%	21.60%
<u>United States [Member]</u>				
<u>Income Tax Disclosure [Line Items]</u>				
<u>Total Current Tax Expense (Recovery)</u>	\$ 10	\$ 8	\$ 24	\$ 8
<u>Total Deferred Tax Expense (Recovery)</u>	77	65	135	137
<u>Canada [Member]</u>				
<u>Income Tax Disclosure [Line Items]</u>				
<u>Total Current Tax Expense (Recovery)</u>	13	46	31	108
<u>Total Deferred Tax Expense (Recovery)</u>	\$ 26	\$ (18)	\$ 26	\$ (26)

Acquisitions and Divestitures (Schedule of Net Acquisitions & (Divestitures)) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30,	Jun. 30,	Jun. 30,	Jun. 30,
	2024	2023	2024	2023
<u>Acquisitions and Divestitures [Line Items]</u>				
<u>Acquisitions</u>	\$ 5	\$ 15	\$ 195	\$ 214
<u>Divestitures</u>	(2)	(717)	(4)	(729)
<u>Net Acquisitions and Divestitures</u>	3	(702)	191	(515)
<u>Operating Segments [Member] USA Operations [Member]</u>				
<u>Acquisitions and Divestitures [Line Items]</u>				
<u>Acquisitions</u>	5	15	195	208
<u>Divestitures</u>	(2)	(718)	(4)	(730)
<u>Operating Segments [Member] Canadian Operations [Member]</u>				
<u>Acquisitions and Divestitures [Line Items]</u>				
<u>Acquisitions</u>	\$ 0	0	\$ 0	6
<u>Divestitures</u>		\$ 1		\$ 1

Acquisitions and Divestitures (Narrative) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Acquisitions and Divestitures [Line Items]				
Acquisitions	\$ 5	\$ 15	\$ 195	\$ 214
Divestitures	2	717	4	729
USA Operations [Member] Operating Segments [Member]				
Acquisitions and Divestitures [Line Items]				
Acquisitions	5	15	195	208
Divestitures	\$ 2	\$ 718	\$ 4	730
USA Operations [Member] Operating Segments [Member] Uinta and Bakken Assets [Member]				
Acquisitions and Divestitures [Line Items]				
Divestitures				\$ 706

**Business Combination
(Narrative) (Details) -
Permian Acquisition
[Member]
shares in Millions, \$ in
Millions**

**Jun. 12, 2023
USD (\$) Dec. 31, 2023
a USD (\$)
WellLocation
shares**

Business Acquisition [Line Items]

<u>Cash paid for acquisition</u>	\$ 3,229	
<u>Number of shares issued shares</u>	31.8	
<u>Value issued</u>	\$ 1,169	
<u>Transaction costs</u>		\$ 76
<u>Number of well locations acquired WellLocation</u>	1,050	
<u>Number of acres acquired a</u>	65,000	
<u>Share Capital [Member]</u>		
<u>Business Acquisition [Line Items]</u>		
<u>Number of shares issued shares</u>	31.8	

**Business Combination
(Schedule of Purchase Price
Allocation) (Details) -
Permian Acquisition
[Member]
\$ in Millions**

**Jun. 12, 2023
USD (\$)**

Consideration:

<u>Fair value of shares of Ovintiv common stock issued</u>	\$ 1,169
<u>Cash</u>	3,229
<u>Total Consideration</u>	4,398

Assets Acquired:

<u>Cash and cash equivalents</u>	16
<u>Accounts receivable and accrued revenues</u>	202

Liabilities Assumed:

<u>Accounts payable and accrued liabilities</u>	(446)
<u>Asset retirement obligation</u>	(28)
<u>Other liabilities and provisions</u>	(4)
<u>Total Purchase Price</u>	4,398

Proved Properties [Member]

Assets Acquired:

<u>Property, plant and equipment, net</u>	3,727
<u>Unproved Properties [Member]</u>	

Assets Acquired:

<u>Property, plant and equipment, net</u>	914
<u>Other Capitalized Property Plant and Equipment [Member]</u>	

Assets Acquired:

<u>Property, plant and equipment, net</u>	\$ 17
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Business Combination (Schedule of Purchase Price Allocation) (Parenthetical) (Details) - USD (\$) \$ / shares in Units, shares in Millions, \$ in Millions	3 Months Ended		6 Months Ended			
	Jun. 12, 2023	Jun. 30, 2024	Mar. 31, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Business Acquisition [Line Items]</u>						
<u>Decrease in accounts payable and accrued liabilities</u> <u>Permian Acquisition [Member]</u>		\$ (9)		\$ (103)	\$ (301)	\$ (290)
<u>Business Acquisition [Line Items]</u>						
<u>Fair value of shares of Ovintiv common stock issued</u>	31.8					
<u>Shares of common stock closing price</u>	\$ 36.78					
<u>Increase in accounts receivable and accrued revenues</u>	\$ 22					
<u>Decrease in accounts payable and accrued liabilities</u>	73					
<u>Decrease in other liabilities and provisions</u>	2					
<u>Cash consideration, final cash settlements</u> <u>Permian Acquisition [Member] Proved Properties</u> <u>[Member]</u>			\$ 12			
<u>Business Acquisition [Line Items]</u>						
<u>Increase (decrease) in properties</u> <u>Permian Acquisition [Member] Other Capitalized</u> <u>Property Plant and Equipment [Member]</u>	134					
<u>Business Acquisition [Line Items]</u>						
<u>Increase (decrease) in properties</u> <u>Permian Acquisition [Member] Unproved Properties</u> <u>[Member]</u>	16					
<u>Business Acquisition [Line Items]</u>						
<u>Increase (decrease) in properties</u>	\$ (227)					

**Property, Plant and
Equipment, Net (Schedule
Of Property, Plant And
Equipment) (Details) - USD
(\$)
\$ in Millions**

**Jun. 30, Dec. 31,
2024 2023**

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	\$ 67,291	\$ 66,477
<u>Less: Accumulated depreciation, depletion and amortization</u>	(52,447)	(51,837)
<u>Property, plant and equipment, net</u>	14,844	14,640

Operating Segments [Member] | USA Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	50,072	48,928
<u>Less: Accumulated depreciation, depletion and amortization</u>	(36,786)	(35,799)
<u>Property, plant and equipment, net</u>	13,286	13,129

Operating Segments [Member] | Canadian Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	16,379	16,689
<u>Less: Accumulated depreciation, depletion and amortization</u>	(14,963)	(15,332)
<u>Property, plant and equipment, net</u>	1,416	1,357

Operating Segments [Member] | Market Optimization [Member]

Property, Plant and Equipment [Line Items]

<u>Property, plant and equipment, net</u>	0	0
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Corporate & Other [Member]

