



2023

Sustainability

Report

NOVEMBER 2023

CONTENTS

Report Overview	3
Message to Stakeholders	3
About Vesta Energy	4
About This Report	5
ESG at Vesta.....	6
Environment	7
Emissions	8
Water.....	11
Land Stewardship	12
Asset Integrity	13
Asset Retirement.....	14
Social	15
Health and Safety.....	16
Seismicity	17
Community Engagement and Support	18
Our People	20
Governance	21
Governance Structure	22
Governance Policies	23
Climate-Related Strategy	24
Data and References	26
Data Tables.....	27
GRI References	29
SASB References	31
TCFD References	32
Abbreviations and Terms.....	33
Advisories	34



Message to our Stakeholders



FROM
MATT REES

Canadian oil and gas producers will play a critical role in the need for secure and reliable energy to meet ambitious global climate targets. The recent geopolitical discord over the past two years has highlighted the fact that our vast resources are essential not only for domestic energy security, but also for the global energy landscape. At Vesta we strive to produce stable and affordable energy that balances economic growth with meeting sustainability goals.

Our approach to sustainability is rooted in innovation, collaboration, and responsibility. We have made significant strides by embracing the need for environmental stewardship, social responsibility, and corporate governance. Our mantra *we do what we say and we do the right thing* has been steady and unwavering – it is central to everything we do and drives us to be a leader in ESG practices.

Consistent with this, our environmental stewardship initiatives have been at the forefront of our efforts. Vesta continues to be a leader among oil producers in emission intensity.

With our focus on operational efficiency, our emission reduction efforts have targeted meaningful and economical projects. Our target to eliminate methane emission sources through investment in reduction infrastructure has contributed the majority of our direct emission reduction achievements.

Coupled with a decreasing Scope 2 emission intensity partially due to Alberta’s transition from coal to natural gas-powered electricity, Vesta has reduced our CO2e intensity by 22% since 2020, surpassing our 15% reduction target three years early.

Vesta’s commitment to social responsibility extends beyond environmental considerations. We are dedicated to fostering a diverse, inclusive, and safe workplace for our employees. At Vesta, we don’t consider an operation successful unless everyone arrives home safely at the end of the day.

We are proud to report for the third straight year that our employees and contract operators have been injury-free. We also achieved a corporate best at avoiding injuries among service provider workers. We will remain vigilant with safety and continue to strive for a zero-injury workplace.

Vesta’s connection and engagement with the local communities are the cornerstone upon which our company operates. We will continue to provide support in our local communities by providing youth education and physical activity, family support services, and activities that generate and maintain strong community bonds.

Our Board of Directors, in collaboration with our senior leadership team, oversees our governance framework, ensuring our decision-making processes are fair and reflective of the best interests of our stakeholders. This year we welcomed Heather Osecki to our Board. Heather has been appointed Chair of the Reserves, HSE & Sustainability Committee. This Committee’s oversight will continue to ensure Vesta remains positioned as a high-quality, low emission intensity energy producer.

At Vesta we remain dedicated to pushing the boundaries of what is achievable by collaborating with employees, stakeholders and peers to drive meaningful change. Together, we will continue to innovate, lead, and inspire, paving the way for a more sustainable energy future.

Matt Rees
President & CEO





About Vesta Energy

PRIVATE, LOW-COST PRODUCER WITH MULTI-DECADE DRILLING INVENTORY

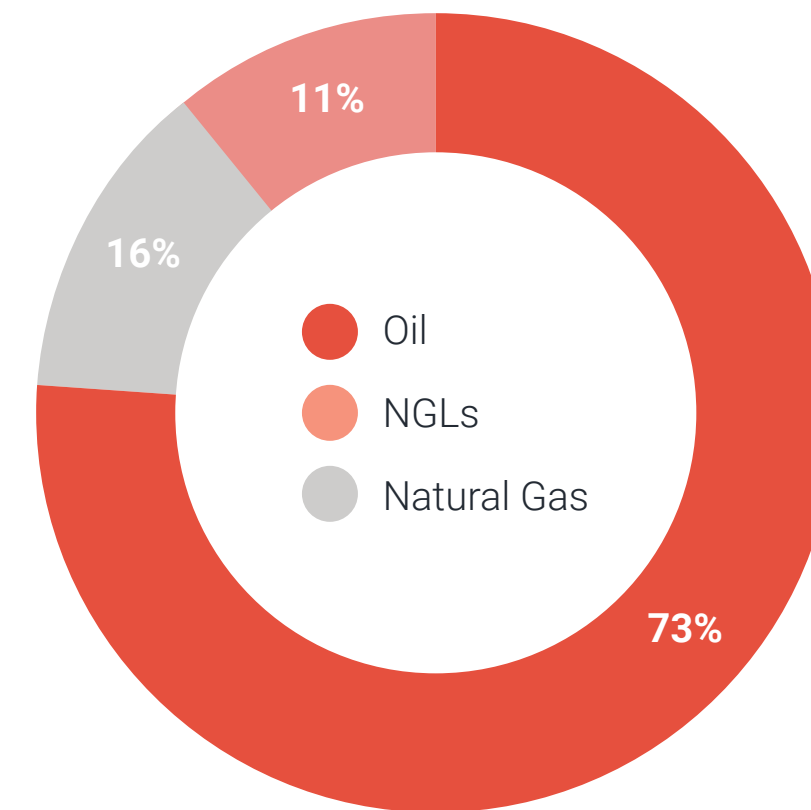
Vesta Energy Ltd. is a privately owned producer focused on the light oil window of the Duvernay formation in Alberta. Company owned and operated infrastructure, close proximity to key service markets, and strong market access allows Vesta to be one of the lowest cost operators in the industry.

Over the past eight years, Vesta has been developing the first commercial shale oil play in Canada that is currently producing 12,700 boe/d from 167 Duvernay wells.

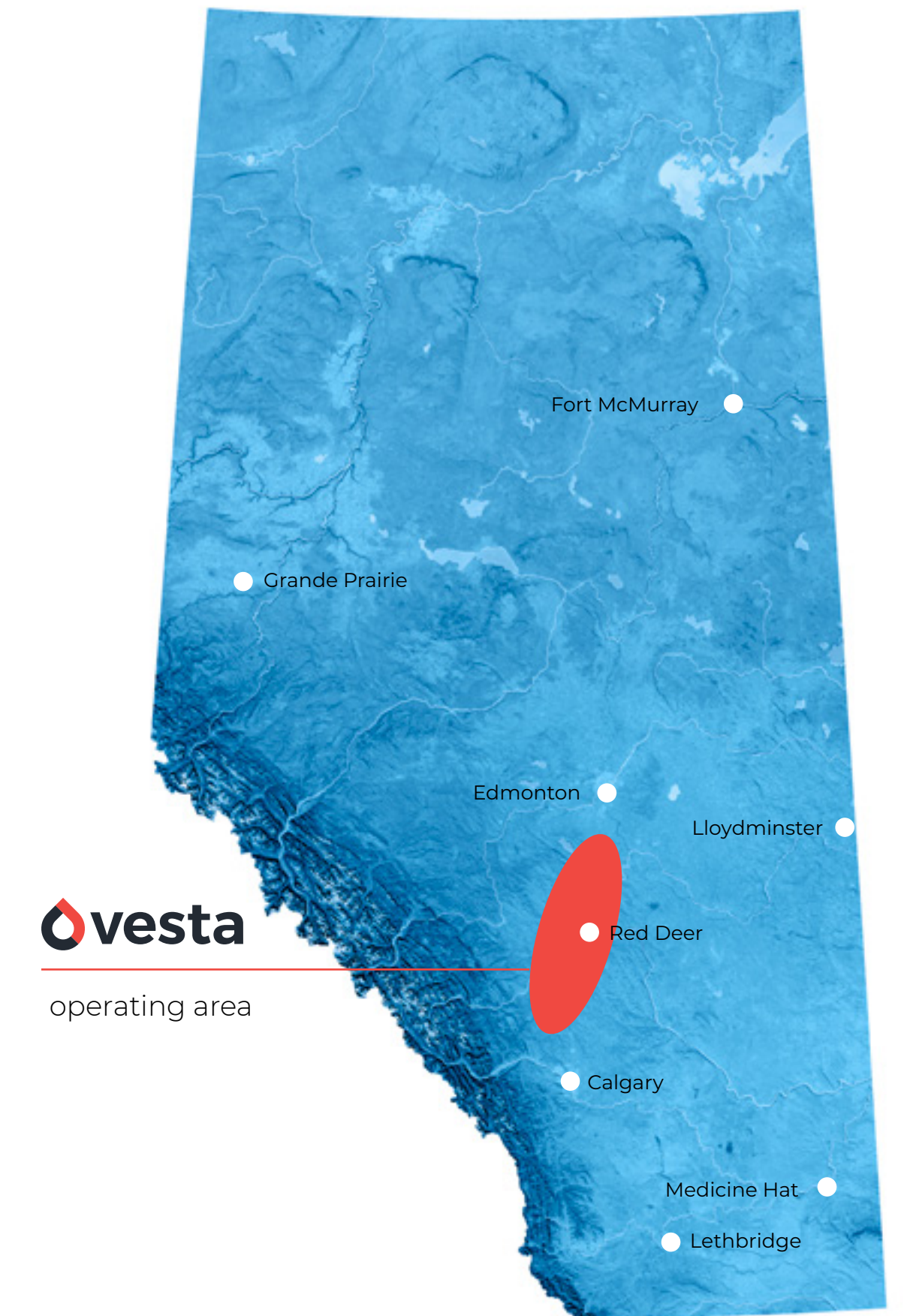
Vesta's 97 employees and contractors are focused on safe and responsible operations in the corporate head office in Calgary and its operations that are based out of Lacombe, Alberta. Vesta's land position is located within the heart of Alberta's agriculture industry and maintaining top-tier ESG performance is extremely important to our stakeholders. Vesta has demonstrated delivery of leading ESG performance while supporting local communities through the growth of its business.

KEY OPERATIONS STATISTICS

- ~12,700 boe/d production
- 167 producing wells on multi-well pads
- Light sweet oil production with low-cost pipeline connection to Edmonton trading hub
- 234,000 net acres, 100% working interest
- 20+ years of booked 2P locations
- 7.8x Liability Management Rating



~84% liquids production drives strong netbacks





About This Report

RESPONSIBLE AND INNOVATIVE ENERGY

Our sustainability report provides information and updates on Vesta's ESG performance and commitments. In addition to our performance data, the report provides a narrative and case studies of ESG topics relevant to our people and stakeholders. As always, Vesta is committed to continuous ESG performance improvement as we develop the hydrocarbon resources required during the transition to a low-carbon economy. The following notes are important for readers to consider when interpreting the information contained within this report.

REPORTING FRAMEWORKS

Where possible, we have aligned our information and disclosures with the Task Force on Climate-Related Financial Disclosure (TCFD) framework, Sustainability Accounting Standards Board (SASB) materiality, and the Global Reporting Initiative (GRI) sustainability reporting metrics. Vesta acknowledges that it is not fully compliant within these reporting frameworks and will endeavour to follow these guidelines as they and our Sustainability Report evolve.

REPORTING PERIOD

This Sustainability Report includes 2022 performance data and ESG activities and initiatives undertaken in both 2022 and 2023.

METHODOLOGY

In 2023, we updated our methodology for calculating fugitive emissions from hydrocarbon tanks, replacing the use of fuel gas composition with standard emission factors representative of hydrocarbon tank gas composition. As this is a notable change, 2020 and 2021 greenhouse gas emissions have been restated in this report.

DEFINITIONS

The terms "Vesta Energy Ltd.", "Vesta Energy", "Vesta", the "Company", "we", "us", or "our" all refer to Vesta Energy Ltd.

OVERSIGHT

This Sustainability Report was prepared and reviewed by relevant employees and senior management, and was approved by Vesta's Reserves, HSE and Sustainability Committee.





ESG at Vesta

RESPONSIBLE AND INNOVATIVE ENERGY

A sustainable approach is directly linked to business performance in today's energy industry. At Vesta, we believe that long-term success is achieved by incorporating the three pillars of Environmental, Social, and Governance (ESG) into our daily business.




OUR ESG VISION

Vesta will create shareholder value by leading the industry in low emission intensity light oil production.



20%

of annual corporate goal weighting is tied to ESG targets.

