SEVEN GENERATIONS
ENERGY

May 7, 2020 TSX: VII

Improving cost structure and operational flexibility demonstrate financial resilience in 2020

2020 capital investments reduced by a further 28% to $650 million and annual 2020 production guidance midpoint reduced by 4% to 180,000 boe/d

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"This is an unprecedented time for our industry. The demand destruction associated with COVID-19 will take time to resolve. We must plan for an extended period of price weakness and make responsible decisions to best position our company for a rebalanced market. To ensure our financial resilience, we are further reducing our 2020 capital program by $250 million and delaying the start-up of 11 new wells which will reduce our 2020 production guidance to 175,000 - 185,000 boe/d. We are refocusing our 2020 development drilling program towards our gas-weighted assets – optionality enabled by the diverse, high-quality resource in our Kakwa River project and our extensive gas processing infrastructure. These actions, combined with cost reductions, operational efficiencies, and prudent hedging, will enhance 7G's sustainability and durability."

-Marty Proctor, President and CEO

FIRST QUARTER 2020 RESULTS

- First quarter 2020 funds flow totaled $275 million with capital investments of $266 million. The wind-down and pause on development capital announced in early March included a temporary suspension of all drilling and completions activities in early April. The company anticipates resuming field activities towards the end of the second quarter.
- Sales volumes were 193,500 boe/d (42% natural gas, 36% condensate, 22% other NGLs) in the first quarter of 2020, with natural gas sales of 489 MMcf/d.
- Continuous improvement in cost structure resulted in first quarter operating costs of $4.54/boe and drilling and completion costs of $7.3 million per well, 8% and 22% lower respectively, compared to the first quarter of 2019.
- Subsequent to quarter-end, Seven Generations added to its hedge position and now has more than 50,000 bbl/d of production, or more than 80%, of condensate volumes (net of royalties) hedged for the balance of 2020 at an average price of approximately US$45/bbl.
- For the three months ended March 31, 2020, Seven Generations recognized an impairment loss of $1,443 million ($1,110 million after tax) based on prevailing commodity prices used to value proved plus probable reserves. As at March 31, 2020, the revised carrying value of the Kakwa River project was $6.7 billion.

UPDATED 2020 OUTLOOK

- 7G has further reduced its capital budget to $650 million, a $250 million or 28% reduction, from the revised budget previously announced on March 10, 2020. Current 2020 capital investments represent a $450 million or 41% reduction from its original 2020 budget released in November 2019. At current forward pricing, and taking into account the company's current hedge position, the company does not expect to incur debt to fund its revised 2020 capital investment plan.
- 2020 production volumes are expected to average 175,000 - 185,000 boe/d. This range is subject to the timing of the company's decision to re-start its field activity and the start-up of 11 new wells originally scheduled to begin producing in May, now planned for the third quarter. Start-up decisions will be based on prevailing commodity prices.
- As a result of notably lower well costs that are improving capital efficiencies and the shift to lower decline natural gas weighted development, 7G now expects significantly lower sustaining capital requirements (drilling, completions, tie-ins and supporting infrastructure) off of its lower production base.
- Following a thorough expense reduction initiative, 7G has reduced the midpoint of 2020 per-boe operating costs by 5% to $4.75/boe. Additionally, 7G is forecasting a reduction to its industry-leading corporate G&A expenses for 2020 by approximately 6%.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