Property, Plant and Equipment [Line Items]

<u>Property, plant and equipment, net</u>	142	154
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Proved Properties [Member] | Operating Segments [Member] | USA Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	48,897	47,440
<u>Less: Accumulated depreciation, depletion and amortization</u>	(36,786)	(35,799)
<u>Property, plant and equipment, net</u>	12,111	11,641

Proved Properties [Member] | Operating Segments [Member] | Canadian Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	16,342	16,644
<u>Less: Accumulated depreciation, depletion and amortization</u>	(14,963)	(15,332)
<u>Property, plant and equipment, net</u>	1,379	1,312

Unproved Properties [Member] | Operating Segments [Member] | USA Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	1,121	1,449
<u>Less: Accumulated depreciation, depletion and amortization</u>	0	0
<u>Property, plant and equipment, net</u>	1,121	1,449

Unproved Properties [Member] | Operating Segments [Member] | Canadian Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	31	37
<u>Less: Accumulated depreciation, depletion and amortization</u>	0	0
<u>Property, plant and equipment, net</u>	31	37

Other Capitalized Property Plant and Equipment [Member] | Operating Segments [Member] | USA Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	54	39
<u>Less: Accumulated depreciation, depletion and amortization</u>	0	0
<u>Property, plant and equipment, net</u>	54	39

Other Capitalized Property Plant and Equipment [Member] | Operating Segments [Member] | Canadian Operations [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	6	8
<u>Less: Accumulated depreciation, depletion and amortization</u>	0	0
<u>Property, plant and equipment, net</u>	6	8

Other Capitalized Property Plant and Equipment [Member] | Operating Segments [Member] | Market Optimization [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	7	7
<u>Less: Accumulated depreciation, depletion and amortization</u>	(7)	(7)
<u>Property, plant and equipment, net</u>	0	0

Other Capitalized Property Plant and Equipment [Member] | Corporate & Other [Member]

Property, Plant and Equipment [Line Items]

<u>Property, Plant and Equipment, Cost</u>	833	853
<u>Less: Accumulated depreciation, depletion and amortization</u>	(691)	(699)
<u>Property, plant and equipment, net</u>	\$ 142	\$ 154

**Property, Plant and
Equipment, Net (Narrative)**
(Details) - USD (\$)
\$ in Millions

6 Months Ended

Jun. 30, 2024 Jun. 30, 2023

Property, Plant and Equipment [Abstract]

Internal Costs Capitalized

\$ 99

\$ 76

Leases (Schedule of Estimated Future Sublease Income) (Details) \$ in Millions	6 Months Ended Jun. 30, 2024 USD (\$)
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Leases [Abstract]

<u>2024</u>	\$ 25
<u>2025</u>	51
<u>2026</u>	51
<u>2027</u>	46
<u>2028</u>	41
<u>Thereafter</u>	364
<u>Total</u>	\$ 578

Leases (Narrative) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Leases [Abstract]				
Operating lease income	\$ 12	\$ 12	\$ 26	\$ 24
Variable lease income	\$ 6	\$ 6	\$ 11	\$ 11

Long-Term Debt (Schedule Of Long-Term Debt) (Details) - USD (\$) \$ in Millions	May 31, 2023	6 Months Ended Jun. 30, 2024	12 Months Ended Dec. 31, 2023
<u>Debt Instrument [Line Items]</u>			
<u>Revolving credit and term loan borrowings</u>		\$ 634	\$ 284
<u>Total Principal</u>		6,110	5,760
<u>Increase in Value of Debt Acquired</u>		19	22
<u>Unamortized Debt Discounts and Issuance Costs</u>		(42)	(45)
<u>Total Long-Term Debt</u>		6,087	5,737
<u>Current Portion</u>		1,234	284
<u>Long-Term Portion</u>		4,853	5,453
<u>5.65% Unsecured Notes [Member] Unsecured Notes, Due May 15, 2025 [Member]</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Unsecured Debt</u>	\$ 600	\$ 600	\$ 600
<u>Debt Instrument, Interest Rate, Stated Percentage</u>	5.65%	5.65%	5.65%
<u>Debt Instrument, Maturity Date</u>	May 15, 2025	May 15, 2025	May 15, 2025
<u>5.65% Unsecured Notes [Member] Unsecured Notes, Due May 15, 2028 [Member]</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Unsecured Debt</u>	\$ 700	\$ 700	\$ 700
<u>Debt Instrument, Interest Rate, Stated Percentage</u>	5.65%	5.65%	5.65%
<u>Debt Instrument, Maturity Date</u>	May 15, 2028	May 15, 2028	May 15, 2028
<u>5.375% Unsecured Notes [Member] Unsecured Notes, Due Jan 1, 2026 [Member]</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Unsecured Debt</u>		\$ 459	\$ 459
<u>Debt Instrument, Interest Rate, Stated Percentage</u>		5.375%	5.375%
<u>Debt Instrument, Maturity Date</u>		Jan. 01, 2026	Jan. 01, 2026
<u>8.125% Unsecured Notes [Member] Unsecured Notes, Due September 15, 2030 [Member]</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Unsecured Debt</u>		\$ 300	\$ 300
<u>Debt Instrument, Interest Rate, Stated Percentage</u>		8.125%	8.125%
<u>Debt Instrument, Maturity Date</u>		Sep. 15, 2030	Sep. 15, 2030
<u>7.20% Unsecured Notes [Member] Unsecured Notes, Due November 1, 2031 [Member]</u>			
<u>Debt Instrument [Line Items]</u>			
<u>Unsecured Debt</u>		\$ 350	\$ 350
<u>Debt Instrument, Interest Rate, Stated Percentage</u>		7.20%	7.20%