	Our Focus	Stakeholder Value Creation
 ENVIRONMENT	<ul style="list-style-type: none"> Reduce our environmental impact on air, water, and land. Responsible development decisions. 	<ul style="list-style-type: none"> Support the global demand for low emission intensity hydrocarbon production. Minimize our corporate asset retirement obligation. Operate respectfully: continue building trust with landowners, residents and municipalities.
 SOCIAL	<ul style="list-style-type: none"> All workers get home safely. Empower employees and contractors. Engage communities in which we operate. 	<ul style="list-style-type: none"> Culture of safety creates high employee engagement and strong working relationships with service providers. Strong working relationships with regulators generate learning opportunities and support for ESG initiatives. Multiple viewpoints create opportunities for innovation.
 GOVERNANCE	<ul style="list-style-type: none"> Effective Board leadership. Compensation directly linked to ESG performance. Transparent and ethical operations. 	<ul style="list-style-type: none"> Set a requirement for strategic decision-making with ESG focus. Assure shareholders that we are meeting expectations for sustainable development. ESG performance scrutiny allows for continuous improvement and progress.



Environment



Emissions Management

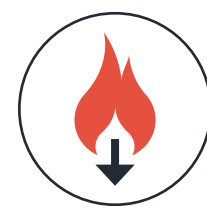
LOWERING EMISSION INTENSITY

By installing electrically powered artificial lift on all producing Duvernay locations, Vesta has been a direct beneficiary of Alberta's transition from coal-powered electricity to lower-emitting natural gas and clean renewable electricity generation. 100% electrical grid connection on all our active locations has resulted in a reduction in direct emissions weighting to only two-thirds of Vesta's Scope 1 & 2 emission footprint. Combined with our other emission reduction efforts, Vesta has achieved swift and efficient emission intensity reductions.



Decreasing Scope 2 Emission Intensity in Alberta

- Alberta's electrical grid consumption intensity (CO₂e/kWh) decreased by 33% over the last 5 years of data (National GHG Inventory Report, 2023).
- Vesta has also actively invested to improve electrical consumption efficiency by installing active harmonic filters (AHF) on our well pads which can improve our electrical consumption efficiency by up to 10%.



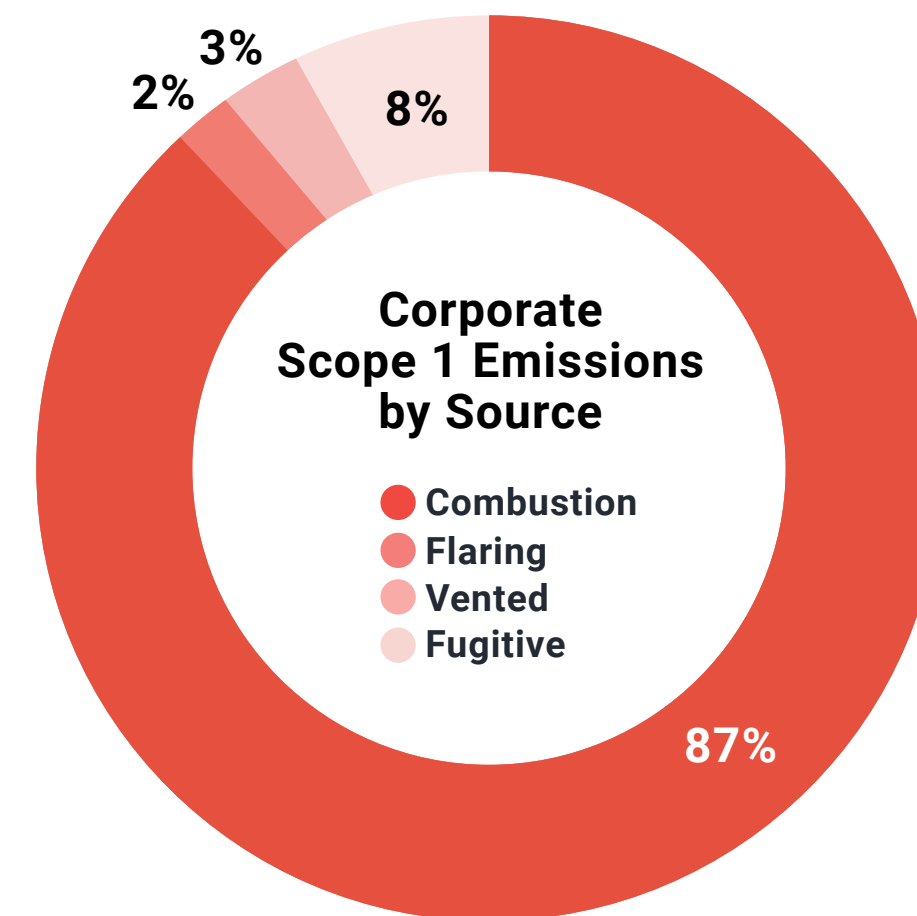
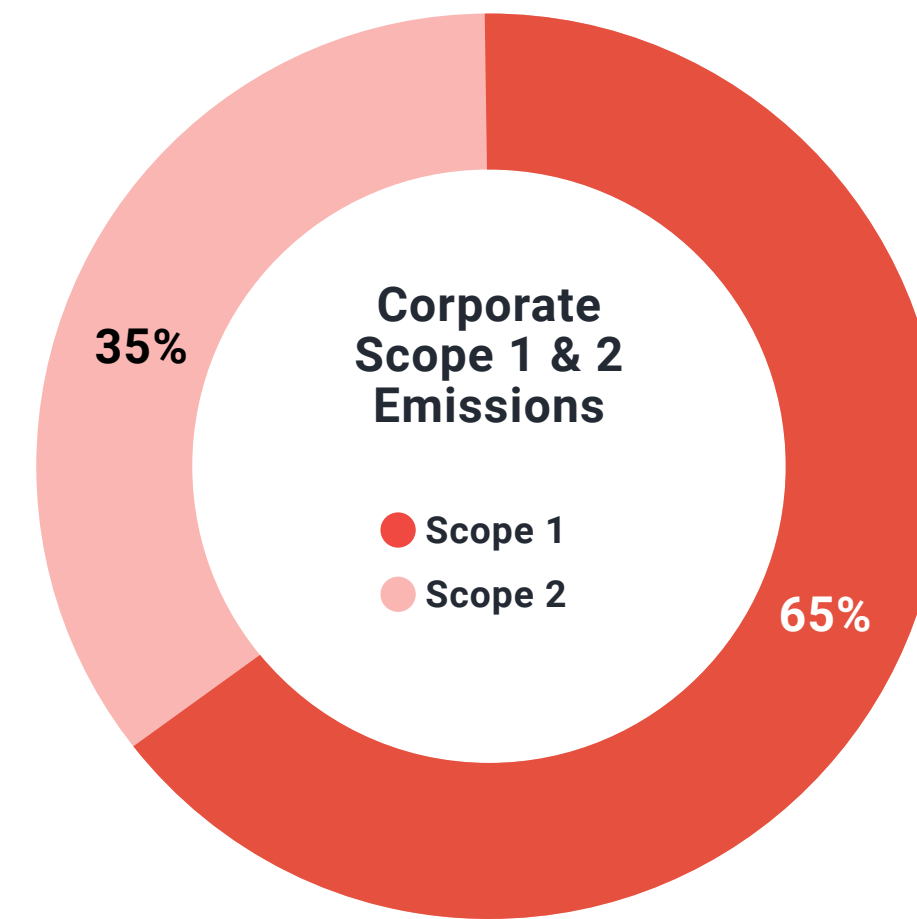
Zero Routine Flaring

- We conserve 100% of solution gas across our operations with no routine flaring at our active locations.
- In 2022, we upgraded a flare used for emergency operations use at our largest facility to reduce pilot gas consumption, contributing to a 23% total reduction in flaring emissions since 2020.



Diesel Displacement with Lower Emitting Natural Gas

- In 2022, Vesta collaborated with a drilling service provider to retrofit a drilling rig that allows cleaner burning natural gas substitution while drilling Vesta's wells.





Methane Reduction


PRIORITIZING INVESTMENT IN METHANE REDUCTION

Methane reduction projects have been critical to the success of reducing Scope 1 emission intensity emissions by 33% in the last 4 years. With a global warming factor 28 times higher than CO2, projects that reduce or eliminate the release of methane to the atmosphere are extremely effective in reducing our carbon footprint.

Since 2020, we have achieved

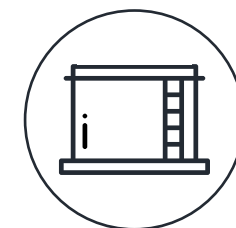
85% ▼
vented emissions

60% ▼
overall corporate methane emissions



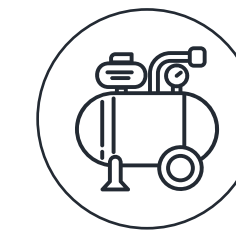

Compressor Seal Vent Gas Capture System Installations

- Compressor seal vent gas capture systems on 100% of our main reciprocating compressor engines.
- Methane leaks from the engine rod packing seals are captured and recycled back into the engine fuel gas stream that would have otherwise been vented to atmosphere.



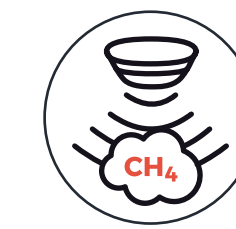
Tank Gas Capture

- Vapour recovery units are in operations throughout the field, capturing and recycling tank gas vapours on 98% of production volumes.



Zero Methane Venting Pneumatics

- Greenfield instrument air installations at all Vesta locations, starting in 2019, utilize compressed atmospheric air to operate pneumatic devices.
- Retrofitting of all existing fuel gas (methane) venting pneumatic devices on all operating brownfield sites was completed in 2020.



Continuous Methane Monitoring

- Focus on early detection of fugitive emissions from methane leaks that are not designed or planned.
- Fixed continuous methane detection systems in place at our large facilities.

Vapour Recovery From Production Tanks at Vesta's Sylvan Lake Area Facility





Emissions Reduction Target

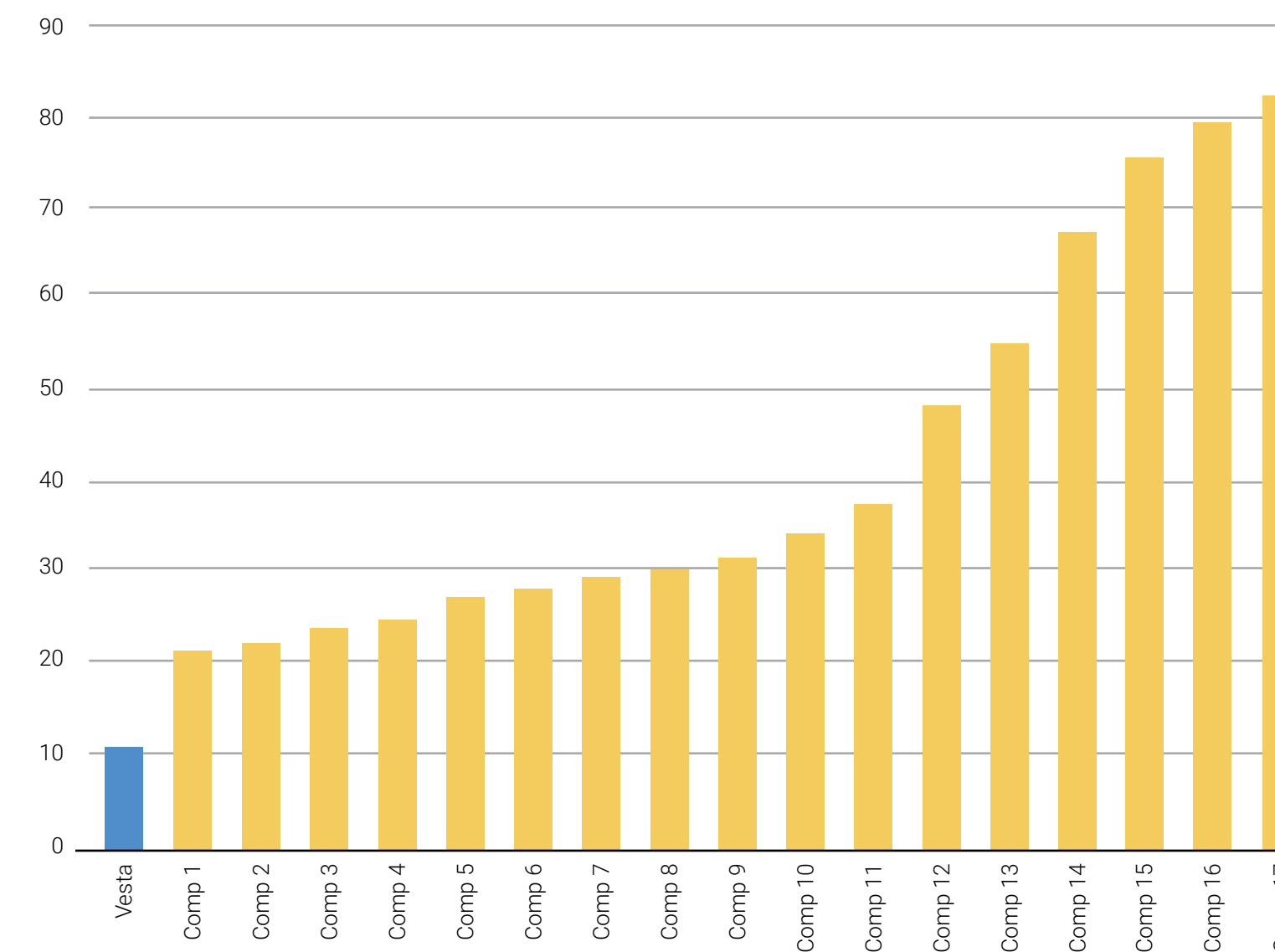
INDUSTRY LEADING LOW EMISSION INTENSITY OIL PRODUCTION

Guided by our ongoing efforts on emission reduction initiatives, complete electrical grid connection, and operational efficiency, Vesta's current Scope 1 & 2 emission intensity remains best in class among our oil-producing peers.

