

VERMILION  
ENERGY



# VERMILION ENERGY Q2 2024 CONFERENCE CALL

INTERNATIONALLY DIVERSIFIED  
FREE CASH FLOW FOCUSED  
ESG LEADERSHIP

# Q2 2024 HIGHLIGHTS

- Production at the upper end of our Q2 2024 guidance range
  - Primarily due to early start-up of the 8-33 BC battery on our Mica Montney asset, which facilitated higher production from our recent 16-28 BC Montney wells
- Generated \$237MM of FFO and \$126MM of FCF
  - Decrease from prior quarter primarily due to lower realized commodity hedge gains
- Reduced net debt by \$38MM to \$907MM, representing a net debt to trailing FFO ratio of 0.7 times
- Returned \$66MM to shareholders via dividends and share buybacks, representing 62% of excess free cash flow

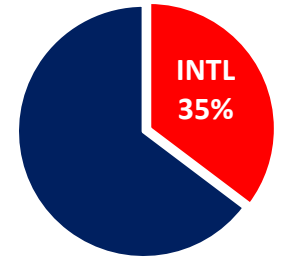
		Q2 2024	Q1 2024	%Δ
North America	(boe/d)	<b>54,987</b>	<b>52,959</b>	<b>4%</b>
International	(boe/d)	<b>29,987</b>	<b>32,546</b>	<b>(8%)</b>
<b>Total<sup>(1)</sup></b>	<b>(boe/d)</b>	<b>84,974</b>	<b>85,505</b>	<b>(1%)</b>
FFO <sup>(2,3)</sup>	(\$MM)	<b>237</b>	<b>431</b>	<b>(45%)</b>
E&D Capex <sup>(2,3)</sup>	(\$MM)	<b>111</b>	<b>190</b>	<b>(42%)</b>
<b>FCF<sup>(1,2,3)</sup></b>	<b>(\$MM)</b>	<b>126</b>	<b>241</b>	<b>(48%)</b>
Return of Capital	(\$MM)	<b>66</b>	<b>56</b>	<b>18%</b>
FFO <sup>(2,3)</sup>	(\$/share) <sup>(5)</sup>	<b>\$1.48</b>	<b>\$2.68</b>	<b>(45%)</b>
FCF <sup>(2,3)</sup>	(\$/share) <sup>(5)</sup>	<b>\$0.79</b>	<b>\$1.49</b>	<b>(47%)</b>
Net Debt <sup>(2,3)</sup>	(\$B)	<b>\$0.91</b>	<b>\$0.94</b>	<b>(3%)</b>
Net Debt to FFO <sup>(2,4)</sup>	ratio	<b>0.7x</b>	<b>0.7x</b>	

(1) May not sum due to rounding. (2) For information relating to this measure incorporated by reference into this presentation, refer to the "Non-GAAP Financial Measures and Other Specified Financial Measures" section in Vermilion's MD&A for the three and six months ended June 30, 2024, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). (3) Non-GAAP financial measure or ratio. (4) Net debt to four quarter trailing FFO. (5) Per basic share.

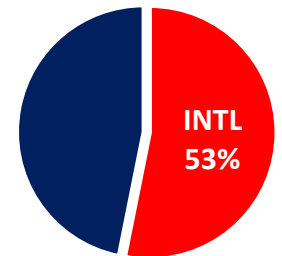
# INTERNATIONAL OPERATIONAL HIGHLIGHTS

- International production averaged 29,987 boe/d, reflecting scheduled maintenance on several of our assets during the quarter
- Continued to advance our deep gas exploration and development program in Germany
  - Currently equipping our first deep gas exploration well with production tubing in advance of a planned well test later this quarter, anticipated on-stream date of early 2025
  - Plan to commence drilling on the second exploration well (0.6 net) in the coming weeks
- Multiple successes across our gas exploration and development program in Croatia
  - Completed construction of the SA-10 gas plant and started production late-Q2 2024, production expected to ramp up in Q3 2024
  - Tested first two wells on SA-7, first well tested over 300 bbls/d<sup>(2)</sup> of light oil while the second well tested at 4.5 mmcf/d<sup>(2)</sup> of natural gas
  - Subsequent to the quarter we completed drilling the final well (0.6 net) of the four-well SA-7 program, discovering hydrocarbons across multiple zones, representing a 100% success rate for this program