Debt Instrument, Maturity Date		Nov. 01, 2031	Nov. 01, 2031
7.375% Unsecured Notes [Member] Unsecured Notes, Due November 1, 2031 [Member]			
Debt Instrument [Line Items]			
Unsecured Debt		\$ 500	\$ 500
Debt Instrument, Interest Rate, Stated Percentage		7.375%	7.375%
Debt Instrument, Maturity Date		Nov. 01, 2031	Nov. 01, 2031
6.25% Unsecured Notes [Member] Unsecured Notes, Due July 15, 2033 [Member]			
Debt Instrument [Line Items]			
Unsecured Debt	\$ 600	\$ 600	\$ 600
Debt Instrument, Interest Rate, Stated Percentage	6.25%	6.25%	6.25%
Debt Instrument, Maturity Date	Jul. 15, 2033	Jul. 15, 2033	Jul. 15, 2033
6.50% Unsecured Notes [Member] Unsecured Notes, Due August 15, 2034 [Member]			
Debt Instrument [Line Items]			
Unsecured Debt		\$ 599	\$ 599
Debt Instrument, Interest Rate, Stated Percentage		6.50%	6.50%
Debt Instrument, Maturity Date		Aug. 15, 2034	Aug. 15, 2034
6.50% Unsecured Notes [Member] Unsecured Notes, Due February 1, 2038 [Member]			
Debt Instrument [Line Items]			
Unsecured Debt		\$ 430	\$ 430
Debt Instrument, Interest Rate, Stated Percentage		6.50%	6.50%
Debt Instrument, Maturity Date		Feb. 01, 2038	Feb. 01, 2038
6.625% Unsecured Notes [Member] Unsecured Notes, Due August 15, 2037 [Member]			
Debt Instrument [Line Items]			
Unsecured Debt		\$ 390	\$ 390
Debt Instrument, Interest Rate, Stated Percentage		6.625%	6.625%
Debt Instrument, Maturity Date		Aug. 15, 2037	Aug. 15, 2037
5.15% Unsecured Notes [Member] Unsecured Notes, Due November 15, 2041 [Member]			
Debt Instrument [Line Items]			
Unsecured Debt		\$ 148	\$ 148
Debt Instrument, Interest Rate, Stated Percentage		5.15%	5.15%
Debt Instrument, Maturity Date		Nov. 15, 2041	Nov. 15, 2041
7.10% Unsecured Notes [Member] Unsecured Notes, Due July 15, 2053 [Member]			

Debt Instrument [Line Items]

Unsecured Debt

\$ 400 \$ 400 \$ 400

Debt Instrument, Interest Rate, Stated Percentage

7.10% 7.10% 7.10%

Debt Instrument, Maturity Date

Jul. 15,
2053 Jul. 15, 2053 Jul. 15, 2053

Long-Term Debt (Narrative) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended		12 Months Ended	
	May 31, 2023	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
<u>Debt Instrument [Line Items]</u>						
<u>Net proceeds of offering</u>	\$ 0	\$ 2,278	\$ 0	\$ 2,278		
<u>Long-term debt current</u>	1,234		1,234			\$ 284
<u>Drawn from revolving credit facilities</u>	250		250			
<u>Long-term debt carrying value</u>	6,087		6,087			5,737
<u>Long-term debt, fair value</u>	6,293		6,293			5,989
<u>5.65% Unsecured Notes [Member] Unsecured Notes, Due May 15, 2025 [Member]</u>						
<u>Debt Instrument [Line Items]</u>						
<u>Unsecured Debt</u>	\$ 600	\$ 600	\$ 600			\$ 600
<u>Debt instrument interest rate stated percentage</u>	5.65%	5.65%	5.65%			5.65%
<u>Debt instrument maturity date</u>	May 15, 2025		May 15, 2025			May 15, 2025
<u>5.65% Unsecured Notes [Member] Unsecured Notes, Due May 15, 2028 [Member]</u>						
<u>Debt Instrument [Line Items]</u>						
<u>Unsecured Debt</u>	\$ 700	\$ 700	\$ 700			\$ 700
<u>Debt instrument interest rate stated percentage</u>	5.65%	5.65%	5.65%			5.65%
<u>Debt instrument maturity date</u>	May 15, 2028		May 15, 2028			May 15, 2028
<u>6.25% Unsecured Notes [Member] Unsecured Notes, Due July 15, 2033 [Member]</u>						
<u>Debt Instrument [Line Items]</u>						
<u>Unsecured Debt</u>	\$ 600	\$ 600	\$ 600			\$ 600
<u>Debt instrument interest rate stated percentage</u>	6.25%	6.25%	6.25%			6.25%
<u>Debt instrument maturity date</u>	Jul. 15, 2033		Jul. 15, 2033			Jul. 15, 2033
<u>7.10% Unsecured Notes [Member] Unsecured Notes, Due July 15, 2053 [Member]</u>						
<u>Debt Instrument [Line Items]</u>						
<u>Unsecured Debt</u>	\$ 400	\$ 400	\$ 400			\$ 400
<u>Debt instrument interest rate stated percentage</u>	7.10%	7.10%	7.10%			7.10%
<u>Debt instrument maturity date</u>	Jul. 15, 2053		Jul. 15, 2053			Jul. 15, 2053
<u>Permian Acquisition [Member]</u>						
<u>Debt Instrument [Line Items]</u>						
<u>Net proceeds of offering</u>	\$ 2,278					
<u>Commercial Paper [Member]</u>						
<u>Debt Instrument [Line Items]</u>						
<u>Long-term debt current</u>		\$ 384		\$ 384		

Weighted average interest rate

6.13%

6.13%

Other Liabilities and Provisions (Schedule of Other Liabilities and Provisions) (Details) - USD

Jun. 30, 2024 Dec. 31, 2023

(\$)

\$ in Millions

Other Liabilities And Provisions [Line Items]

Finance Lease Obligations \$ 16 \$ 20

Pensions and Other Post-Employment Benefits 77 74

Other 12 22

Other Liabilities and Provisions 141 132

Other Liabilities and Provisions [Member]

Other Liabilities And Provisions [Line Items]

Unrecognized Tax Benefits \$ 36 \$ 16

Share Capital (Narrative) (Details) - USD (\$) \$ / shares in Units, \$ in Thousands	3 Months Ended		6 Months Ended		12 Months Ended		
	Jul. 30, 2024	Jun. 12, 2023	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
<u>Class Of Stock [Line Items]</u>							
<u>Common stock, shares authorized</u>			750,000,000		750,000,000		
<u>Common stock, par value</u>			\$ 0.01		\$ 0.01		
<u>Preferred stock, shares authorized</u>			25,000,000		25,000,000		
<u>Preferred stock, par value</u>			\$ 0.01		\$ 0.01		
<u>Preferred stock, shares outstanding</u>			0		0		
<u>Share capital</u>				\$		\$	
				1,169,000		1,169,000	
<u>Common shares purchased, shares</u>					9,000,000		9,900,000
<u>Common shares purchased, value</u>			\$ 184,000	89,000	\$ 434,000	328,000	
<u>Dividends on common shares</u>			\$ 80,000	\$ 82,000	\$ 160,000	\$ 143,000	
<u>Common stock, dividends, per share, paid</u>			\$ 0.3	\$ 0.3	\$ 0.6	\$ 0.55	
<u>Common stock, dividends, per share, declared</u>			\$ 0.3	\$ 0.3	\$ 0.6	\$ 0.55	
<u>PSU and RSU [Member]</u>							
<u>Class Of Stock [Line Items]</u>							
<u>Share based compensation arrangement by share based payment award equity instruments other than options grants vested in period</u>					1,400,000		4,100,000
<u>Share Capital [Member]</u>							
<u>Class Of Stock [Line Items]</u>							
<u>Share capital</u>				\$ 0	\$ 0	\$ 0	\$ 0
<u>Common shares purchased, value</u>			\$ 0	0	0	0	\$ 0
<u>Dividends on common shares</u>			0	0	0	0	
<u>Paid in Surplus [Member]</u>							
<u>Class Of Stock [Line Items]</u>							
<u>Share capital</u>				1,169,000		1,169,000	
<u>Common shares purchased, value</u>			184,000	89,000	434,000	328,000	
<u>Dividends on common shares</u>			\$ 0	\$ 0	\$ 0	\$ 0	
<u>Permian Acquisition [Member]</u>							
<u>Class Of Stock [Line Items]</u>							
<u>Number of shares issued</u>		31,800,000					
<u>Permian Acquisition [Member] Share Capital [Member]</u>							
<u>Class Of Stock [Line Items]</u>							
<u>Number of shares issued</u>		31,800,000					