($ millions, except per share and unit of production amounts)	Three months ended March 31 2020	2019	% Change	Three months ended December 31 2019	% Change
Financial Results					
Funds flow ($)(1)	**275.0**	338.8	(19)	353.2	(22)
Per share - diluted ($)	**0.82**	0.95	(14)	1.05	(22)
Free cash flow ($)(1)	**9.2**	(62.1)	nm	120.3	(92)
Net income (loss) ($)	**(1,009.2)**	10.8	nm	82.6	nm
Per share - diluted ($)	**(3.03)**	0.03	nm	0.24	nm
Adjusted net income ($)(1)	**34.0**	84.0	(60)	89.7	(62)
Per share - diluted ($)	**0.10**	0.24	(58)	0.27	(63)
Revenue ($)(2)	**989.4**	546.3	81	669.6	48
CROIC (%)(1)	**12.9%**	17.7%	(27)	14.0%	(8)
ROCE (%)(1)	**8.3%**	12.8%	(35)	9.0%	(8)
Sales volumes(3)(4)					
Condensate (mbbl/d)	**69.0**	72.7	(5)	75.0	(8)
Natural gas (MMcf/d)	**489.1**	483.6	1	523.1	(6)
Other NGLs (mbbl/d)	**43.0**	44.1	(2)	45.9	(6)
Total sales volumes (mboe/d)	**193.5**	197.4	(2)	208.1	(7)
Liquids %	**58%**	59%	(2)	58%	—
Realized prices(4)					
Condensate ($/bbl)	**56.84**	63.00	(10)	66.39	(14)
Natural gas ($/Mcf)	**2.65**	4.32	(39)	3.25	(18)
Other NGLs ($/bbl)	**8.84**	7.46	18	10.75	(18)
Total ($/boe)	**28.93**	35.44	(18)	34.48	(16)
Royalty expense ($/boe)	**(2.29)**	(2.30)	—	(2.62)	(13)
Operating expenses ($/boe)	**(4.54)**	(4.93)	(8)	(4.43)	2
Transportation, processing and other ($/boe)	**(7.03)**	(6.65)	6	(7.01)	—
Operating netback before the following ($/boe)(1)(4)	**15.07**	21.56	(30)	20.42	(26)
Realized hedging gains (losses) ($/boe)	**3.54**	(0.34)	nm	0.55	nm
Marketing income (loss) ($/boe)(1)	**(0.45)**	0.77	nm	0.18	nm
Operating netback ($/boe)(1)	**18.16**	21.99	(17)	21.15	(14)
Funds flow ($/boe)(1)	**15.62**	19.07	(18)	18.45	(15)
Balance sheet					
Capital investments ($)	**265.8**	400.9	(34)	232.9	14
Available funding ($)(1)	**1,030.4**	1,280.9	(20)	1,351.0	(24)
Net debt ($)(1)	**2,385.6**	2,229.9	7	2,099.3	14
Repurchase of common shares ($)	**15.6**	—	nm	50.2	(69)
Common shares outstanding	**333.1**	353.1	(6)	334.7	—
Weighted average shares outstanding - basic	**333.4**	353.0	(6)	336.5	(1)
Weighted average shares outstanding - diluted	**333.4**	355.6	(6)	337.9	(1)

(1) Refer to the Reader Advisory at the end of this news release for additional information regarding the company's GAAP and non-GAAP measures.
(2) Represents the total of liquids and natural gas sales, net of royalties, gains (losses) on risk management contracts and other income.
(3) See "Note Regarding Product Types" in the Reader Advisory at the end of this news release.
(4) Excludes the purchase and sale of condensate and natural gas utilized with the company's transportation commitments and marketing activities.

Nest Activity	Three months ended March 31 2020	2019	% Change
Drilling(1)			
Horizontal wells rig released	**23**	18	28
Average measured depth (m)	**5,963**	5,911	1
Average horizontal length (m)	**2,767**	2,598	7
Average drilling days per well	**28**	30	(7)
Average drill cost per metre ($)(2)	**516**	614	(16)
Average well cost ($ millions)(2)	**3.0**	3.6	(17)
Completion(1)			
Wells completed	**20**	19	5
Average tonnes pumped per metre	**1.9**	1.9	—
Average cost per tonne ($)(2)	**959**	1,215	(21)
Average cost per lateral metre ($)(2)	**1,787**	2,307	(23)
Average well cost ($ millions)(2)	**4.3**	5.8	(26)
Total D&C cost per well ($ millions)(2)(3)	**7.3**	9.4	(22)
Wells brought on production	**19**	18	6

(1) The metrics include all horizontal Montney wells that are tied in for production. Excluded from the metrics are vertical wells re-drilled, abandoned wells, water disposal wells, as well as any delineated and expiring wells not tied in for production. Drilling counts are based on rig release date and production counts are based on the first production date after the wells are tied in to permanent facilities.
(2) Information provided is based on field estimates and is subject to change.
(3) The number of horizontal wells rig-released do not correspond to the number of well completions in the table above. Accordingly, the total average D&C costs per well may differ from the actual D&C costs for any individual well.