Through our active emissions reduction strategies focused on methane reduction and maximizing electrical grid connection and usage efficiencies, Vesta achieved our emissions intensity reduction goal ahead of our target date.

Though incremental emission reductions will become increasingly difficult, Vesta aspires to maintain our status as the lowest emission intensity oil producer in Canada. Not only is our emission intensity performance leading among oil producers, but we are also a strong performer in emission intensity performers compared to natural gas producers in Canada.

Scope 1 & 2 Emissions Intensity – Oil Producers ^{1,2,3} kg CO₂e/boe



1. Peer GHG emission intensity data includes Scope 1 & 2 emission intensity provided in company reports and other publicly available data sources.

2. Oil Producer Comparison Companies: ATH, BNE, BTE, C.J, CPG, ERF, GXE, HWX, IPO, OBE, SGY, TNZ, TVE, VET, WCP, and West Lake.

3. Peer data available as of October 2023.

In 2020, Vesta's goal was to reduce Scope 1 & 2 emissions intensity by 15% by 2025. We achieved that goal by the end of 2022, three years ahead of our target.

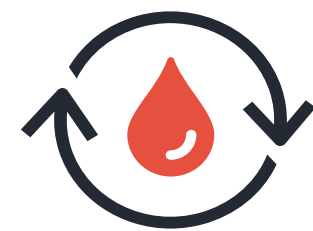


Water

ALTERNATIVE WATER USE & MAINTAINING WATER QUALITY

Water is a critical shared resource within our operating area. Vesta is committed to pursuing water management strategies and technological development initiatives to reduce our fresh water use and protect water quality.

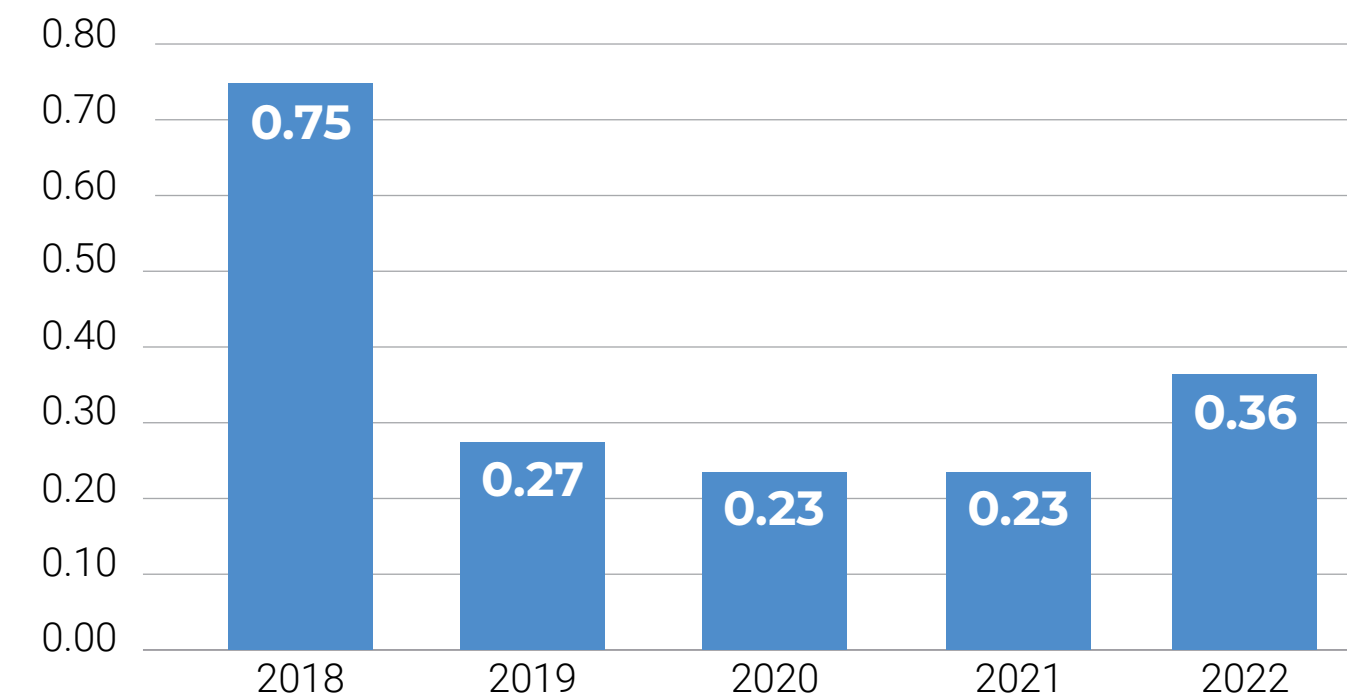
During periods of active hydraulic fracturing operations, Vesta redirects up to 100% of our daily produced water volumes from disposal for reuse in hydraulic fracturing operations. Our total volume of produced water reuse nearly doubled year-over-year in 2022. This was a result of higher proportions of produced water reuse and is also attributed to the timing of our hydraulic fracturing operations relative to our periods of highest produced water availability.



In 2022, we reused 17% of our produced water for hydraulic fracturing



Fresh Water Consumption Intensity (m³/boe)



Vesta's water use intensity increase in 2022 is largely attributed to the phasing of hydraulic fracturing operations late in the year. Production for the wells was not brought on until 2023.



MAINTAINING WATER QUALITY

- Wellbores are constructed under regulatory requirements with cemented steel casings that surround the wellbore to protect fresh groundwater aquifers.
- Surface runoff from rainwater or snow melt on operating locations is tested to confirm compliance with surface runoff standards.
- All produced water reused by Vesta is safely transported to location by fluid trucks and offloaded in storage tanks with secondary containment.
- All produced water not reused by Vesta is transported for deep well disposal at a licensed facility.



Land Stewardship

REDUCING IMPACTS TO AGRICULTURAL PRODUCTION


Vesta's operations are located in the heart of some of the most productive agricultural land in Alberta. Effective land use management begins in the planning stages of our projects. Vesta utilizes efficient multi-well pad development to reduce surface impacts by up to 75% compared to single-well development.

Multi-well pad sites are drilled with horizontal producing sections of each well extending laterally for between three and four kilometers, optimizing recovery with each pad site able to reach up to four or five mineral land sections from one surface location.

Placement of the multi-well pad sites is crucial for successful and efficient development of the most mineral resource acreage from one surface location. However, protection and preservation of the environment is of utmost importance. Vesta conducts extensive wetland and migratory bird assessments whenever a pad site is proximal to a sensitive area. Aerial imagery and field assessments are used to help identify the presence and class of any sensitive wetland area. Avoidance of sensitive areas is always Vesta's primary mitigation measure where possible. Protection and reclamation are the next mitigative measures employed.

CASE STUDY: MINIMIZING OUR FOOTPRINT

In 2022, Vesta executed another 6-well pad development which represented a 40% reduction of land disturbance over an equivalent development of two 3-well pads to access the same area of mineral lands. Upon completion of the 6-well pad, over nine acres of the lease and temporary workspace was rolled back to allow agricultural land use alongside the producing wells.

70% 

of surface lease area returned to agricultural use once wells are on production



Well Completions Operation in Summer 2022

Lease Roll-Back in Fall 2023

Both photographs from Brent Larose, Vesta Construction Supervisor



Asset Integrity

PROTECTING THE PUBLIC, ENVIRONMENT AND INFRASTRUCTURE

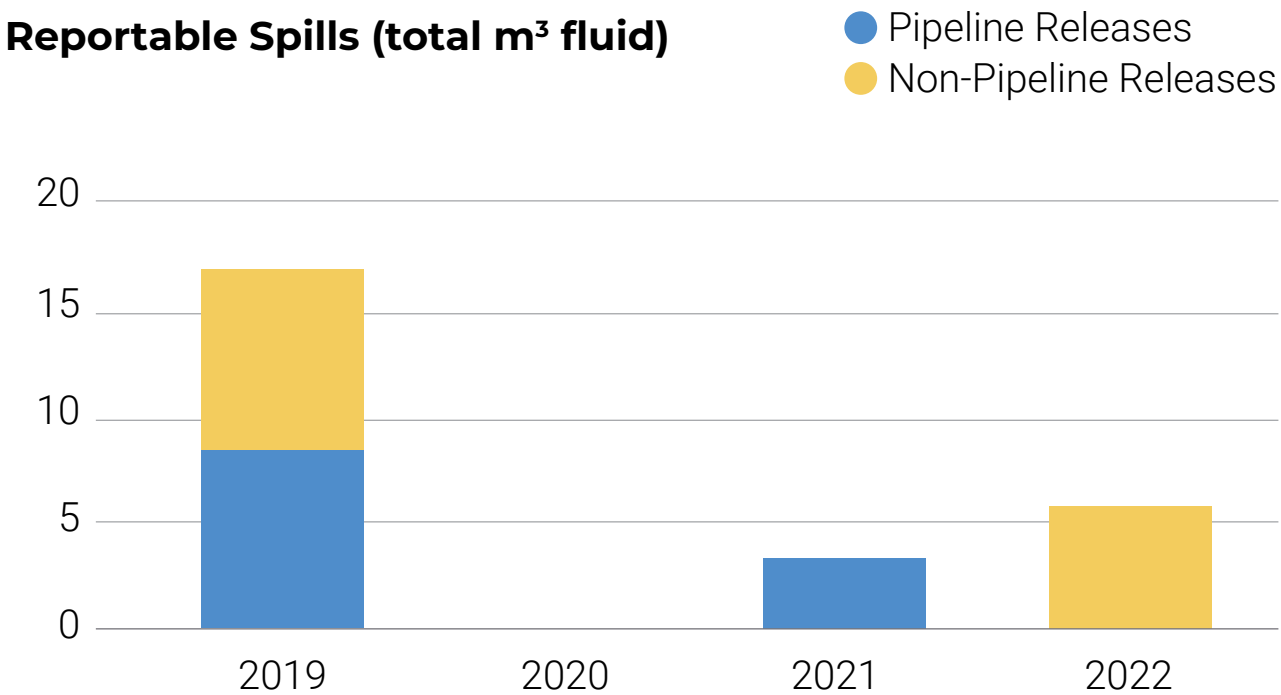
Maintaining asset integrity is the backbone of safety and environmental performance and continued stakeholder relations. Vesta is committed to maintaining environmental integrity and public safety through investment in our asset integrity and maintenance program.

Vesta's robust Pipeline Operating and Maintenance Manual (POMM) includes risk assessments of approximately 230 km of operating pipelines in our portfolio. Our integrity system is regularly audited by a third party and includes a number of asset integrity practices.

In-line inspections are regularly conducted to confirm the effectiveness of our POMM. Diagnostic tools referred to as smart pigs are sent through our pipelines and provide detailed information on the internal and external conditions of the pipeline, including early signs of corrosion, defects, changes in wall thickness, and pipeline movement.

Starting in 2022, Vesta began utilizing an in-line inspection tool that could navigate 90-degree fitting bends in the pipe, enhancing the efficiency and thoroughness of the program that avoided mechanical exposure to inspect the pipe. Over 44 km of pipeline was in-line inspected, doubling our inspection distance from the previous year.