[Share capital](#) \$ 318

[Permian Acquisition \[Member\] | Paid in Surplus \[Member\]](#)

[Class Of Stock \[Line Items\]](#)

[Share capital](#) \$
1,169,000

[Subsequent Event \[Member\]](#)

[Class Of Stock \[Line Items\]](#)

[Dividends payable, date declared](#) Jul.
30,
2024

[Common stock, dividends, per share, declared](#) \$
0.30

[Dividends payable, date to be paid](#) Sep.
27,
2024

[Dividends payable, date of record](#) Sep.
13,
2024

[Normal Course Issuer Bid \[Member\]](#)

[Class Of Stock \[Line Items\]](#)

[Common shares purchased, shares](#) 3,600,000 2,500,000 9,000,000 7,700,000 9,900,000

[Common shares purchased, value](#) \$ 184,000 \$ 89,000 \$ 434,000 \$ 328,000 \$ 426,000

[Normal Course Issuer Bid \[Member\] |](#)

[Share Capital \[Member\]](#)

[Class Of Stock \[Line Items\]](#)

[Common shares purchased, value](#) 36 25 90 77 99

[Normal Course Issuer Bid \[Member\] |](#)

[Paid in Surplus \[Member\]](#)

[Class Of Stock \[Line Items\]](#)

[Common shares purchased, value](#) \$ 184,000 \$ 89,000 \$ 434,000 \$ 328,000 \$ 426,000

**Share Capital (Schedule of
Common Stock Issued and
Outstanding) (Details) - USD
(\$)
\$ in Millions**

3 Months Ended		6 Months Ended		12 Months Ended
Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023

Class of Stock [Line Items]

<u>Shares of Common Stock Outstanding, Beginning of Year</u>			271,700,000	245,700,000	245,700,000
<u>Shares of Common Stock Purchased</u>			(9,000,000)		(9,900,000)
<u>Shares of Common Stock Issued</u>			1,400,000		35,900,000
<u>Shares of Common Stock Outstanding, End of Period</u>	264,100,000		264,100,000		271,700,000
<u>Shares of Common Stock Outstanding, Beginning of Year</u>			\$ 3	\$ 3	\$ 3
<u>Shares of Common Stock Purchased</u>	\$ (184)	\$ (89)	(434)	(328)	
<u>Shares of Common Stock Issued</u>		1,169		1,169	
<u>Shares of Common Stock Outstanding, End of Period</u>	3		3		3
<u>Share Capital [Member]</u>					
<u>Class of Stock [Line Items]</u>					
<u>Shares of Common Stock Purchased</u>	\$ 0	0	0	0	0
<u>Shares of Common Stock Issued</u>		\$ 0	\$ 0	\$ 0	\$ 0

Share Capital (Earnings Per Common Share) (Details) - USD (\$) \$ / shares in Units, shares in Millions, \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Class of Stock Disclosures [Abstract]</u>				
<u>Net Earnings (Loss)</u>	\$ 340	\$ 336	\$ 678	\$ 823
<u>Weighted average shares of common stock outstanding - Basic</u>	266.2	249.4	267.9	246.9
<u>Effect of dilutive securities</u>	1.9	1.4	2.7	3.9
<u>Weighted Average Shares of Common Stock Outstanding - Diluted</u>	268.1	250.8	270.6	250.8
<u>Net Earnings (Loss) per Share of Common Stock Basic</u>	\$ 1.28	\$ 1.35	\$ 2.53	\$ 3.33
<u>Net Earnings (Loss) per Share of Common Stock Diluted</u>	\$ 1.27	\$ 1.34	\$ 2.51	\$ 3.28

Accumulated Other Comprehensive Income (Schedule of Accumulated Other Comprehensive Income) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended		Dec. 31, 2023
	Jun.	Jun.	Jun.	Jun.	
	30, 2024	30, 2023	30, 2024	30, 2023	

Accumulated Other Comprehensive Income (Loss), Net of Tax

[Abstract]

<u>Balance, Beginning of Period, Foreign Currency Translation Adjustment</u>	\$ 924	\$ 939	\$ 1,000	\$ 937	
<u>Change in Foreign Currency Translation Adjustment</u>	(31)	53	(107)	55	
<u>Balance, End of Period, Foreign Currency Translation Adjustment</u>	893	992	893	992	
<u>Pension and Other Post-Employment Benefit Plans</u>					
<u>Balance, Beginning of Period</u>	49	52	50	54	
<u>Other Comprehensive (Income) Loss, Defined Benefit Plan, Reclassification Adjustment from AOCI, before Tax [Abstract]</u>					
<u>Reclassification of net actuarial (gains) and losses to net earnings</u>	(2)	(2)	(3)	(4)	
<u>Income taxes</u>	0	1	0	1	
<u>Balance, End of Period</u>	47	51	47	51	
<u>Total Accumulated Other Comprehensive Income</u>	\$ 940	\$ 1,043	\$ 940	\$ 1,043	\$ 1,050

Variable Interest Entities (Narrative) (Details) \$ in Millions	6 Months Ended	
	Jun. 30, 2024 USD (\$) MMcf	Dec. 31, 2023 USD (\$)
Variable Interest Entity [Line Items] Accounts payable and accrued liabilities, current Veresen Midstream Limited Partnership [Member]	\$ 1,872.0	\$ 2,209.0
Variable Interest Entity [Line Items] Variable interest entity, financial support, term of assessment	8 years	
Variable interest entity, reporting entity involvement, maximum loss exposure, amount Veresen Midstream Limited Partnership [Member] Take or Pay Commitment [Member]	\$ 1,111.0	
Variable Interest Entity [Line Items] Accounts payable and accrued liabilities, current Veresen Midstream Limited Partnership [Member] Natural gas gathering and compression [Member]	\$ 0.6	
Variable Interest Entity [Line Items] Contracted capacity volumes MMcf Veresen Midstream Limited Partnership [Member] Natural gas processing [Member]	1,153	
Variable Interest Entity [Line Items] Contracted capacity volumes MMcf Veresen Midstream Limited Partnership [Member] Minimum [Member]	913	
Variable Interest Entity [Line Items] Length of remaining terms, in years Veresen Midstream Limited Partnership [Member] Maximum [Member]	7 years	
Variable Interest Entity [Line Items] Length of remaining terms, in years Length of renewal term, in years	21 years 10 years	