REFINED 2020 CAPITAL INVESTMENT PLAN

Through a combination of cost optimization and rescheduling drilling and completion activities, the company has reduced its planned capital investments to $650 million in 2020. This reduction is aligned to forecasted corporate cash flow at current market pricing for 2020 and taking into account the company's current hedge position. Further details about the company's revised 2020 guidance compared to its March 2020 budget revision and original guidance are shown below:

Total Capital Investment	**May 7, 2020 Revision $650 million**	**March 10, 2020 Revision $900 million**	**2020 Original Guidance $1,100 million**
Average Production(1)	**175 - 185 Mboe/d**	**180 – 190 Mboe/d**	**200 - 205 Mboe/d**
Development Wells On-Stream (#)	65 - 70	-	75 - 80
Percent Natural Gas(1)	42 - 44%	40 - 44%	40 - 44%
Percent Condensate(1)	32 - 36%	34 - 38%	34 - 38%
Percent Other NGLs(1)	22 - 24%	22 - 24%	22 - 24%
Royalty Rate(2)	4 - 6%	-	5 - 7%
Operating Expenses ($/boe)	$4.50 - $5.00	-	$4.75 - $5.25
Transportation ($/boe)	$7.50 - $8.25	-	$6.75 - $7.25
G&A ($/boe)	$0.85 - $0.95	-	$0.85 - $0.95
Interest ($/boe)	$1.80 - $2.00	-	$1.80 - $1.90

1) See "Note Regarding Product Types" and "Forward-Looking Information Advisory" in the Reader Advisory in this news release.
2) Original 2020 royalty guidance shown at US$50/bbl WTI assumption, revised 2020 royalty guidance assumes Q1 actuals and balance of the year at strip pricing averaging approximately US$29/bbl WTI.

Given the weakness in liquids pricing and the relative strength in natural gas forward pricing, 7G's current 2020 activity will be tilted away from its condensate-rich Nest 1 asset towards its gas-weighted Nest 3 asset. This shift in capital allocation is expected to allow the company to defer production of higher condensate wells until a period of relatively improved oil and condensate prices. This development also takes advantage of the prolific Nest 3 lower Montney resource, which is anticipated to drive strong full-cycle economics from recent results performing better than the upper/middle Montney resource, while making more efficient use of existing surface infrastructure.

The combination of efficiency-driven cost improvements and a higher allocation to the Nest 3 region, alongside a maturing, moderated production decline base, are expected to lead to stronger corporate capital efficiencies.

G&A EXPENSE REDUCTION INITIATIVES

Due to the sharp declines in both condensate realizations and the company's stock price, 7G has conducted a company-wide G&A expense reduction initiative including salary cuts to management and a 25% compensation reduction for its Board of Directors. 7G's CEO base salary will be reduced by 15% and officer salaries will be reduced by 10 - 12.5%. This decision is expected to contribute to a 6% reduction in corporate G&A expense for full-year 2020. 7G currently expects 2020 G&A expense to average between $0.85/boe to $0.95/boe.

RISK MANAGEMENT AND MARKET PRICING DYNAMICS

Recent commodity market developments have led to significant volatility in local condensate differentials. April condensate differentials experienced a rapid decline in pricing before local market rebalancing led to a significant improvement in pricing during early May trading. The company's low-cost structure coupled with relative strength in natural gas and NGL pricing, helped offset recent discounted pricing and the company does not anticipate being subject to economically driven shut-ins at this time. To prepare for the possibility of externally mandated shut-ins or voluntary curtailments due to severely discounted near-term condensate prices, the company has developed a short-term action plan to respond to such circumstances. The company does not anticipate that volume curtailments or shut-ins, if enacted, will impact long-term reservoir performance.

With ongoing uncertainty in oil markets and the risk of near-term physical oil market congestion, the company has added additional hedges for the balance of 2020. The company currently has 54,500 boe/d of May and June WTI exposure hedged at an average price of US$43.93/bbl and 49,500 boe/d of July through December 2020 exposure hedged at an average price of US$45.38/bbl. These hedges protect more than 80% of the company's WTI exposure for the balance of 2020. Details of current commodity hedging are outlined below:

	May-Jun 20	Q3/20	Q4/20	Balance of Year 2020	2021	2022
WTI Hedges - bbl/d[1]	54,500	49,500	49,500	50,750	16,000	5,750
Floor Price - US$/bbl	$43.93	$45.74	$45.01	$44.99	$46.62	$43.32
Natural Gas Hedges - MMbtu/d[2]	179,478	159,478	159,478	164,478	112,500	50,000
Floor Price - US$/MMbtu	$2.58	$2.56	$2.56	$2.57	$2.52	$2.47

1) Combined USD and CAD WTI instruments. 7G has the following sold puts in place within its hedging portfolio: 6,000 bbl/d at US$36.20 for Q2 and Q3 2020, 4,000 bbl/d for Q4 at US$40 and 1,750 bbl/d for 2021 at US$40.
2) Combined Henry Hub, Chicago Citygate and AECO fixed price instruments.
3) Complete details of 7G's hedging program including FX hedges are available in the company's corporate presentation and MD&A.