Reportable Spills (total m³ fluid)



In 2022, we had two reportable surface spills of 3 m³ of fluid each and zero reportable pipeline spills. In both events, the releases were quickly identified, contained on site, and remediated. The first release of milling fluid occurred during a well milling operation and the other was from a piping failure in a separator building. In both cases, root causes were identified, and corrective actions were implemented to prevent reoccurrence.

Overall, Vesta has continued an exceptional spill record that minimizes our environmental impact. Preventative measures including programs for pipeline inspection, corrosion inhibition, and leak detection devices on all locations have shown positive results.



In 2022, we completed in-line inspections on 20% of our active pipelines, increasing our total to nearly one-half of our active pipelines over the last 4 years



Asset Retirement

RESTORING PRODUCTIVE AGRICULTURAL LAND

Vesta operates within one of the most agriculturally productive areas of Alberta. Land restoration is vital to the full-life cycle of our development activities. We have made an unwavering commitment to retiring inactive wells and returning these sites back to equivalent land capability.

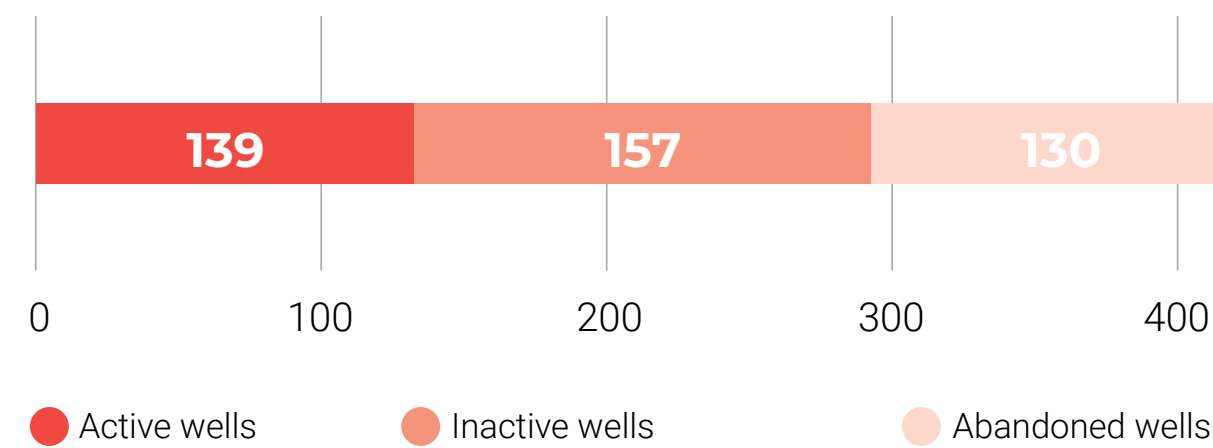
In 2022, Vesta exceeded the AER's mandatory spend requirement by more than double for inactive site closure and will exceed the AER spend limit in 2023 as well. Vesta is committed to retiring our inactive wells and non-productive assets and returning these sites back to equivalent land capability.

The restoration process consists of six separate stages starting with abandonment & decommissioning through to a reclamation certificate. During this process, regulatory requirements must be achieved that are demonstrated through third-party assessments of landscape, soils, and vegetation on each location.

VESTA'S CURRENT* LMR: 7.8

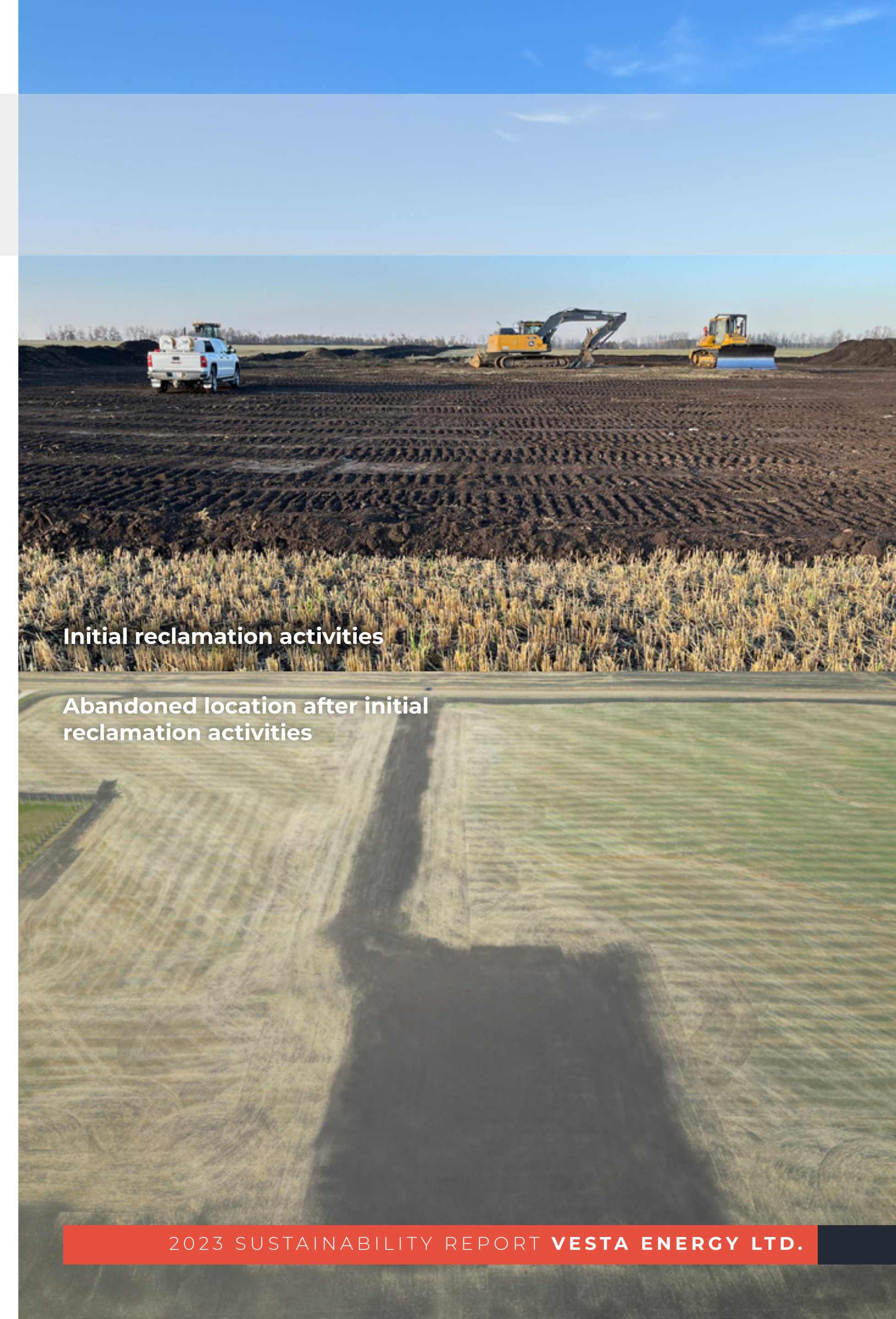
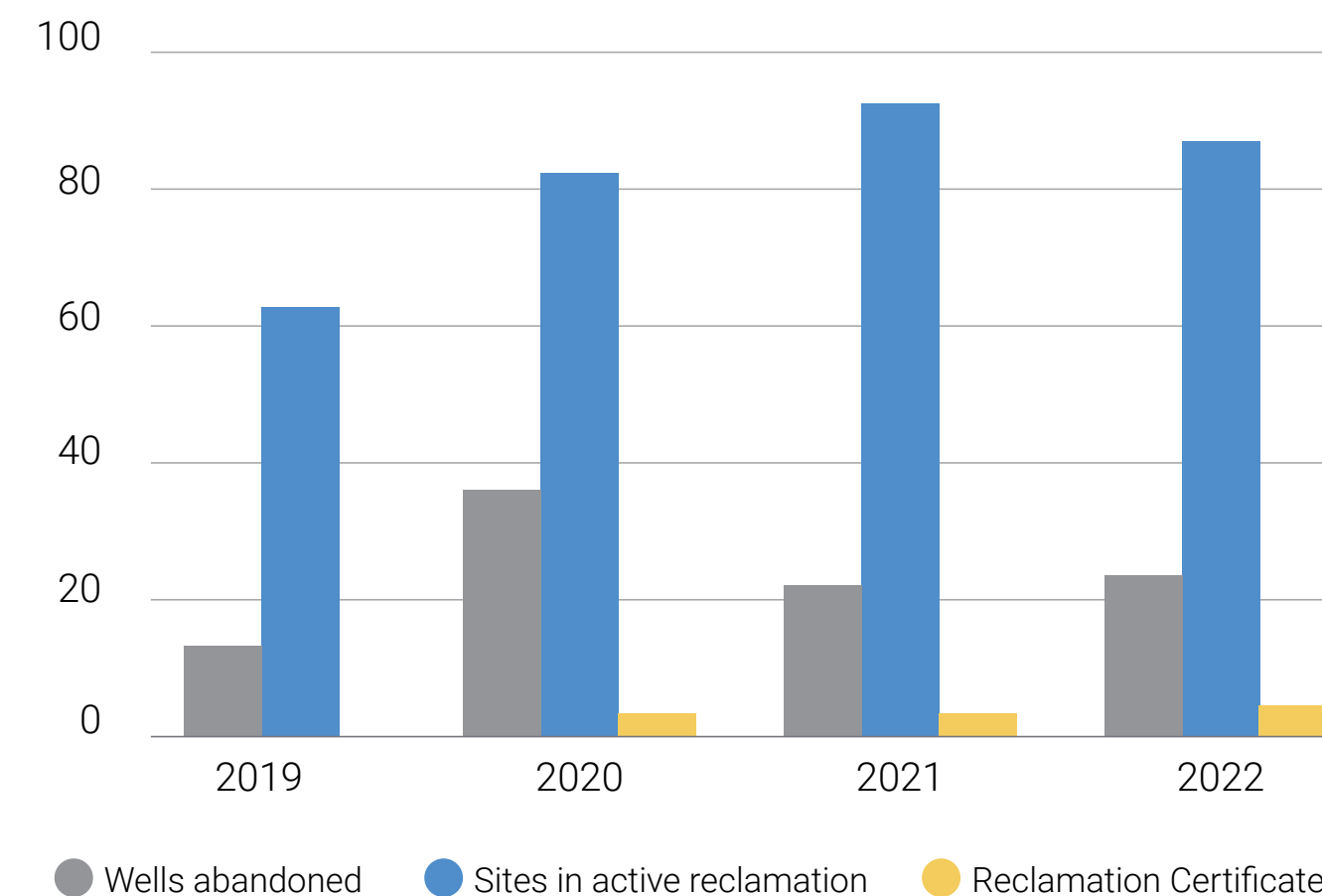
*as of September 2023

Operated Well Inventory



Vesta is on pace to **abandon 100%** of our inactive well inventory by the end of 2030

Annual Asset Retirement Projects



Initial reclamation activities

Abandoned location after initial reclamation activities



Social



Health and Safety

CULTIVATING SAFETY PERFORMANCE

Vesta is committed to a strong safety culture focused on mitigating risks, continuous education, and unifying a consistent approach to safety across all operational disciplines. No operation is considered a success unless all workers get home safely at the end of the day.

On Vesta worksites in 2022, there were zero recordable injuries for our employees (including our contract operators) and four recordable injuries for third-party workers. In total, there were nearly 1.4 million worker hours (equivalent to over 680 full time workers) on Vesta worksites.

Zero 

employee recordable injuries
for **3 consecutive years**



Vesta Safety Culture: Our 2022 recordable injury frequency was the lowest in our company's history. Vesta is proud to achieve a third consecutive year with zero employee recordable injuries as this represents the group of workers for which we have the highest level of safety influence. This group includes our direct employees, contractors, and contract operators within our unique structure that includes corporate, production, and construction groups operated within Vesta.