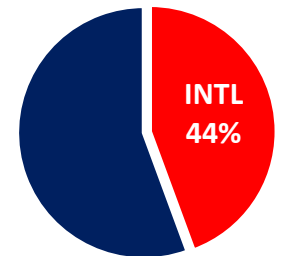
Q2 2024  
PRODUCTION



FFO<sup>(1)</sup>



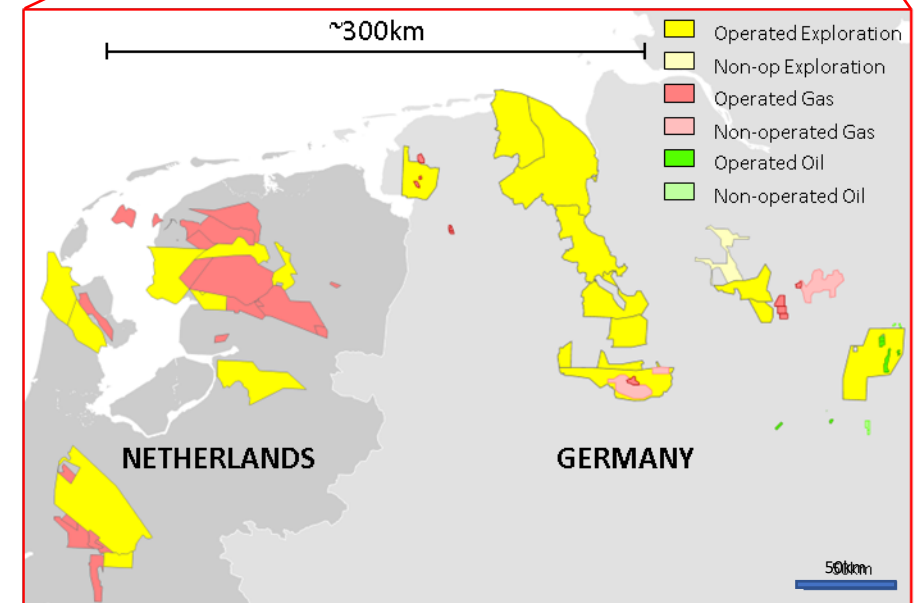
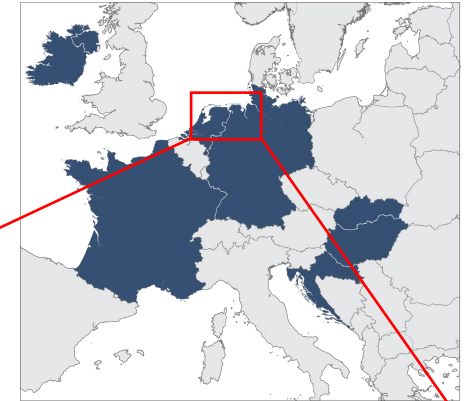
CAPEX<sup>(1)</sup>



(1) Non-GAAP financial measure or ratio. (2) Test results are not necessarily indicative of long-term performance or ultimate recovery. Refer to Vermilion's MD&A for the three and six months ended June 30, 2024, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) for additional details on test conditions and results.