**Compensation Plans
(Amounts Recognized For
Share-Based Payment
Transactions) (Details) -
USD (\$)
\$ in Millions**

3 Months Ended 6 Months Ended

Jun. 30, Jun. 30, Jun. 30, Jun. 30,
2024 2023 2024 2023

**Share-based Compensation Arrangement by Share-based
Payment Award [Line Items]**

<u>Total Compensation Costs of Transactions Classified as Cash-Settled</u>	\$ (3)	\$ 4	\$ 2	\$ (24)
<u>Total Compensation Costs of Transactions Classified as Equity-Settled</u>	24	24	48	45
<u>Less: Total Share-Based Compensation Costs Capitalized</u>	(8)	(5)	(14)	(13)
<u>Total Share-Based Compensation Expense (Recovery)</u>	13	23	36	8
<u>Operating Expense [Member]</u>				

**Share-based Compensation Arrangement by Share-based
Payment Award [Line Items]**

<u>Total Share-Based Compensation Expense (Recovery)</u>	5	7	13	11
<u>Administrative Expense [Member]</u>				

**Share-based Compensation Arrangement by Share-based
Payment Award [Line Items]**

<u>Total Share-Based Compensation Expense (Recovery)</u>	\$ 8	\$ 16	\$ 23	\$ (3)
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Compensation Plans (Schedule of Weighted Average Assumptions Used to Fair Value Share Units) (Details)	6 Months Ended		Jun. 30, 2024 \$ / shares	Jun. 30, 2023 \$ / shares
	Jun. 30, 2024 \$ / shares	Jun. 30, 2023 \$ / shares		
United States Of America Dollars [Member] Stock Appreciation Rights (SARs) [Member]				
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]				
Fair Value Assumptions, Risk Free Interest Rate	4.04%	4.61%		
Fair Value Assumptions, Dividend Yield	2.56%	3.15%		
Fair Value Assumptions, Expected Volatility Rate	48.63%	59.69%		
Fair Value Assumptions, Expected Term	1 year	1 year 4 months 24 days		
Market Share Price	\$ 46.87	\$ 38.07		
Weighted Average Grant Date Fair Value	\$ 40.91	\$ 44.87		
Canadian Dollar [Member] Tandem Stock Appreciation Rights (TSARs) [Member]				
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]				
Fair Value Assumptions, Risk Free Interest Rate	4.04%	4.61%		
Fair Value Assumptions, Dividend Yield	2.54%	3.21%		
Fair Value Assumptions, Expected Volatility Rate	45.21%	55.88%		
Fair Value Assumptions, Expected Term	1 year	1 year 2 months 12 days		
Market Share Price			\$ 64.13	\$ 50.42
Weighted Average Grant Date Fair Value			\$ 54.84	\$ 62.66

Compensation Plans
(Narrative) (Details) - USD
(\$)
\$ in Millions

Jun. 30,
2024 **Dec. 31,**
2023

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Liability for cash-settled share-based payment transactions</u>	\$ 14	\$ 14
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**Compensation Plans
(Schedule of Share-based
Compensation, Activity)
(Details)
shares in Thousands**

**6 Months
Ended
Jun. 30,
2024
shares**

[PSUs \[Member\]](#)

[Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments
Other than Options, Grants in Period](#)

582

[RSUs \[Member\]](#)

[Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments
Other than Options, Grants in Period](#)

1,494

[DSUs \[Member\]](#)

[Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments
Other than Options, Grants in Period](#)

5

**Fair Value Measurements
(Schedule Of Fair Value,
Assets And Liabilities
Measured On Recurring
Basis) (Details) - USD (\$)
\$ in Millions**

Jun. 30, 2024

Dec. 31, 2023

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]

<u>Risk Management Assets, Net, Current</u>	\$ 117	\$ 214
<u>Risk Management Assets, Net, Long-term</u>	10	4
<u>Risk Management Liabilities, Net, Current</u>	7	0
<u>Risk Management</u>	6	2
<u>Guarantor Obligations, Current Carrying Value</u>	0	4
<u>Accounts Payable and Accrued Liabilities [Member]</u>		

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]

<u>Risk Management Liabilities, Gross Assets</u>		0
<u>Guarantor Obligations, Current Carrying Value</u>	0	4
<u>Accounts Payable and Accrued Liabilities [Member] Carrying Amount [Member]</u>		

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]

<u>Guarantor Obligations, Current Carrying Value</u>		4
<u>Accounts Payable and Accrued Liabilities [Member] Level 1 [Member]</u>		

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]

<u>Guarantor Obligations, Current Carrying Value</u>		0
<u>Accounts Payable and Accrued Liabilities [Member] Level 2 [Member]</u>		

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]

<u>Guarantor Obligations, Current Carrying Value</u>		4
<u>Accounts Payable and Accrued Liabilities [Member] Level 3 [Member]</u>		

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]

<u>Guarantor Obligations, Current Carrying Value</u>		0
<u>Commodity Derivatives [Member]</u>		

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]

<u>Risk Management Assets, Net, Current</u>	\$ 116	\$ 203
<u>Derivative Asset, Current, Statement of Financial Position [Extensible Enumeration]</u>	Risk Management Assets, Net, Current	Risk Management Assets, Net, Current
<u>Risk Management Assets, Net, Long-term</u>	\$ 10	\$ 4

Derivative Asset, Noncurrent, Statement of Financial Position [Extensible Enumeration]	Risk Management Assets, Net, Long-term	Risk Management Assets, Net, Long-term
Risk Management Liabilities, Net, Current	\$ 7	\$ 0
Derivative Liability, Current, Statement of Financial Position [Extensible Enumeration]	Risk Management Liabilities, Net, Current	Risk Management Liabilities, Net, Current
Risk Management	\$ 6	\$ 2
Derivative Liability, Noncurrent, Statement of Financial Position [Extensible Enumeration]	Risk Management	Risk Management
Commodity Derivatives [Member] Other Current Assets [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	\$ 126	\$ 204
Risk Management Assets, Gross Liabilities	(10)	(1)
Commodity Derivatives [Member] Other Current Assets [Member] Level 1 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	0	0
Commodity Derivatives [Member] Other Current Assets [Member] Level 2 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	126	188
Commodity Derivatives [Member] Other Current Assets [Member] Level 3 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	0	16
Commodity Derivatives [Member] Other Noncurrent Assets [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	16	5
Risk Management Assets, Gross Liabilities	(6)	(1)
Commodity Derivatives [Member] Other Noncurrent Assets [Member] Level 1 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	0	0
Commodity Derivatives [Member] Other Noncurrent Assets [Member] Level 2 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	16	5