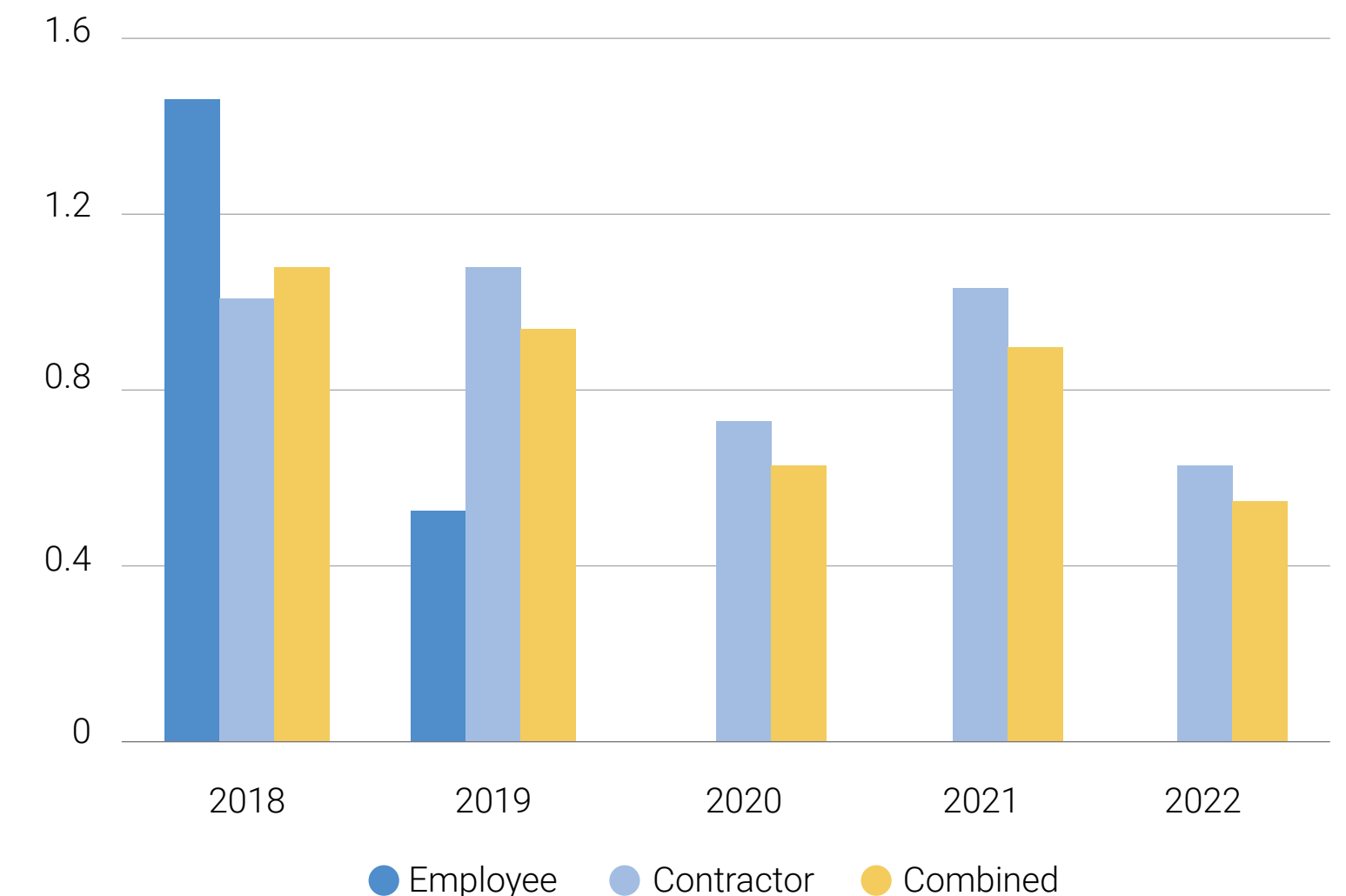
Contractor Management: With contractor workers responsible for 85 percent of our annual hours worked, working in close partnership with our contractors is vital to safe successful operations. With the utilization of a third-party contractor safety management software, we can ensure all our contractors meet the prerequisite requirements for safety compliance, insurance, and certifications prior to working on a Vesta worksite. We then work closely with our contractors to ensure a mutual understanding of safety orientations, hazards, and control. We empower all workers to stop work if the task is unsafe. This collaboration with our service providers has been instrumental in the reduction of recordable injury frequency at Vesta worksites.



Emergency Preparedness: Every year, each of Vesta's sub-operational areas completes a full-scale or table-top exercise to practice and rehearse a variety of emergency scenarios. Within Vesta's focused area of operations in the Red Deer area, we completed five emergency exercise response drills in 2022. These exercises provide valuable experience to Vesta personnel and identify areas of improvement within our corporate emergency response plans.



Total Recordable Injury Frequency

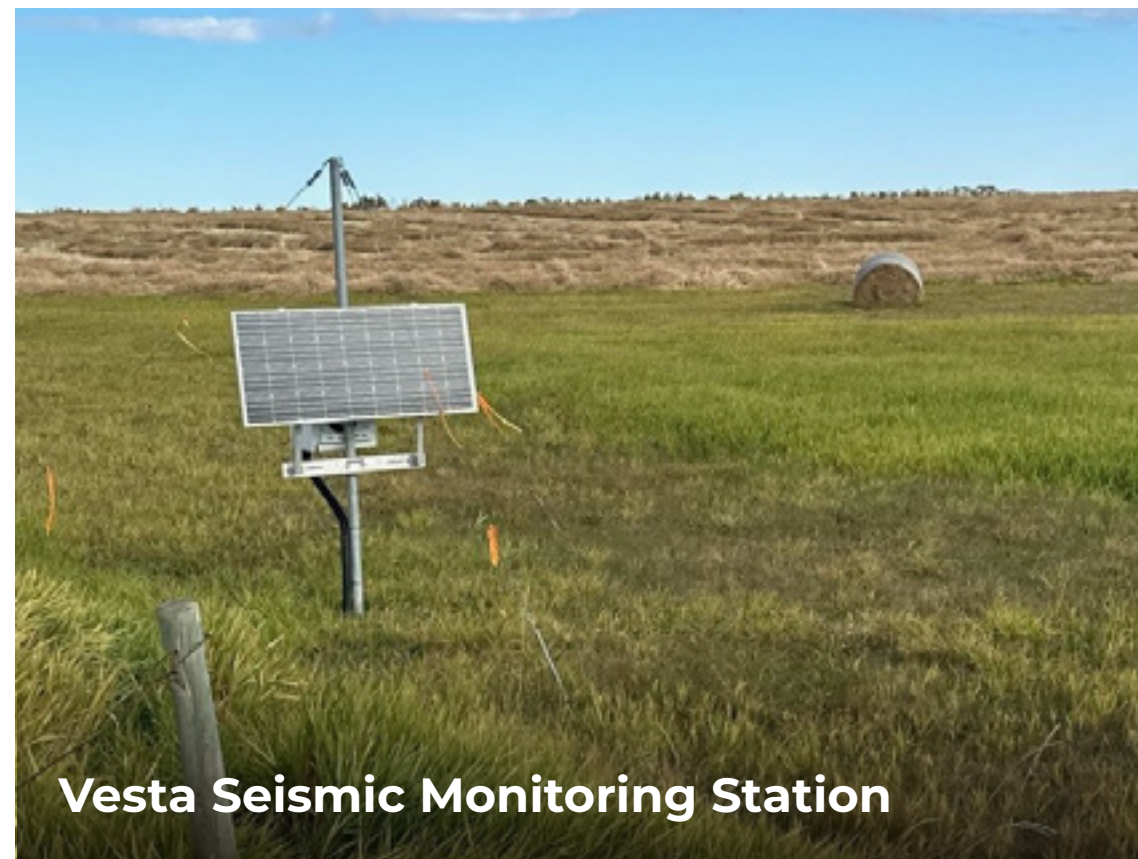




Seismicity

MONITORING AND MITIGATING INDUCED SEISMICITY

The AER has deemed that oil and gas development within the Duvernay formation has a higher risk for induced seismicity. Prior to all our hydraulic fracturing operations, we assess the potential for seismicity and implement a plan to monitor, mitigate, and respond to induced seismicity if it occurs.



Vesta Seismic Monitoring Station

In December 2019, the AER issued Subsurface Order No. 7, detailing stringent requirements for hydraulic fracturing operations within the Duvernay formation specific to the Red Deer area. We have safely completed hydraulic fracturing operations on 100% of our wells operating within the conditions of the subsurface order.

Vesta operates up to 12 seismic monitoring stations installed on Vesta surface leases and private land for high-resolution detection of induced seismicity events during our fracture stimulation operations. This broadband seismic array is monitored 24 hours a day by a third-party seismic monitoring service with expertise in distinguishing natural events from induced seismicity and measuring and communicating real-time events.

We perform subsurface studies including geomechanical modelling to analyze seismicity risk associated with our Duvernay operations. This enables us to complete a comprehensive risk assessment and complete individualized fracturing treatment plans for each well. During the hydraulic fracturing operations, we follow the AER traffic light system to mitigate risks.

AER Traffic Light System - Red Deer Subsurface Order No.7



- 3.0M_L**
Cease operations, inform the AER
- 1.0M_L**
Inform the AER, invoke response plan
- 1.0M_L**
No action required

December 2019

Alberta Energy Regulator



Community Engagement

BEING A GOOD NEIGHBOUR

Vesta believes in leaving it better than we found it. Engagement and collaboration with local stakeholders in areas that we operate are vital to our continued success.

We focus on community engagement and collaboration by minimizing the disturbance caused by our activities. Our efforts include several initiatives and partnerships with local community members and organizations.

- Our annual road-side clean-up program conducted over the last four years has seen our employees and contract operators cover over 540 km of rural roads and collect over 550 bags of garbage left by passing motorists.
- We have continued a road maintenance program with two Vesta-operated graders maintaining Vesta activity routes on public gravel roads. We also collaborate with residents and counties to organize a semi-annual dust control program on trucking routes and provide water truck dust control on public roads where necessary.
- We implement reduced speed limits for high-traffic areas during periods of increased activity on Vesta sites.

 **26km**

weekly county road maintenance with Vesta owned graders and water trucks

 **540km**

of rural roads covered over last five years in our road-side clean-up initiative

 **\$750 million**

of capital investment spent in our central Alberta operating area in the last 5 years on services, operating costs, taxes, freehold royalties, and donations



CASE STUDY: ABATING TEMPORARY NOISE IMPACTS

With development located in the heart of the greater Red Deer farming community, Vesta is dedicated to reducing noise impacts, particularly during peak noise levels of temporary operations. We employ noise mitigation during drilling and completion activities, including third-party acoustic sound modelling specific to each development location. This model is then used to determine the most effective configuration of sound abatement panels installed during these operations.



Community Support

INVESTING WHERE WE WORK

Partnership and support within the Red Deer and Lacombe regions ensures that the communities in which we operate benefit from our operations. We partner with multiple municipalities in our operating area to support local community events and interest groups. Our sponsorship and donation program is focused on youth support and local community donations, with many proposals brought forward by our employees and contractors that live and work in the area.

We have developed long-term partnerships with many local and national charitable organizations. In the last year, this investment has supported over 70 distinct events ranging from 4-H clubs and local arts programs to rural crime reduction, family support services, and food banks.



\$700,000

invested into local community and youth focused events and organizations in last 4 years

Contributing STEM Workshops for Kids

Vesta believes it is essential to position youth with access to science, technology, engineering, and mathematics (STEM) enrichment opportunities. This is especially important in under-resourced communities to foster an interest in skills, confidence, and motivation to pursue STEM related careers.

Since 2021, Vesta has partnered with Scientists in School to provide free STEM workshops for 700 local students annually within our operating area. These hands-on learning workshops provide a link between STEM education and real-world applications, providing a catalyst to develop 21st-century skills such as curiosity, creativity, innovation and critical thinking.



"We are fortunate to have a sponsor for these workshops for the last two years. They have great hands-on activities for our students, and they absolutely LOVE taking part in these workshops."

Grade 3 Teacher
Wolf Creek Public Schools



Supporting Our Local Communities

In 2023, Vesta was excited to announce a multi-year agreement with the Town of Blackfalds to support the ongoing maintenance and future improvements for the Vesta Energy Bike Skills Park. This amazing park was developed by the Town of Blackfalds several years ago and includes bike tracks, jumps, bridges, and a dynamic pump track catering to bike enthusiasts of all ages and skill levels. This joint commitment between Blackfalds and Vesta Energy demonstrates the belief in the importance of a shared community space focused on promoting outdoor activity and well-being.



Vesta golf tournament action

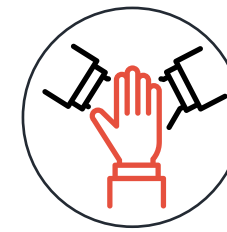


Our People

EMPLOYEE DEVELOPMENT AND SUPPORT

Vesta believes its people are instrumental in achieving our corporate goals. We work within a culture of respect and collaboration. We are committed to treating our people fairly and developing a motivated workforce that strives for excellence. We offer a competitive compensation and benefits program, and support employee professional development and opportunities that increase exposure to new experiences.