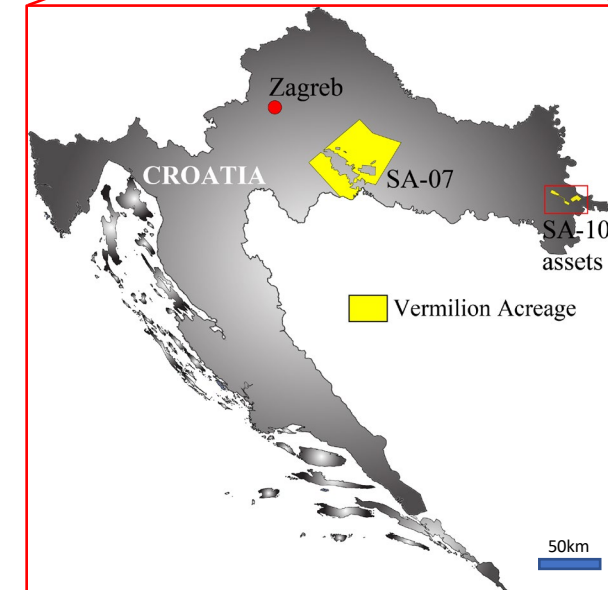
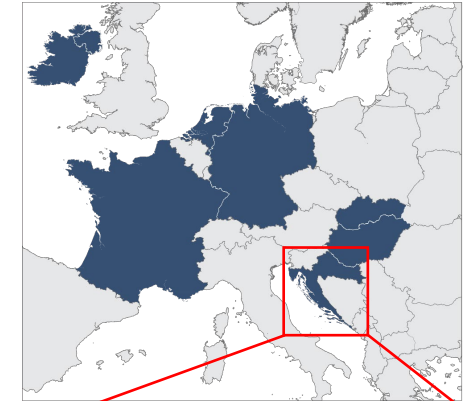
# GERMANY GAS EXPLORATION PROGRAM

- Targets are on trend and analogous to Netherlands plays where we have drilled 29 gas wells with an average success rate over 70%
- Successfully drilled the Osterheide well (100% WI) and discovered gas within the targeted zone, anticipate on-stream date of early 2025
- Plan to drill the Wisselshorst well (60% WI) during second half of 2024
  - This well is a higher risk prospect targeting a very large structure
  - Success on this well could allow for several follow-up locations



# CROATIA GAS DEVELOPMENT

- Successfully drilled four (2.4 net) exploration wells on the SA-7 block
  - All four wells discovered hydrocarbons in multiple zones, representing 100% success rate on our 2024 drilling program
  - Testing operations on the first two wells completed during Q2 2024, first well tested >300 bbls/d<sup>(1)</sup> of light oil while the second well tested at 4.5 mmcf/d<sup>(1)</sup> of natural gas
  - Remaining two wells to be tested in coming months
- Installation of the gas plant on SA-10 block completed, plant was commissioned and started in late Q2 2024 with volumes ramping up in Q3 2024

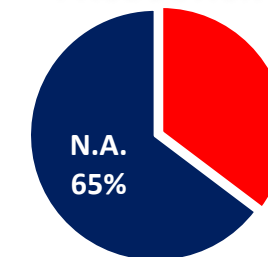


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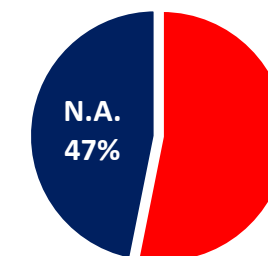
# NORTH AMERICA OPERATIONAL HIGHLIGHTS

- North American production averaged 54,987 boe/d in Q2 2024, an increase of 4% over the prior quarter
- In Canada we drilled three (3.0 net) wells, completed one (1.0 net) well, and brought on production six (6.0 net) wells
- In the Montney, we completed construction on the 16,000 boe/d BC battery, which will underpin the future development and growth of our BC Mica Montney asset
  - Brought on production six (6.0 net) new wells from our 16-28 pad
  - Initial production from the new 16-28 wells was constrained due to limited throughput capacity and the commissioning of the new battery
- In the United States we participated in the drilling and completion of five (0.2 net) non-operated wells, targeting the Niobrara and Mowry formations