Additionally, the company has entered into multiple commercial storage transactions that have deferred a portion of the company's April condensate sales. The company continues to evaluate and utilize its various commercial options to mitigate its exposure to weak near-term price dynamics.

LEVERAGE AND LIQUIDITY

During the first quarter and prior to the material changes in the global macro and commodity environments, the company conducted open market purchases on a portion of its senior unsecured notes, purchasing US$200 million of long-term notes with borrowing on its credit facility maturing in 2024. This action reduces the aggregate principal amount of the company's outstanding US$875 million 2023 maturity notes to US$675 million and reduces corporate interest costs by approximately US$10 million per year. At the end of the first quarter, the company had US$675 million of senior unsecured notes maturing in mid-year 2023, and US$700 million due in September 2025.

The company's $1.4 billion senior secured credit facility was drawn by $284 million, to purchase the US$200 million of senior unsecured notes, at the end of the first quarter and is due for renewal in December 2024. The facility is backed by a syndicate of 13 large Canadian and global financial institutions. The credit facility is a covenant-based, committed facility with capacity not subject to routine redetermination. Under the credit agreement, 7G is required to maintain a senior secured debt to adjusted EBITDA ratio below 3x on a trailing 12-month basis, and total adjusted EBITDA to interest expense ratio greater than 2.5x on a trailing 12-month basis. The senior debt to adjusted EBITDA metric within the covenant does not include the company's unsecured notes outstanding. As of March 31, 2020, the company's senior leverage and interest coverage covenant ratios were 0.2x and 10.6x, respectively.

During the first quarter, 7G suspended purchases under the company's NCIB program.

ESG UPDATE

7G continues to prioritize its leadership role as a responsible energy producer with notable progress across various sustainability initiatives during the first quarter including:

- The release of 7G's 2020 ESG report at the end of March, available online at: https://www.7genergy.com/responsibility/sustainability.

- Sales of natural gas volumes under its responsible natural gas supply agreement with Quebec's largest natural gas distributor, Énergir s.e.c. (Énergir), in connection with the company's certification as a responsible producer under Equitable Origin's EO100™ standard.

- The funding of 7G's sustainability fund through premiums received under the Énergir responsible gas supply agreement. Capital from this fund will be allocated to local sustainability and joint community initiatives.

7G continues to prioritize minimizing its environmental footprint while fostering positive relationships with the community of Grande Prairie and neighbouring Indigenous communities. The company's commitment to continuous improvement across its environmental practices, governance approach and emissions disclosures are aligned with long-term shareholder value creation. The company will continue to seek new and innovative practices to improve operating performance over time and will maintain an unwavering focus on ESG despite the present period of economic uncertainty.

BOARD UPDATE

At the company's Annual Meeting on May 5, 2020, Ms. Susan Jones was elected to 7G's Board of Directors.

Ms. Jones currently serves on TC Energy Corporation's Board and was a director on the boards of Gibson Energy Inc. and Canpotex Limited, where she also served as Chair of the Board. Ms. Jones retired from her Executive Leadership role at Nutrien Ltd. at the end of 2019 after 15 years with the company. Prior to her retirement, Ms. Jones was Executive Vice President and CEO Potash of Nutrien. She worked in a variety of other roles at Nutrien including Senior Vice President and President of the Phosphate Business Unit; Chief Legal Officer; Senior Director Business Development and Strategy; Managing Director of the European Distribution Business; and Vice President of Wholesale Sales, Marketing and Logistics. Ms. Jones has served on the United Way, the Canadian Bar Association and has been an active supporter of women's leadership groups and diversity at Canpotex, Gibson and Nutrien. She holds a Leadership Diploma from the University of Oxford and a Director Certificate from the University of Harvard. Ms. Jones earned a Bachelor of Arts degree from the University of Victoria and a Bachelor of Laws degree from the University of Ottawa.

Mr. Dale Hohm chose not to stand for re-election. Over the course of his tenure, Mr. Hohm has provided insightful guidance as Director and Chair of the Audit and Finance Committee. His excellent business acumen and commitment to governance have been invaluable and have helped lead the company to its position of financial strength and resilience. Seven Generations is appreciative of Mr. Hohm's six years of service and many contributions.