We value diversity and inclusion within our workforce and encourage different perspectives to promote innovation within our business. We are committed to maintaining a respectful work environment that is safe and free of all forms of discrimination. We employ people spanning different age groups and backgrounds. Our senior leadership team has 13% female representation. We had three summer students join our team in 2023 in the areas of engineering and finance. This created opportunities for mentorship within the organization and provides exposure to new talent coming into the industry.



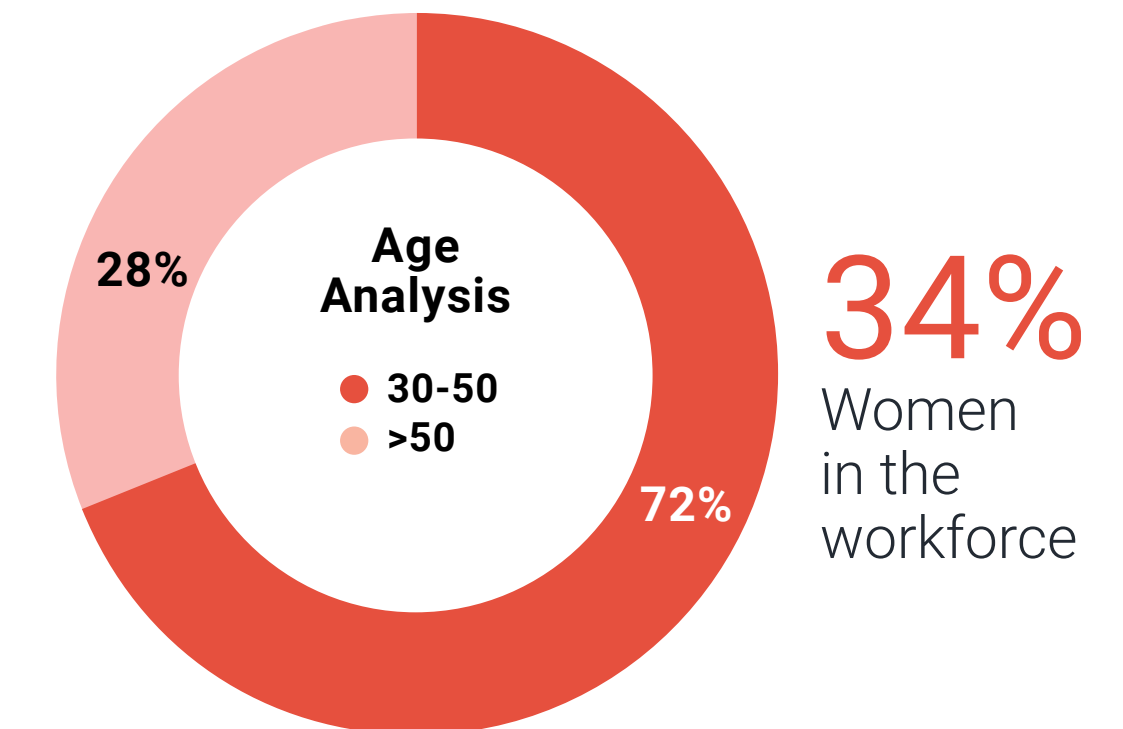
Collaborative Team Culture

- Supported through in-person interactions with office-based work for Calgary employees.
- Flexibility to work around set core hours for employees to manage their commitments outside the workplace. Employees are able to work from home as needed for up to three days per month.
- Balance work with social activities that enhance relationships and reward our employees. This includes employee-only events, as well as a golf day which includes employees, contractors and vendors and provides an opportunity for field and office employees to interact socially.



Comprehensive Employee Benefits Program

- Coverage for health, and dental, along with disability, life and critical illness insurance.
- A combination health and personal spending account allocated based on individual needs.
- A virtual healthcare support resource, providing employees and their families 24/7 access to healthcare services along with mental health support and health education and coaching.
- An Employee & Family Assistance Program which offers counselling, life coaching services and online health resources for our employees and their families.



Governance



Governance Structure

COMMITMENT AND FOCUS

We are committed to conducting business in a resilient, efficient, and safe manner that is environmentally sustainable. In 2023, Vesta appointed a female director to the Board. Our Board members have a strong diversity of skills and experience to guide the principal objectives of Vesta.

Our Board is comprised of eight members that oversee our management, our activities and provide guidance to our senior management team. Guided by the TCFD recommendations, our governance structure includes sustainability oversight through the Reserves, HSE, & Sustainability Committee. This sustainability oversight includes a quarterly review of ESG performance, initiatives, risks, and opportunities; provides guidance on long-term ESG strategies and risk management. Diligent corporate oversight by the Board is undertaken through the following committees:

Reserves, HSE & Sustainability Committee

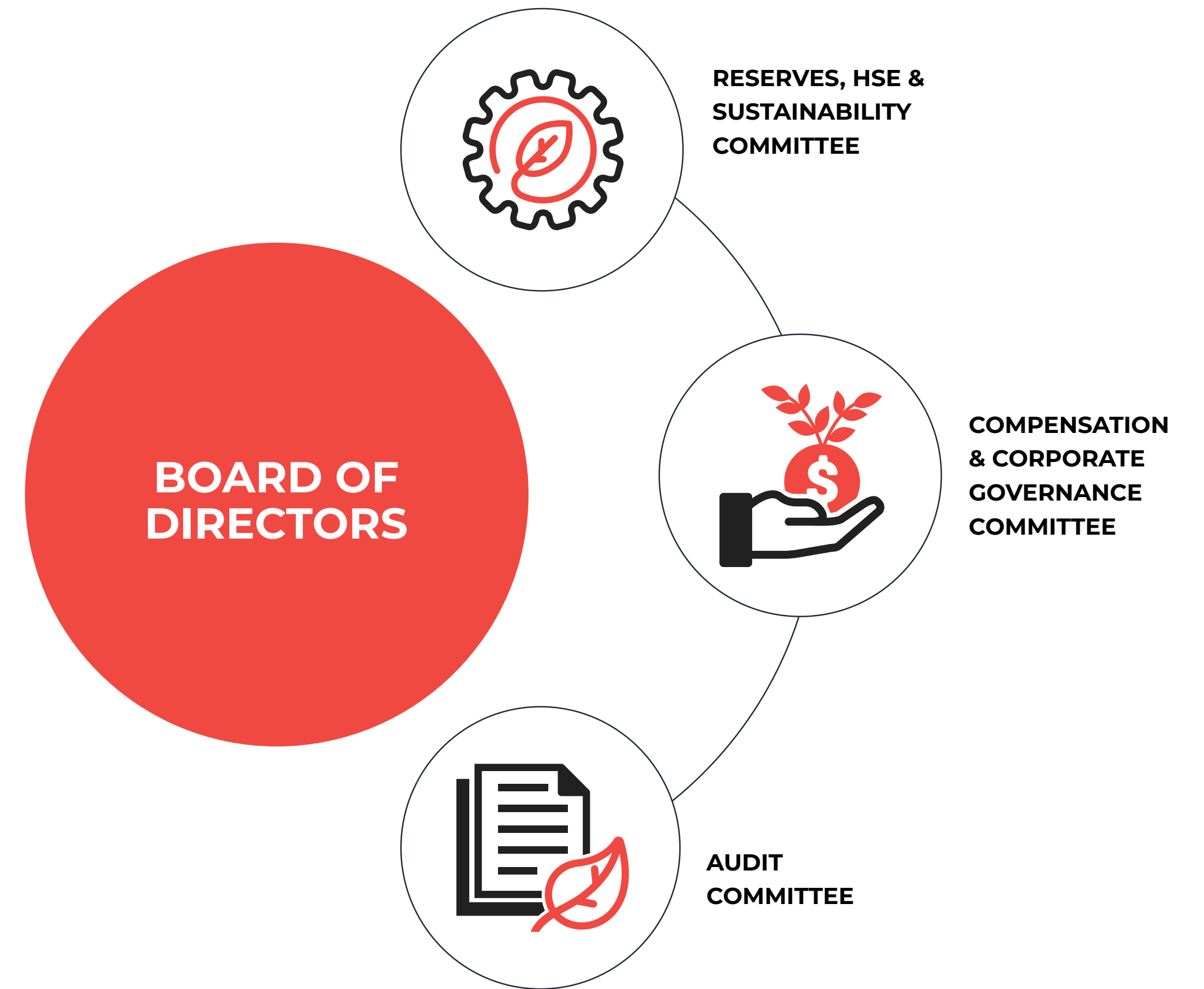
- Oversight of matters related to HSE and sustainability, including Vesta’s approach, strategy, and reporting of ESG matters.
- Oversight of Vesta’s oil and natural gas resources, our independent reserves evaluation report, and public disclosure of reserves.
- Oversight of Vesta’s climate-related risk management including the development of processes for identifying, assessing, and managing these risks.

Compensation & Corporate Governance Committee

- Oversight of compensation, human resource matters, and compliance with securities regulatory requirements.
- Oversight of governing compensation, ensuring Vesta has the programs in place for the development and succession of management, and assessment of the composition, size, and effectiveness of the Board.

Audit Committee

- Oversight and monitoring of Vesta’s compliance with legal and regulatory requirements, financial disclosures, and appointment of external auditors.
- Oversight of corporate policies related to financial, operational/subsurface, and security risks.





Governance Policies

ETHICAL GOVERNANCE

We are committed to the highest standards for business conduct and ethics. We recognize the importance of credibility, integrity, and trust in the success of Vesta as a business and for our employees and contractors who work for us, along with all other stakeholders.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics is an overarching policy that guides our directors, officers, employees, and contractors to commit to ethical behaviour and compliance with local, provincial, and federal law. It provides reporting mechanisms for violations and ultimately detecting and preventing wrong-doing. Key components of this policy include:

- Respectful Workplace
- Confidentiality
- Conflicts of Interest
- Trading Restrictions and Undisclosed Material Information
- Accuracy of Company Records and Reporting
- Whistleblower Program

Other key corporate policies that our employees must abide by include:

- Information Disclosure and Trading Policy
- Information Assets Security Policy
- Health, Safety and Environment Policy
- Alcohol and Drug Policy
- Workplace Violence and Harassment Policy and Prevention Procedure

Our Whistleblower program provides the opportunity for any employee, contractor, and/or stakeholder to confidentially report any concerns related to Vesta's operation or conduct through a third party. All reports are received by the Chair of the Board, Chair of the Audit Committee, President and Chief Executive Officer, Chief Financial Officer, and the head of Human Resources. Our policy requires all reports to be reviewed, investigated if necessary, and addressed with the reporting party.

100% of our directors, officers, employees, and contractors review and sign off annually on our Code of Business Conduct and Ethics policy.

Vesta Whistleblower Hotline:

1-800-661-9675

www.vestaenergy.confidenceline.net





Climate-Related Strategy

BUSINESS RESILIENCY BEYOND 2023

The assessment and understanding of climate-related risks and opportunities is paramount to determining corporate strategy. The Reserves, HSE, and Sustainability Committee is required to oversee the management of these risks to Vesta and strategies to mitigate material future adverse impact related to physical and transitional climate-related risks. Over time, Vesta will enhance its analysis of different climate-related scenarios.

Physical risks are associated with the physical impacts from climate change that may have a qualitative or quantitative impact on our company.

Transitional risks are associated with regulatory, reputational, technological, and market changes arising from the energy transition.