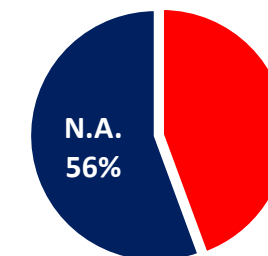
Q2 2024  
PRODUCTION



FFO<sup>(1)</sup>



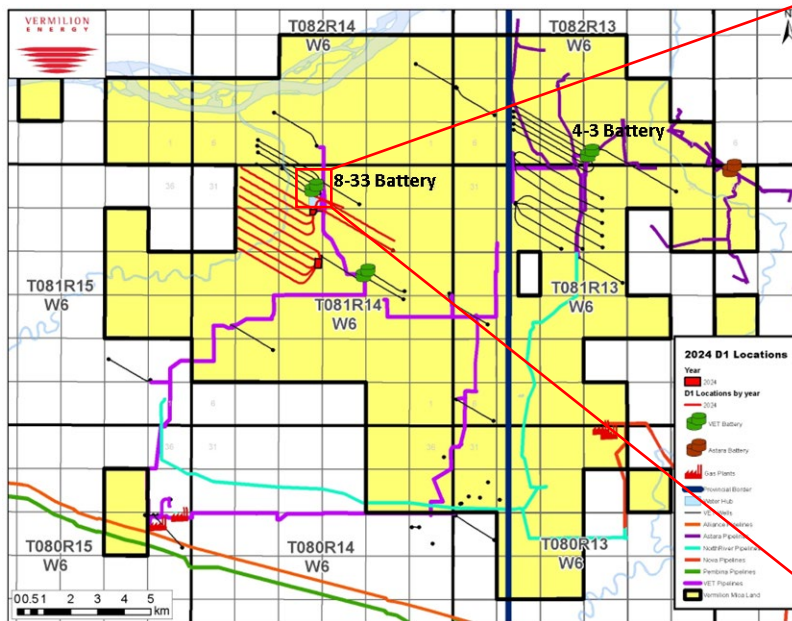
CAPEX<sup>(1)</sup>



(1) Non-GAAP financial measure or ratio.