<u>Commodity Derivatives [Member] Other Noncurrent Assets [Member] Level 3 [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Assets, Gross assets</u>	0	0
<u>Commodity Derivatives [Member] Other Current Liabilities [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Liabilities, Gross liabilities</u>	17	1
<u>Risk Management Liabilities, Gross Assets</u>	(10)	(1)
<u>Commodity Derivatives [Member] Other Current Liabilities [Member] Level 1 [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Liabilities, Gross liabilities</u>	0	0
<u>Commodity Derivatives [Member] Other Current Liabilities [Member] Level 2 [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Liabilities, Gross liabilities</u>	0	1
<u>Commodity Derivatives [Member] Other Current Liabilities [Member] Level 3 [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Liabilities, Gross liabilities</u>	17	0
<u>Commodity Derivatives [Member] Long-term Liabilities [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Liabilities, Gross liabilities</u>	12	3
<u>Risk Management Liabilities, Gross Assets</u>	(6)	(1)
<u>Commodity Derivatives [Member] Long-term Liabilities [Member] Level 1 [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Liabilities, Gross liabilities</u>	0	0
<u>Commodity Derivatives [Member] Long-term Liabilities [Member] Level 2 [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		
<u>Risk Management Liabilities, Gross liabilities</u>	12	3
<u>Commodity Derivatives [Member] Long-term Liabilities [Member] Level 3 [Member]</u>		
<u>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]</u>		

Risk Management Liabilities, Gross liabilities	0	0
Foreign Currency Derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Net, Current	\$ 1	\$ 11
Derivative Asset, Current, Statement of Financial Position [Extensible Enumeration]	Risk Management Assets, Net, Current	Risk Management Assets, Net, Current
Foreign Currency Derivatives [Member] Other Current Assets [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	\$ 1	\$ 11
Risk Management Assets, Gross Liabilities	0	0
Foreign Currency Derivatives [Member] Other Current Assets [Member] Level 1 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	0	0
Foreign Currency Derivatives [Member] Other Current Assets [Member] Level 2 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	1	11
Foreign Currency Derivatives [Member] Other Current Assets [Member] Level 3 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Risk Management Assets, Gross assets	\$ 0	\$ 0

**Fair Value Measurements
(Summary Of Changes In
Level 3 Fair Value
Measurements) (Details) -
USD (\$)
\$ in Millions**

6 Months Ended

Jun. 30, 2024 Jun. 30, 2023

**Fair Value, Assets and Liabilities Measured on Recurring and
Nonrecurring Basis [Abstract]**

<u>Balance, Beginning Balance</u>	\$ 16	\$ 12
<u>Total Gains (Losses)</u>	\$ (42)	\$ 48
<u>Fair Value, Net Derivative Asset (Liability), Recurring Basis, Unobservable Input Reconciliation, Gain (Loss), Statement of Income or Comprehensive Income [Extensible Enumeration]</u>	Other Nonoperating Income (Expense)	Other Nonoperating Income (Expense)
<u>Purchases, sales and issuances</u>	\$ 0	\$ 0
<u>Settlements</u>	9	0
<u>Transfers Out of Level 3</u>	0	0
<u>Balance, Ending Balance</u>	(17)	60
<u>Change in Unrealized Gains (Losses) During the Period Included in Net Earnings (Loss)</u>	\$ (33)	\$ 48

**Fair Value Measurements
(Quantitative Information
About Unobservable Inputs
Used In Level 3) (Details) -
WTI Options [Member] -
Option Model [Member]**

**6 Months
Ended**

Jun. 30, 2024

Minimum [Member]

Fair Value Measurements, Recurring and Nonrecurring, Valuation Techniques [Line Items]

Fair Value Inputs Commodity Price Volatility

20.00%

Maximum [Member]

Fair Value Measurements, Recurring and Nonrecurring, Valuation Techniques [Line Items]

Fair Value Inputs Commodity Price Volatility

36.00%

Weighted Average [Member]

Fair Value Measurements, Recurring and Nonrecurring, Valuation Techniques [Line Items]

Fair Value Inputs Commodity Price Volatility

23.00%

**Fair Value Measurements
(Narrative) (Details) - USD
(\$)
\$ in Millions**

**6 Months Ended
Jun. 30, 2024** **12 Months Ended
Dec. 31, 2023**

[Ten Percent Change in Implied Volatility \[Member\]](#)

[Fair Value Measurements, Recurring and Nonrecurring, Valuation Techniques \[Line Items\]](#)

[Increase \(Decrease\) in Risk Management Assets and Liabilities](#)

\$ 4

\$ 1

Financial Instruments and Risk Management (Narrative) (Details)	3 Months Ended		6 Months Ended		
	Jun. 30, 2024 USD (\$) Contract \$ / \$	Jun. 30, 2023 USD (\$)	Jun. 30, 2024 USD (\$) Contract \$ / \$	Jun. 30, 2023 USD (\$)	Dec. 31, 2023 USD (\$)
<u>Derivative [Line Items]</u>					
<u>Realized gain on derivatives</u>	\$ 68,000,000	\$ 3,000,000	\$ 114,000,000	\$ (77,000,000)	
<u>Unrealized gain (loss) on derivatives</u>	6,000,000	151,000,000	(102,000,000)	175,000,000	
<u>Credit risk, financial instrument, maximum exposure, based on gross fair value basis</u>			143,000,000		
<u>Credit risk, financial instrument, maximum exposure, based on net fair value basis</u>	\$ 127,000,000		\$ 127,000,000		
<u>Number of credit risk derivatives held Contract</u>	0		0		
<u>Collateral balances</u>	\$ 0		\$ 0		
<u>Concentration risk, percentage</u>	93.00%		93.00%		91.00%
<u>Guarantor obligations, expiration date</u>			2024-06		
<u>Guarantor Obligations, Current Carrying Value</u>	\$ 0		\$ 0		\$ 4,000,000
<u>Revenue [Member]</u>					
<u>Derivative [Line Items]</u>					
<u>Realized gain on derivatives</u>	69,000,000	5,000,000	115,000,000	(71,000,000)	
<u>Unrealized gain (loss) on derivatives</u>	8,000,000	142,000,000	(92,000,000)	160,000,000	
<u>Currency Swaps Mature Monthly Throughout 2024 [Member]</u>					
<u>Derivative [Line Items]</u>					
<u>Foreign currency swap, contract amount outstanding</u>	\$ 236,000,000		\$ 236,000,000		
<u>Derivative, average forward exchange rate \$ / \$</u>	1.3697		1.3697		
<u>Other Derivative Contracts [Member] Revenue [Member]</u>					
<u>Derivative [Line Items]</u>					
<u>Realized gain on derivatives</u>	\$ 4,000,000	0	\$ 4,000,000	0	
<u>Unrealized gain (loss) on derivatives</u>	\$ 0	\$ 0	\$ 0	\$ 0	