Type of Risk	Timeframe	Description	Strategic Actions to Mitigate Risk
Physical Risks - Acute	Short-Term	Acute physical risks related to climate change include increased frequency of severe weather events such as wildfires, extreme temperatures, heavy precipitation events, and flooding that could result in physical damage or business interruptions.	Vesta's operations in central Alberta are largely located in a low area of acute physical risk. Vesta has a robust emergency response preparedness plan and training schedule in place to protect the communities in which we operate and protect assets and infrastructure. Insurance policies, including property and business interruption, are in place to mitigate the impacts of acute physical damage or disruption.
Physical Risks - Chronic	Long-Term	Long-term weather pattern changes such as drought and seasonal lengths could affect business operations from site access changes and water access restrictions.	Incorporate costs associated with mitigation measures into long-term operation and capital budgeting models.
Transitional - Policy & Legal	Medium-Term	Government policy related to climate change, such as carbon pricing and emission limits, and unpredictable future government policy and regulations may inhibit or distress business operations. Significant financial impacts may occur based on the scope and timing of climate policy changes.	Known government policies and regulation that impacts business operations, such as carbon pricing, are incorporated into strategic planning and capital allocations. Active engagement with industry advocacy groups and governments for effective outcomes on climate change-related policies and regulations. Registering our facilities in provincial performance standards limits the exposure of carbon pricing fees.
Transitional - Reputation	Medium-Term	Increasing stakeholder concerns and negative perceptions of the oil and gas industry related to climate change increases the access and cost of capital and impacts skilled and unskilled labor force availability in the sector. Organizations may suffer reputational risk for failing to meet reduction targets.	Vesta will continue to reduce the emissions intensity of our hydrocarbon production and remain a leader among oil and gas producers in Canada. Work with stakeholders and advocacy groups to provide clear and accurate information on the climate related impact and reduction initiative of the oil and gas industry and continue to provide feedback to EPAC.
Transitional - Technology	Medium-Term	Technological advancements to reduce GHG emissions do not keep pace with the stakeholder and regulatory requirements to reduce emissions. Technological advancements in low-cost, low-carbon alternative energy sources reduce demand for hydrocarbon-based energy. Failure to adopt new technologies may impact organizational competitiveness.	Focus on economic development of low emission intensity hydrocarbons by continuing to test, develop, and implement emission reduction initiatives and projects. Collaborate and share emissions reduction information and best practices with peers in the industry.
Transitional - Markets	Long-Term	Decreased demand for hydrocarbons results in decreased revenues due to pipeline access limitations, negative perception of the industry changing consumer sentiment, and regulatory discrepancies across jurisdictions disrupt market access.	ESG reporting of emissions reduction initiatives and emphasizes our low emission intensity relative to other oil producers in the industry. Assess and act on opportunities to differentiate our production from higher emission intensity production to improve market access.



Climate-Related Strategy

OPPORTUNITIES TO SHAPE A BETTER TOMORROW

The transition to a lower-carbon economy and changing consumer energy demands also brings opportunities. Strong climate-risk management will provide competitive advantages to producers that can adapt and demonstrate resiliency in a changing environment.

Opportunities	Timeframe	Description	Strategic Actions to Seize Opportunities
Resource Efficiencies	Short-Term	Emission reduction technologies that improve both operational efficiency and reduce emission intensity decrease climate change impacts while fulfilling market demand. Development efficiency improvements around water use lowers costs and environmental impact.	A focus on investment, evaluation, and early adoption of innovative technologies to lower our emissions footprint will result in a hydrocarbon product that has a lower impact on climate. Technologies that achieve lower emissions and water use while also benefitting operational efficiency will be quickly adopted.
Energy Source	Short-Term	Lower emissions energy sources utilized during oil and gas extraction result in lower carbon and minimize exposure to carbon pricing. Demand growth for low emission intensity energy sources is anticipated.	Continue to maximize electrical grid connections to take advantage of improving emission efficiency through policies that will lower the Alberta electrical grid emission footprint over the next decade and beyond. We will continue to explore and execute on methods to improve our electrical consumption efficiency.
Product / Services	Medium-Term	Climate-differentiated hydrocarbon production provides a premium demand for lower carbon-intensive fuels. Low-carbon fuel blending also provides an opportunity to reduce carbon footprint of hydrocarbon fuels consumed.	Explore, source, and execute on marketing our lower carbon footprint hydrocarbon production to access premium pricing from consumer demands for lower carbon fuel choices. Explore investment of low-carbon fuel generation opportunities that decrease carbon intensity of our hydrocarbon production.
Markets	Medium-Term	Industry-leading ESG performance, particularly emission intensity, provides access to new investors and capital and increases economic resilience.	Provide detailed ESG disclosure that highlights and demonstrates our improvement, performance, and targets to potential investors. Include emission intensity evaluation in capital decision making.

Vesta defines risk and opportunity assessment timeframes as Short-Term: next 3 years, Medium-Term: 3-10 years, Long-Term: >10 years



Data & References



Data Tables

		2019	2020	2021	2022
PRODUCTION					
Production, net	boe/d	12,055	11,229	12,387	11,975
Oil	bbl/d	9,304	8,496	9,321	8,784
NGL	bbl/d	1,267	1,236	1,388	1,308
Natural Gas	mcf/d	8,903	8,984	10,055	11,300
EMISSIONS					
Direct Scope 1 (Total)	tonnes CO ₂ e	46,615	34,709	32,114	31,219
Fuel Combustion	tonnes CO ₂ e	22,361	24,624	27,704	27,264
Flare	tonnes CO ₂ e	830	999	898	771
Vent	tonnes CO ₂ e	8,432	6,047	2,040	780
Fugitives	tonnes CO ₂ e	14,992	3,039	1,472	2,403
% Methane	% of direct emissions	52.6%	30.6%	17.2%	16.8%
% Covered by Emissions-Limiting Regulations	%	100%	100%	100%	100%
Direct Scope 1 Intensity	tonnes CO ₂ e/boe	0.0106	0.0085	0.0071	0.0071
Indirect Scope 2	tonnes CO ₂ e	29,925	21,966	20,754	16,988
Indirect Scope 2 Intensity	tonnes CO ₂ e/boe	0.0068	0.0054	0.0046	0.0039
Scope 1 & 2 Intensity	tonnes CO ₂ e/boe	0.0174	0.0138	0.0117	0.0110
Criteria Air Contaminants (CAC)					
Sulfur Dioxide (SO ₂)	tonnes	2.6	1.3	2.7	2.8
Nitrogen Oxide (NO _x)	tonnes	140.3	162.1	174.0	152.8
Carbon Monoxide (CO)	tonnes	143.3	145.8	151.2	114.2
Particulate Matter (PM)	tonnes	4.2	3.0	4.4	4.2

		2019	2020	2021	2022
WATER					
Freshwater Withdrawals	m ³	1,632,558	727,272	1,419,573	1,845,731
Withdrawals from High Stress Regions	%	92%	77%	85%	58%
Water Withdrawals by Source					
Surface Water	m ³	1,632,520	727,271	1,419,525	1,334,682
Ground Water	m ³	38	1	48	511,049
Waste Water (Industrial/Municipal)	m ³	0	0	0	0
Produced Water	m ³	472,712	328,099	297,338	439,477
Fresh Water Consumed		1,193,547	956,881	1,061,972	1,556,735
Recycled / Reused Water	m ³	108,658	58,011	39,058	73,833
Produced Water Injected for Disposal	m ³	364,054	270,088	258,280	365,644
Hydraulically fractured wells where water quality deteriorated post-frac compared to baseline	%	0	0	0	0
Hydraulically fractured wells with publicly disclosed frac fluid composition	%	100	100	100	100
Fresh Water Consumption Intensity	m ³ /boe	0.271	0.233	0.234	0.356
SPILLS					
Number of Reportable Spills	count	3	0	2	2
Total Volume Reportable Spills	m ³	17	0	3	6
Pipeline Spills	count	1	0	1	0
Pipeline Incident Frequency Rate	Count/1,000 kms	4	0	4	0
Spill Related Fines & Penalties	\$	0	0	0	0



Data Tables

		2019	2020	2021	2022
ABANDONMENT AND RECLAMATION					
	Units				
Active Operated Wells	gross	104	117	130	139
Inactive Operated Wells	gross	224	190	177	157
Abandoned Operated Wells	gross	51	93	110	130
Total Wells in Active Reclamation	gross	67	82	92	86
Reclamation Certificates Received	gross	0	4	4	6
HEALTH AND SAFETY					
Fatalities (Employees & Contractors)	count	0	0	0	0
Lost-Time Injury Frequency					
Employees	count / 200,000 worker hrs	0.00	0.00	0.00	0.00
Contractors	count / 200,000 worker hrs	0.00	0.00	0.21	0.32
Combined	count / 200,000 worker hrs	0.00	0.00	0.19	0.29
Total Recordable Injury Frequency					
Employees	count / 200,000 worker hrs	0.53	0.00	0.00	0.00
Contractors	count / 200,000 worker hrs	1.08	0.73	1.06	0.64
Combined	count / 200,000 worker hrs	0.94	0.63	0.93	0.59

		2019	2020	2021	2022
SOCIAL					
	Units				
Workforce Profile					
Office (Permanent)	count	45	45	42	41
Office (Consultants & Temporary)	count	14	7	9	11
Field (Permanent)	count	18	17	17	17
Field (Contractors, Consultants & Temporary)	count	94	36	34	28
Employee Voluntary Turnover	%	12	3	5	10
Diversity, Employees					
Women in the Workforce	%	38	37	37	34
Female Supervisory Positions	%	19	20	21	21
Female Management & Executive Team	%	0	0	14	13
Under 30	%	5	3	2	0
30-50	%	68	69	68	72
Over 50	%	27	27	30	28
% of proved and probable reserves in or near areas of conflict	%	0	0	0	0
% of proved and probable reserves in or near Indigenous land	%	0	0	0	0



GRI References

Code	Description	Location or Additional Information
102-1	Name of the organization	About Vesta Energy Ltd. (4)
102-2	Activities, brands, products, and services	About Vesta Energy Ltd. (4)
102-3	Location of headquarters	About Vesta Energy Ltd. (4)
102-4	Location of operations	About Vesta Energy Ltd. (4)
102-5	Ownership and legal form	About Vesta Energy Ltd. (4)
102-6	Markets served	About Vesta Energy Ltd. (4)
102-7	Scale of Organization	About Vesta Energy Ltd. (4), Our People (20)
102-8	Information on employees and other workers	Health & Safety (16), Our People (20), Data Tables (28)
102-10	Significant organizational changes	Message from our President (3), Governance Structure (22)
102-11	Precautionary principle or approach	About Vesta Energy Ltd. (4), ESG at Vesta (6)
102-14	Statement from senior decision-maker	Message from our President (3)
102-15	Key impacts, risks, and opportunities	Climate Related Strategy (24, 25)
102-16	Values, principles, standards, and norms of behavior	ESG at Vesta (6) Governance Policies (23)
102-17	Mechanisms for advice and concerns about ethics	Governance Policies (23)
102-18	Governance structure	Governance Structure (22)
102-19	Delegating authority	Governance Structure (22)
102-20	Executive level responsibility for economic, environmental, and social topics	Governance Structure (22)
102-22	Composition of the highest governance body and its committees	2023 Sustainability Report (36)
102-23a	Chair of the highest governance body/Whether the chair of the Board is also an executive officer	The Vesta Board chair is not an executive officer
102-25a	Conflicts of interest/Processes for the Board to ensure conflicts of interest are avoided	Alberta Business Corporations Act
102-26	Role of highest governance body in setting purpose, values, and strategy	Governance Structure (22)
102-29	Identifying and managing economic, environmental, and social impacts	Governance Structure (22)
102-30	Collective bargaining agreements	No employees are covered by collective bargaining agreements
102-31	Role of highest governance body in setting purpose, values, and strategy	Governance Structure (22)
102-46	Defining report content and topic boundaries	About This Report (5)
102-47	List of material topics	Contents (2)
102-48	Restatements of information	About This Report (5)
102-49	Changes in reporting	About This Report (5)



GRI References

Code	Description	Location or Additional Information
102-50	Reporting period	About This Report (5)
102-51	Date of most recent report	About This Report (5)
102-52	Reporting cycle	About This Report (5)
102-53	Contact point for questions regarding the report	2023 Sustainability Report (36)
102-54	Claims of reporting in accordance with the GRI Standards	About This Report (5)
102-55	GRI content index	GRI References (29,30)
201-1	Direct economic value generated and distributed	Community Engagement (18)
201-2	Financial implications and other risks and opportunities due to climate change	Climate Related Strategy (24, 25)
303-1	Water withdrawal by source	Data Tables (27)
303-2	Management of water discharge-related impacts	Vesta does not discharge water
303-3	Water withdrawal/Water recycled and reused	Data Tables (27)
303-4	Water discharge	Data Tables (27)
303-5	Water consumption	Data Tables (27)
305-1	Direct (Scope 1) GHG emissions	Data Tables (27)
305-2	Energy indirect (Scope 2) GHG emissions	Data Tables (27)
305-4	GHG emissions intensity	Data Tables (27)
305-5	Reduction of GHG emissions	Emissions (8, 9, 10), Data Tables (27)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Data Tables (27)
306-3	Significant spills	Asset Integrity (13)
401-1	Employee Turnover	Data Tables (28)
403-1	Occupational health and safety management system	Health and Safety (16)
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety (16), Data Tables (28)
403-6	Promotion of worker health	Our People (20)
403-9	Work-related injuries	Data Tables (28)
405-1	Diversity of governance bodies and employees	Our People (20), Data Tables (28)
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement (18), Community Support (19)