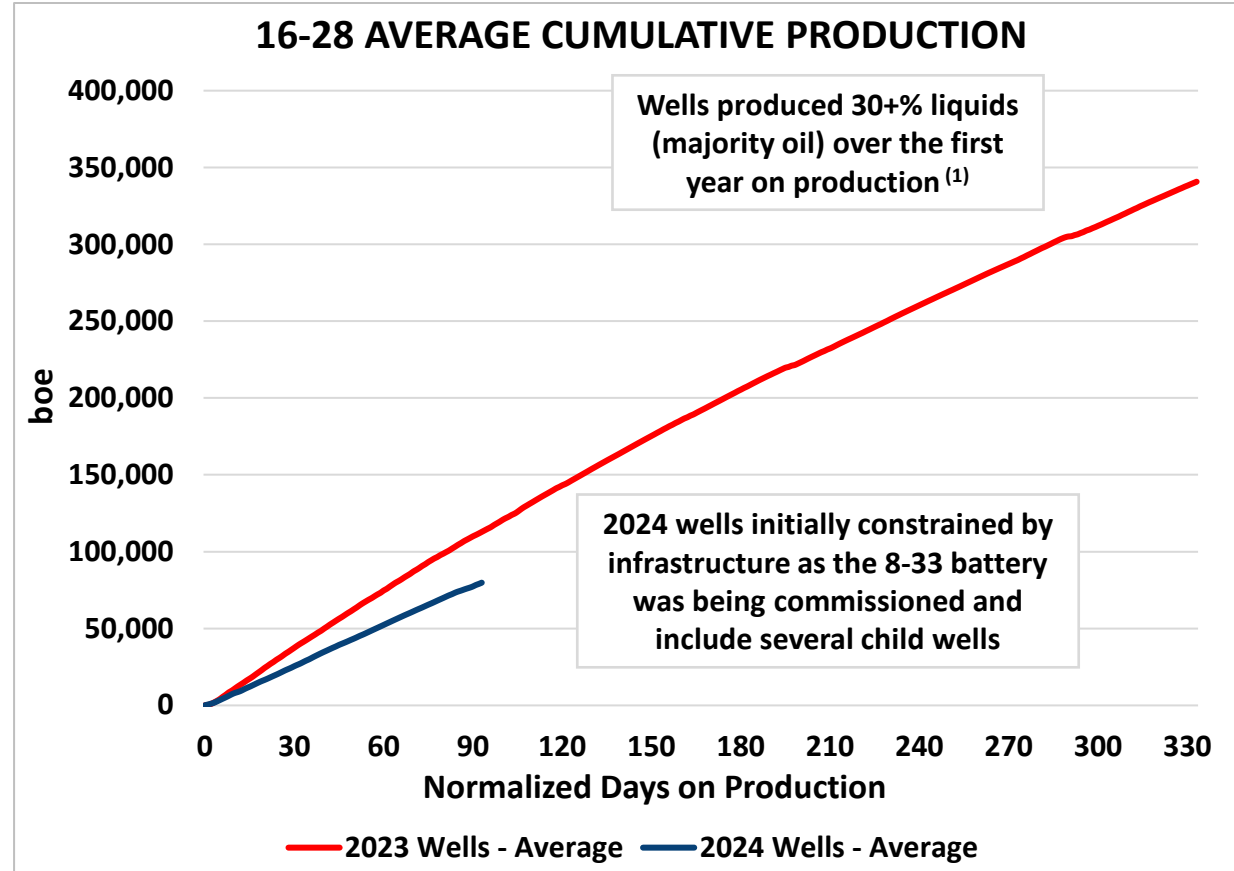
# MONTNEY BATTERY PROGRESS

- Construction on 16,000 boe/d oil battery was completed and battery was started in Q2 2024
  - Additional capacity allows us to nearly double our Montney production to 14,000 boe/d in 2025, provides platform for future expansion to 28,000 boe/d in the coming years
  - Successfully drilled and completed six wells on 16-28 pad, all wells were tied-in prior to start-up of battery
  - Recently completed five (5.0 net) wells on the 9-21 BC pad, all wells expected to be online by late Q3 2024



# BC MONTNEY WELL RESULTS

- Successfully completed first six (6.0 net) BC Montney wells of our 2024 program on 16-28 pad, results are in line with expectations reflecting infrastructure constraints
- Completed five (5.0 net) wells on 9-21 BC pad subsequent to the quarter, expect to bring online late Q3 2024
- Realized cost savings of ~15% (~\$1MM) on 9-21 completions per well due to water savings and more efficient operations
  - ~50% increase in frac stages per day, ~30% lower water usage compared to previous wells
  - Expect further cost savings on future wells with addition of water hub
- Continue to optimize our drilling and completion processes



(1) Average daily production per well based on field level estimates. Production rates presented above are for a limited timeframe only and may not be indicative of future performance or the ultimate recovery for a given well or pad. Readers are cautioned not to place reliance on such rates.