Financial Instruments and Risk Management (Risk Management Positions) (Details) \$ in Millions	6 Months Ended Jun. 30, 2024 USD (\$) \$ / bbl \$ / Mcf MMcf MBbls	Dec. 31, 2023 USD (\$)
<u>Derivative [Line Items]</u>		
<u>Other Derivative Contracts, Net</u>	\$ 1	
<u>Total Fair Value Position</u>	\$ 114	\$ 212
<u>Currency Swap [Member]</u>		
<u>Derivative [Line Items]</u>		
<u>Term</u>		Dec. 31, 2024
<u>Oil [Member] Ethane Fixed Price Maturing 2024 [Member]</u>		
<u>Derivative [Line Items]</u>		
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MBbls</u>	5.0	
<u>Term</u>		Dec. 31, 2024
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ 2	
<u>Average Price, Options/Collars \$ / bbl</u>	10.28	
<u>Oil [Member] WTI Three-Way Options Maturing 2024 [Member]</u>		
<u>Derivative [Line Items]</u>		
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MBbls</u>	45.0	
<u>Term</u>		Dec. 31, 2024
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ (9)	
<u>Oil [Member] WTI Three-Way Options Maturing 2024 [Member] Sold [Member] Call Option [Member]</u>		
<u>Derivative [Line Items]</u>		
<u>Average Price, Options/Collars \$ / bbl</u>	86.75	
<u>Oil [Member] WTI Three-Way Options Maturing 2024 [Member] Sold [Member] Put Option [Member]</u>		
<u>Derivative [Line Items]</u>		
<u>Average Price, Options/Collars \$ / bbl</u>	50.00	
<u>Oil [Member] WTI Three-Way Options Maturing 2024 [Member] Bought [Member] Put Option [Member]</u>		
<u>Derivative [Line Items]</u>		
<u>Average Price, Options/Collars \$ / bbl</u>	65.00	
<u>Oil [Member] WTI Three-Way Options Maturing 2025 [Member]</u>		
<u>Derivative [Line Items]</u>		
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MMcf</u>	25.3	

<u>Term</u>	Dec. 31, 2025
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ (8)
<u>Oil [Member] WTI Three-Way Options Maturing 2025 [Member] Sold [Member] Call Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	85.52
<u>Oil [Member] WTI Three-Way Options Maturing 2025 [Member] Sold [Member] Put Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	50.00
<u>Oil [Member] WTI Three-Way Options Maturing 2025 [Member] Bought [Member] Put Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	65.00
<u>Oil [Member] Basis Contracts Maturing 2024 [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Term</u>	Dec. 31, 2024
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ 0
<u>Oil [Member] WTI Costless Collars Maturing 2024 [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MBbls</u>	5.0
<u>Term</u>	Dec. 31, 2024
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ 0
<u>Oil [Member] WTI Costless Collars Maturing 2024 [Member] Sold [Member] Call Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / bbl</u>	92.06
<u>Oil [Member] WTI Costless Collars Maturing 2024 [Member] Bought [Member] Put Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / bbl</u>	60.00
<u>Oil and NGLs [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ (15)
<u>Natural Gas [Member] Fair Value Position Excluding Unexpired Options [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ 128
<u>Natural Gas [Member] NYMEX Fixed Price Contracts Maturing 2024 [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MMcf</u>	200
<u>Term</u>	Dec. 31, 2024

<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ 27
<u>Average Price, Options/Collars \$ / Mcf</u>	3.62
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MMcf</u>	200
<u>Term</u>	Dec. 31, 2024
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ 10
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 [Member] Sold [Member] Call Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	4.51
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 [Member] Sold [Member] Put Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	2.25
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 [Member] Bought [Member] Put Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	3.00
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 One [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MMcf</u>	500
<u>Term</u>	Dec. 31, 2025
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ (9)
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 One [Member] Sold [Member] Call Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	4.54
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 One [Member] Sold [Member] Put Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	2.25
<u>Natural Gas [Member] NYMEX Three-Way Options Maturing 2024 One [Member] Bought [Member] Put Option [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Average Price, Options/Collars \$ / Mcf</u>	3.00
<u>Natural Gas [Member] NYMEX Costless Collars Maturing 2024 [Member]</u>	
<u>Derivative [Line Items]</u>	
<u>Derivative, Nonmonetary Notional Amount, Volumes/day MMcf</u>	400
<u>Term</u>	Dec. 31, 2024
<u>Price Risk Derivatives, at Fair Value, Net</u>	\$ 26

Natural Gas [Member] NYMEX Costless Collars Maturing 2024 [Member] Sold [Member] Call Option [Member]	
Derivative [Line Items]	
Average Price, Options/Collars \$ / Mcf	4.49
Natural Gas [Member] NYMEX Costless Collars Maturing 2024 [Member] Bought [Member] Put Option [Member]	
Derivative [Line Items]	
Average Price, Options/Collars \$ / Mcf	3.00
Natural Gas [Member] Basis Contracts Maturing 2024 [Member]	
Derivative [Line Items]	
Term	Dec. 31, 2024
Price Risk Derivatives, at Fair Value, Net	\$ 46
Natural Gas [Member] Basis Contracts Maturing 2025 [Member]	
Derivative [Line Items]	
Term	Dec. 31, 2025
Price Risk Derivatives, at Fair Value, Net	\$ 28