SASB References

Code	Description	Location or Additional Information
EMP-EP-000.A	Production volumes	About Vesta Energy Ltd (4), Data Tables (27)
EMP-EP-000.B	Number of offshore sites	Vesta does not have any offshore sites.
EMP-EP-000.C	Number of onshore sites	Asset Retirement (14), Data Tables (27)
EMP-EP-110a.1	Gross global Scope 1 emissions, % CH ₄ , % covered under emissions limiting regulations	Emissions (8, 9, 10), Data Tables (27)
EMP-EP-110a.2	Amount of gross global Scope 1 emissions by activity	Data Tables (27)
EMP-EP-110a.3	Scope 1 emissions management strategy and reduction targets, and an analysis of performance against those targets	Emissions (8, 9, 10)
EMP-EP-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO _x (3) VOCs and (4) PM	Data Tables (27)
EMP-EP-140a.1	(1) Total fresh water withdrawn (2) total fresh water consumed, % of regions with high or extremely high baseline stress	Water (11)
EMP-EP-140a.2	Produced water and flowback volumes	Data Tables (27)
EMP-EP-140a.3	Public disclosure of fracturing chemicals used	Data Tables (27)
EMP-EP-140a.4	Water quality deterioration from hydraulic fracturing	Data Tables (27)
EMP-EP-160a.1	Description of environmental management policies and practices for active sites	Asset Integrity (13)
EMP-EP-160a.2	Number and aggregate volume of pipeline spills, volume in arctic, volume impacting shorelines and volume recovered	Asset Integrity (13), Data Tables (27)
EMP-EP-210a.1	% of (1) proved and (2) probable reserves in or near areas of conflict	Data Tables (28)
EMP-EP-210a.2	% of (1) proved and (2) probable reserves in or near Indigenous land	Data Tables (28)
EMP-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights and operation in areas of conflict	Governance Policies (23)
EMP-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Land Stewardship (12), Community Engagement (18), Community Support (19)
EMP-EP-320a.1	Recordable incident frequencies, fatalities, near miss frequencies and health, safety and emergency response training	Health and Safety (16), Data Tables (28)
EMP-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production life cycle	Health and Safety (16), Governance Policies (23)
EMP-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Climate Related Strategy (24, 25)
EMP-EP-510a.1	Discussion of corporate positions related to government regulations and or policy proposals that address environmental and social factors affecting the industry/Reserves in 20-lowest countries on Transparency International's Corruption Perception Index	Vesta operations are located solely within Canada
EMP-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Governance Policies (23)



TCFD References

Index	Recommended Disclosures	Reference
Governance	Describe the board's oversight of climate-related risks and opportunities.	Governance Structure (22), Governance Policies (23)
	Describe management's role in assessing and managing climate-related risks and opportunities.	Governance Structure (22), Governance Policies (23)
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	Climate Related Strategy (24, 25)
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Related Strategy (24, 25)
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Climate Related Strategy (24)
	Describe the organization's processes for managing climate-related risks.	Climate Related Strategy (24, 25)
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management strategy.	Climate Related Strategy (24)
Metrics and Targets	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management processes.	Data Tables (27, 28)
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Emissions (8, 9, 10), Data Tables (27)
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Emissions (10)



Abbreviations and Terms

ABBREVIATIONS

2P	Proven and Probable	LTI	Lost Time Injuries
ABC	Area Based Closure	LTIF	Lost Time Injury Frequency
AER	Alberta Energy Regulator	\$MM	Millions of Dollars
AGS	Alberta Geological Survey	m ³	Cubic Meter
bbl	Barrel	mcf	One Thousand Cubic Feet
boe	Barrel of Oil Equivalent	M _L	Local Magnitude
CAC	Criteria Air Contaminants	NOx	Nitrogen Oxides
CO	Carbon Monoxide	NPT	Not Previously Tracked
CO ₂	Carbon Dioxide	PEIMS	Pressure Equipment Integrity Management System
CO ₂ e	Carbon Dioxide Equivalent	PM10	Particulate Matter
d	Day	POMM	Pipeline Operations and Maintenance Manual
ESG	Environmental, Social, and Governance	SASB	Sustainability Accounting Standards Board
GHG	Greenhouse Gas	SO ₂	Sulphur Dioxide
GRI	Global Reporting Initiative	TCFD	Task Force on Climate-Related Financial Disclosures
HSE	Health, Safety, and Environment	TRI	Total Recordable Injuries
kms	Kilometres	TRIF	Total Recordable Injury Frequency
LMR	Liability Management Rating		

TERMS

Inactive well	A shut-in well that has not produced for a period of 12 consecutive months
Abandoned well	An abandoned and cut and capped well considered safe and secure by regulators on a site that has not received a reclamation certificate
Scope 1 (Direct) Emissions	Direct GHG emissions that occur from sources owned or controlled by an entity. Vesta's Scope 1 emissions include equity-based emissions from company owned and operated equipment including stationary combustion, flaring, venting, and fugitive emissions.
Scope 2 (Indirect) Emissions	Indirect GHG emissions that occur from the generation of purchased energy. Vesta's Scope 2 emissions include indirect emissions from the generation of purchased electricity.
Scope 3 Emissions	Indirect GHG emissions outside Scope 2 that occur in the value chain of the reporting entity, including both upstream, midstream, and downstream emissions.



ADVISORIES

This Sustainability Report is provided for informational purposes only as of the date hereof, is not complete, and may not contain certain material information about Vesta Energy Ltd. (“Vesta” or the “Company”), including important disclosures and risk factors associated with an investment in Vesta. This Sustainability Report does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it. We have taken care to ensure the information in this Sustainability Report is accurate. However, this Sustainability Report includes aspirational goals and estimates which may differ from actual results, and is for informational purposes only. No representation or warranty of any kind, express or implied, is made by Vesta as to the accuracy or completeness of the information contained in this document, and nothing contained in this Sustainability Report is, or shall be relied upon as, a promise or report by Vesta. We disclaim any liability whatsoever for errors or omissions.

OIL AND GAS ADVISORY

“Boe” means barrels of oil equivalent. The term “Boe” may be misleading, particularly if used in isolation. The conversion ratio of six thousand cubic feet per barrel (6 Mcf: 1 bbl) of natural gas to barrels of oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude 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.

References to natural gas, oil and NGLs production in this Sustainability Report refer to conventional natural gas, heavy crude oil, light crude oil and medium crude oil and natural gas liquids product types, respectively, as defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Sustainability Report constitute forward-looking information and forward-looking statements (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities laws regarding, without limitation, our expectations, intentions, plans and beliefs, including information as to our future goals, strategies, targets and performance related to environmental, social, and governance matters as outlined herein. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “contemplates”, “expects”, “goal”, “target”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations of such words and phrases, or state that certain actions, events, or results “may”, “could”, “would”, “might”, or “will” be taken, occur, or be achieved. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks, uncertainties, and other factors which may cause our actual results, performance, or achievements to differ materially from those we anticipate and describe in the forward-looking statements. As such, forward-looking statements are not a guarantee of future results or circumstances and undue reliance should not be placed on them.

Specifically, this Sustainability Report contains forward-looking statements relating to, among other things: our business strategies, plans and objectives; the anticipated role that Canadian oil and gas will play going forward; Vesta’s goal of producing stable and affordable energy, balancing economic growth with meeting sustainability goals; Vesta’s target of eliminating methane emission sources and the anticipated means of achieving such target; that Vesta will continue to provide support in its local communities and the anticipated benefits resulting therefrom; that Vesta’s Reserves, HSE & Sustainability Committee will ensure that Vesta remains positioned as a high-quality low emissions intensity energy producer; Vesta’s expectations that it will create shareholder value by leading the industry in low emissions intensity light oil production; the focus of Vesta’s three pillars of ESG and the anticipated benefits to be derived therefrom; the anticipated benefits to be derived from Vesta’s active harmonic filters on its well pads; the anticipated benefits to be derived from Vesta’s retrofit drilling rig; Vesta’s goal of maintaining its status as the lowest emission intensity oil producer in Canada; Vesta’s methane monitoring systems and the anticipated benefits to be derived therefrom; Vesta’s goal of reducing Scope 1 & 2 emissions intensity; Vesta’s asset integrity and retirement plans, including the focus and timing thereof; that Vesta is on pace to abandon 100% of its inactive well inventory and the anticipated timing thereof; Vesta’s plans to manage potential seismicity issues; Vesta’s plans to reduce the amount of fresh water used in its operations; the anticipated benefits to be derived from Vesta’s asset integrity and maintenance program; Vesta’s ongoing commitment to its employees, contractors, and other third parties to have zero workplace injuries; Vesta’s commitment to diversity; Vesta’s

governance principles and structures and the anticipated benefits to be derived therefrom; Vesta’s expectations that it will enhance its analysis of different climate related scenarios; and Vesta’s climate-related strategy to deal with the risks and opportunities presented by climate change and the anticipated benefits to be derived therefrom.

With respect to any forward-looking statements contained in this Sustainability Report, in addition to the other factors and assumptions identified herein or elsewhere by us, assumptions have been made regarding, among other things: the successful implementation of our strategies and plans, including the ability to access and implement all technology and other necessary resources to (i) reduce GHG and methane emissions and fresh water use, (ii) abandon and reclaim our properties within the proposed timelines and (iii) manage seismicity; the availability of financing and funds from operations to fund our planned ESG expenditures; continued collaboration and positive relations with our employees, suppliers, and customers and the communities in which we operate; the accuracy of our ESG-related materiality assessments; applicable laws and regulations regarding ESG matters; that Vesta’s methane monitoring systems will be successful; that the active harmonic filters at Vesta’s well pads will improve electrical consumption efficiency; that Vesta’s retrofit drilling rig will expand lower carbon fuel use; and that Vesta’s Reserves, HSE & Sustainability Committee will ensure that Vesta remains positioned as a high-quality low emissions intensity energy producer.



ADVISORIES

Although Vesta believes that the expectations reflected in the forward-looking statements contained in this Sustainability Report, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list is not exhaustive of all assumptions which have been considered.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Vesta's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Although we have attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in the forward-looking statements contained herein, there may be other factors that cause such actions, events, or results to differ from those anticipated, estimated, or intended. Vesta is subject to all of the risks that are common in the upstream oil and gas industry in Canada and which may have an impact on our anticipated actions, events, and results described herein including without limitation: operational risks and well results; the availability and performance of facilities and pipelines; the geological characteristics of our properties; prevailing weather and break-up conditions and access to our assets; commodity prices, price volatility, price differentials, and the actual prices received for our products; royalty regimes and exchange rates; regulatory requirements; access to capital;

the availability of labour and services; our ability to fulfill our ESG strategies and goals; new, or changes to existing, laws and regulations regarding climate, environmental, and other ESG matters; the risk that Vesta may not remain as a high quality low emissions intensity energy producer; the risk that Vesta may not create shareholder value or lead the industry in low emissions intensity light oil production; the risk that Vesta may not eliminate methane emission sources; the risk that Vesta may not achieve a zero-injury workplace; the risk that Vesta may not maintain its status as the lowest emission intensity oil producer in Canada; the risk that Vesta may not identify additional projects and opportunities that reduce emissions; the risk that Vesta's plans of managing potential seismicity issues may not be successful; the risk that Vesta may not reduce the amount of fresh water used in its operations; and the climate-related risks set forth under the heading "Climate-Related Strategy" of this Sustainability Report. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

There can be no assurance that any forward-looking statements herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. In addition, these statements speak only as of the date of this Sustainability Report. We undertake no obligation to publicly update or revise any forward-looking statements.

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This Sustainability Report is provided for informational purposes only and does not constitute an offer to sell or a solicitation of

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THIRD PARTY INFORMATION

Certain market, third party and industry data contained in this summary is based upon information from government or other industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. This Sustainability Report also includes certain data derived from certain industry participants, including

information as to the Scope 1 and Scope 2 emissions intensity of certain of the Company's peers, which has been retrieved from the public record of such industry participants, and no representation or warranty of any kind, express or implied, is made by Vesta as to the accuracy or completeness of such information. There is no single standard system that applies across companies for compiling and calculating the quantity of GHG and methane emissions and other sustainability metrics attributable to our operations. Accordingly, such information may not be comparable with similar information reported by our peers.



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¹ Chair of the Board

² Member of the Reserves, HSE & Sustainability Committee

³ Member of the Compensation & Corporate Governance Committee

⁴ Member of the Audit Committee