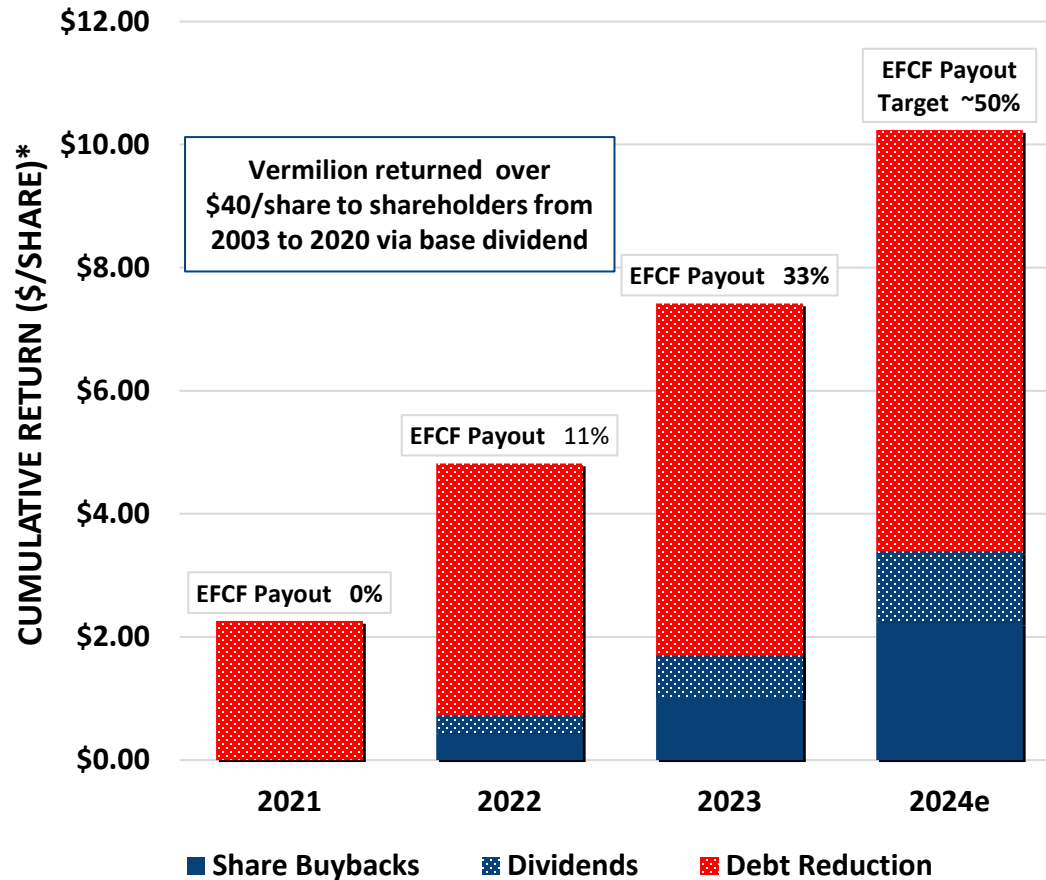
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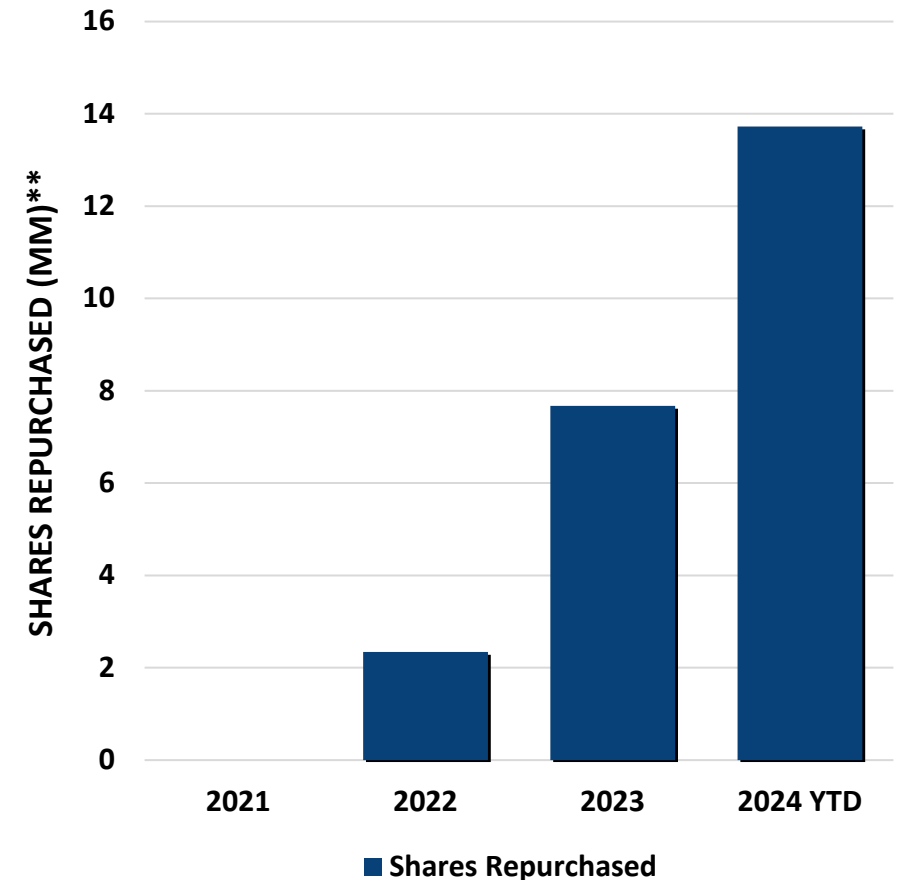
# SHAREHOLDER RETURNS & OUTLOOK