Financial Instruments and Risk Management (Earnings Impact of Realized and Unrealized Gains (Losses) On Risk Management Positions) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
<u>Derivative Instruments, Gain (Loss) [Line Items]</u>				
<u>Realized Gain (Loss) on Derivatives</u>	\$ 68	\$ 3	\$ 114	\$ (77)
<u>Unrealized Gain (Loss) on Derivatives</u>	6	151	(102)	175
<u>Realized and Unrealized Gain (Loss) on Risk Management</u>	\$ 74	\$ 154	\$ 12	\$ 98
<u>Derivative, Gain (Loss), Statement of Income or Comprehensive Income [Extensible Enumeration]</u>	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity
<u>Revenue [Member]</u>				
<u>Derivative Instruments, Gain (Loss) [Line Items]</u>				
<u>Realized Gain (Loss) on Derivatives</u>	\$ 69	\$ 5	\$ 115	\$ (71)
<u>Unrealized Gain (Loss) on Derivatives</u>	8	142	(92)	160
<u>Realized and Unrealized Gain (Loss) on Risk Management</u>	\$ 77	\$ 147	\$ 23	\$ 89
<u>Derivative, Gain (Loss), Statement of Income or Comprehensive Income [Extensible Enumeration]</u>	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity
<u>Foreign Currency Gain (Loss) [Member]</u>				
<u>Derivative Instruments, Gain (Loss) [Line Items]</u>				
<u>Realized Gain (Loss) on Derivatives</u>	\$ (1)	\$ (3)	\$ (1)	\$ (7)
<u>Unrealized Gain (Loss) on Derivatives</u>	(2)	9	(10)	15
<u>Realized and Unrealized Gain (Loss) on Risk Management</u>	\$ (3)	\$ 6	\$ (11)	\$ 8
<u>Derivative, Gain (Loss), Statement of Income or Comprehensive Income [Extensible Enumeration]</u>	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity	Gain (Loss) from Price Risk Management Activity
<u>Interest Rate [Member]</u>				
<u>Derivative Instruments, Gain (Loss) [Line Items]</u>				

<u>Realized Gain (Loss) on Derivatives</u>	\$ 0	\$ 1	\$ 0	\$ 1
<u>Realized and Unrealized Gain (Loss) on Risk Management</u>	\$ 0	\$ 1	\$ 0	\$ 1

**Financial Instruments and
Risk Management
(Reconciliation of Unrealized
Risk Management Positions)
(Details) - USD (\$)
\$ in Millions**

3 Months Ended

6 Months Ended

Jun. 30, 2024 Jun. 30, 2023 Jun. 30, 2024 Jun. 30, 2023

Derivative [Line Items]

<u>Fair Value of Contracts, Beginning of Year</u>			\$ 212	
<u>Settlement of Other Derivative Contracts</u>			4	
<u>Fair Value of Contracts Realized During the Period</u>	\$ (68)	\$ (3)	(114)	\$ 77
<u>Fair Value of Contracts, End of Period</u>	114		114	
<u>Unrealized Gain (Loss) on Derivatives</u>	\$ 6	\$ 151	(102)	175
<u>Commodity Contract [Member]</u>				
<u>Derivative [Line Items]</u>				
<u>Increase (Decrease) in Derivative Assets and Liabilities</u>			\$ 12	\$ 98

**Financial Instruments and
Risk Management
(Unrealized Risk
Management Positions)
(Details) - USD (\$)
\$ in Millions**

Jun. 30, 2024 Dec. 31, 2023

Derivatives, Fair Value [Line Items]

<u>Risk Management, Current asset</u>	\$ 117	\$ 214
<u>Risk Management, Long-term asset</u>	10	4
<u>Risk Management, Total asset</u>	127	218
<u>Risk Management, Current liability</u>	7	0
<u>Risk Management, Long-term liability</u>	6	2
<u>Risk Management, Total liability</u>	13	2
<u>Guarantor Obligations, Current Carrying Value</u>	0	4
<u>Risk Management and Other Derivative Guarantee, at Fair Value, Net</u>	114	212

Accounts Payable and Accrued Liabilities [Member]

Derivatives, Fair Value [Line Items]

<u>Guarantor Obligations, Current Carrying Value</u>	\$ 0	\$ 4
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Supplementary Information
(Net Change in Non-Cash
Working Capital) (Details) -
USD (\$)

3 Months Ended **6 Months Ended**
Jun. 30, 2024 Jun. 30, 2023 Jun. 30, 2024 Jun. 30, 2023

\$ in Millions

Supplemental Cash Flow Elements [Abstract]

<u>Accounts receivable and accrued revenues</u>	\$ 63	\$ 205	\$ 235	\$ 519
<u>Accounts payable and accrued liabilities</u>	(9)	(103)	(301)	(290)
<u>Current portion of operating lease liabilities</u>	6	(3)	(3)	9
<u>Income tax receivable and payable</u>	(23)	45	(258)	128
<u>Net change in non-cash working capital</u>	\$ 37	\$ 144	\$ (327)	\$ 366

Supplementary Information (Non-Cash Activity) (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30,	Jun. 30,	Jun. 30,	Jun. 30,
	2024	2023	2024	2023
<u>Non-Cash Operating Activities</u>				
<u>ROU operating lease assets and liabilities</u>	\$ (25)	\$ (40)	\$ (33)	\$ (69)
<u>Non-Cash Investing Activities</u>				
<u>Property, plant and equipment accruals</u>	(17)	93	(2)	92
<u>Capitalized long-term incentives</u>	0	0	(7)	(2)
<u>Property additions/dispositions, including swaps</u>	\$ 14	4	\$ 31	22
<u>Non-Cash Financing Activities</u>				
<u>Common shares issued in conjunction with the Permian Acquisition (See Note 8)</u>		\$ (1,169)		\$ (1,169)

**Commitments and
Contingencies (Details)
\$ in Millions**

**Jun. 30, 2024
USD (\$)**

Commitments [Line Items]

<u>2024</u>	\$ 513
<u>2025</u>	783
<u>2026</u>	609
<u>2027</u>	505
<u>2028</u>	451
<u>Thereafter</u>	2,164
<u>Total</u>	5,025

Transportation and Processing Commitments [Member]

Commitments [Line Items]

<u>2024</u>	336
<u>2025</u>	669
<u>2026</u>	594
<u>2027</u>	498
<u>2028</u>	445
<u>Thereafter</u>	2,145
<u>Total</u>	4,687

Drilling and Field Services Commitments [Member]

Commitments [Line Items]

<u>2024</u>	172
<u>2025</u>	105
<u>2026</u>	7
<u>2027</u>	0
<u>2028</u>	0
<u>Thereafter</u>	0
<u>Total</u>	284

Building Leases & Other Commitments [Member]

Commitments [Line Items]

<u>2024</u>	5
<u>2025</u>	9
<u>2026</u>	8
<u>2027</u>	7
<u>2028</u>	6
<u>Thereafter</u>	19
<u>Total</u>	\$ 54

**Commitments and
Contingencies (Narrative)
(Details)
\$ in Millions**

**3 Months Ended
Jun. 30, 2024
USD (\$)**

[Commitments and Contingencies Disclosure \[Abstract\]](#)

Litigation settlement, amounts awarded

\$ 150