# COMPOUNDING SHAREHOLDER RETURNS

## CUMULATIVE SHAREHOLDER RETURNS



## CUMULATIVE NCIB ACTIVITY



\* 2021-2023 reflects actual cumulative share buybacks, dividends, and debt reduction. Debt reduction determined as change in net debt, refer to the "Non-GAAP Financial Measures and Other Specified Financial Measures" section in Vermilion's MD&A for the three and six months ended June 30, 2024, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Results for 2024e based on Company estimates using July 18, 2024 strip pricing (see Pricing and FFO Sensitivity slide of the Company's August corporate presentation). \*\* Shares repurchased per annual financial statements, 2024 YTD as of July 31, 2024.

# OUTLOOK

- Full-year production guidance increased to 83,000 - 86,000 boe/d while maintaining our capital budget guidance of \$600 to \$625 million
- Our Q3 2024 capital program includes:
  - Completing and bringing on production five (5.0 net) wells from the 9-21 pad in the BC Montney and completing water hub
  - Two rig program operating in Alberta and Saskatchewan
  - Drilling operations on the second deep gas exploration well in Germany
  - Further evaluation and testing of the successful exploration wells in Germany and Croatia
- We expect Q3 2024 production to be in the range of 83,000 to 85,000 boe/d
  - Reflects planned turnaround activity, risk of higher downtime during periods of high temperatures, and shut-in dry gas production in Alberta due to low gas prices

Category	2024 Guidance <sup>(1)</sup>
Production (boe/d)	83,000 - 86,000
E&D capital expenditures (\$MM)	\$600 - 625
Royalty rate (% of sales)	9 - 11%
Operating (\$/boe)	\$17.00 - 18.00
Transportation (\$/boe)	\$3.00 - 3.50
General and administration (\$/boe)	\$2.50 - 3.00
Cash taxes (% of pre-tax FFO)	7 - 9%
Asset retirement obligations settled (\$MM)	\$60
Payments on lease obligations (\$MM) <sup>(2)</sup>	\$30 - 60

(1) Current 2024 guidance reflects foreign exchange assumptions of CAD/USD 1.36, CAD/EUR 1.48, and CAD/AUD 0.91. (2) Payments on lease obligations includes contractual amounts owing on leases, as well as up to \$30 million to account for accelerated principal payments that may be made in 2024.

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# Q&A

# ADVISORY

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All references are to Canadian dollars unless otherwise specified.

## Forward-Looking Statements

Certain statements included or incorporated by reference in this presentation may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian and United States securities laws (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "focus", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target", "seek", "budget", "predict", "might" and similar words suggesting future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements in this presentation may include, but are not limited to, matters relating to: business strategies, 2024 budget and guidance, plans and objectives (including over the near, medium and longer-term); forecast (or estimated) fund flows from operations (FFO), free cash flow (FCF), and excess free cash flow (EFCF), FCF yield, net debt, production, production mix and FFO contribution; commodity pricing and FFO sensitivity; dividends; capital allocation priorities and share buybacks; European natural gas demand and supply, taxes and royalties; and hedging. In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

Although Vermilion believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because Vermilion can give no assurance that such expectations will prove to be correct. Financial outlooks are provided for the purpose of understanding Vermilion's financial position and business objectives, and the information may not be appropriate for other purposes. Forward-looking statements are based on Vermilion's current expectations and assumptions and are subject to a number of risks and uncertainties that could materially affect future results. In addition to assumptions identified in this presentation, assumptions have also been made, among other things, regarding: availability of equipment, services and supplies; marketing of crude oil, natural gas liquids and natural gas; timely receipt of required regulatory approvals; foreign currency exchange rates and interest and inflation rates; taxes and royalties; and timing and results of development activities. Risks include, but are not limited to, general economic risks and uncertainties, future commodity prices, exchange rates, interest rates, geological risk, political risk, regulatory approval risk, production demand, transportation restrictions, risks associated with COVID-19, changes in tax, royalty and regulatory regimes and risks associated with international activities. Additional risks and uncertainties are described in Vermilion's most recent Annual Information Form ("AIF") and Management's Discussion and Analysis ("MD&A") which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the SEC's EDGAR system at [www.sec.gov](http://www.sec.gov).

Forward-looking statements are made as of the date hereof and Vermilion undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by applicable securities laws.

## ESG Data

This presentation contains references to sustainability/ESG data and performance that reflect metrics and concepts that are commonly used in such frameworks as the Global Reporting Initiative, the Task Force on Climate-related Financial

Disclosures, and the Sustainability Accounting Standards Board. Vermilion has used best efforts to align with the most commonly accepted methodologies for ESG reporting, including with respect to climate data and information on potential future risks and opportunities, in order to provide a fuller context for our current and future operations. However, these methodologies are not yet standardized, are frequently based on calculation factors that change over time, and continue to evolve rapidly. Readers are particularly cautioned to evaluate the underlying definitions and measures used by other companies, as these may not be comparable to Vermilion's. While Vermilion will continue to monitor and adapt its reporting accordingly, the Company is not under any duty to update or revise the related sustainability/ESG data or statements except as required by applicable securities laws.

## Non-GAAP Financial Measures and Ratios

This presentation includes references to certain financial measures and ratios which do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with calculations of similar measures and ratios by other companies. These measures and ratios include "net debt", "net debt-to-FFO", "E&D capital expenditures", "FCF", "ECFC", "net debt-to-trailing FFO" and "annual EFCF payout".

Management believes that, in conjunction with results presented in accordance with IFRS, these measures and ratios assist in providing a more complete understanding of certain aspects of Vermilion's results of operations and financial performance. Readers are cautioned, however, that these measures and ratios should not be construed as an alternative to measures determined in accordance with IFRS as an indication of our performance. For a full description of these financial measures and ratios and a reconciliation of these measures and ratios to their most directly comparable GAAP measures and ratios, please refer to the "Non-GAAP and Other Specified Financial Measures" section of the MD&A which information is incorporated by reference herein.

## Reserves Advisories

All reserves estimates in this presentation are derived from an evaluation report dated March 5, 2024 with an effective date of December 31, 2023 are prepared by McDaniel & Associates Consultants Ltd. (the "McDaniel Report"), an independent qualified reserves evaluator, in accordance with the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. For a full description of the McDaniel Report, including the forecast price and cost assumptions used therein, please refer to the AIF.

This presentation includes reference to certain metrics commonly used in the oil and gas industry. These oil and gas metrics do not have any standardized meaning or standard methods of calculation and therefore may not be comparable to similar measures presented by other companies where similar terminology is used and should therefore not be used to make comparisons. Readers are cautioned as to the reliability of oil and gas metrics used in this presentation. These oil and gas metrics include "reserve life index" and "decline rates".

Management uses these oil and gas metrics for its own performance measurements and to provide readers with measures to compare the Company's performance over time; however, such measures are not reliable indicators of the Company's future performance, which may not compare to the Company's performance in previous periods, and therefore should not be unduly relied upon.

Certain natural gas volumes have been converted on the basis of six thousand cubic feet of gas to one barrel equivalent of oil. Barrels of oil equivalent (boes) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.