CONFERENCE CALL

7G management will hold a conference call to discuss results and address investor questions today, May 7, 2020, at 9 a.m. MDT (11 a.m. EDT).

Participant Dial-In Numbers

Dial in - toll-free:	1-888-664-6392
Dial in - toll:	416-764-8659
Webcast link:	https://produceredition.webcasts.com/starthere.jsp?ei=1308564&tp_key=7d0db7dd87

Replay dial in toll-free:	1-888-390-0541
Replay dial in toll:	416-764-8677
Conference ID:	394910 #
Available until:	May 14, 2020

Seven Generations Energy

Seven Generations is a low supply cost energy producer dedicated to stakeholder service, responsible development and generating strong returns from its liquids-rich Kakwa River Project in northwest Alberta. 7G's corporate office is in Calgary, its operations headquarters is in Grande Prairie and its shares trade on the TSX under the symbol VII.

Further information on Seven Generations Energy is available on the company's website, www.7genergy.com, or by contacting:

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Reader Advisory

Non-GAAP Measures
This news release includes certain terms or performance measures commonly used in the oil and natural gas industry that are not defined under International Financial Reporting Standards ("IFRS"), including "adjusted net income", "adjusted net income per boe", "adjusted net income per diluted share", "marketing income", "operating netback", "funds flow per diluted share", "funds flow per boe", "free cash flow", "return on capital invested" (or "ROCE"), "cash return on invested capital" (or "CRIOC") and "available funding". The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Such non-GAAP measures should be read in conjunction with the company's consolidated financial statements for the years ended December 31, 2019 and 2018 and the accompanying notes and the company's condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019 and the accompanying notes. Readers are cautioned that the non-GAAP measures do not have any standardized meaning and should not be used to make comparisons between the company and other companies without also taking into account any differences in the way the calculations were prepared. For additional information about these measures, please see "Advisories and Guidance – Non-GAAP measures" in Management's Discussion and Analysis dated May 6, 2020, for the three months ended March 31, 2020 and 2019.

GAAP measures

Certain performance measures in included in this news release which are utilized by the company and others to assess performance have also been included in the company's financial statements as they are considered to be relevant to a reader's understanding of the company's business, performance results and financial condition. Specifically, the company's "net debt" and "adjusted EBITDA" measures have been included in Note 15 - Capital Management in the consolidated financial statements for the years ended December 31, 2019 and 2018, and in Note 13 of the condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019. The company has also presented a "funds flow" subtotal in the consolidated cash flow statements in the financial statements. Accordingly, these performance metrics are considered GAAP measures within this news release but would otherwise have been considered to be non-GAAP measures absent their inclusion in the financial statements.

Readers are cautioned that these performance measures do not have any standardized meanings and should not be used to make comparisons between Seven Generations and other companies without also taking into account any differences in the methods by which the calculations were prepared.

For additional information about these measures, please see "Advisories and Guidance – GAAP measures" in Management's Discussion and Analysis dated May 6, 2020, for the three months ended March 31, 2020 and 2019.

Forward-looking information advisory
This news release contains certain forward looking information and statements that involve various risks, uncertainties and other factors. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "should", "believe", "plans", and similar expressions are intended to identify forward looking information or statements. In particular, but without limiting the foregoing, this document contains forward-looking information and statements pertaining to the following: the anticipated resumption of field activities toward the end of the second quarter; the expectation that the company will not incur debt to fund its revised 2020 capital investment plan; the expected timing to bring 11 new wells on production; expected cost reductions and improved capital and operating efficiencies; significantly lower sustaining capital requirements expected; expected G&A expense reductions; anticipated cash flow; plans to tilt development away from Nest 1, which is expected to be more condensate-rich, and towards Nest 3, which is expected to be more gas-weighted; expectation that the shift towards lower declining, gas-weighted development, will allow the company to defer production of higher condensate wells until a period of relatively improved oil and condensate prices; expectation that the prolific Nest 3 lower Montney resource will drive strong full-cycle economics, while making more efficient use of existing surface infrastructure; expectation that the combination of efficiency-driven cost improvements and the additional focus on the Nest 3 region, alongside a maturing, moderated production decline base, are expected to lead to stronger corporate capital efficiencies; expectation that the company will not be subject to economically-motivated shut-ins; expectation that volume curtailments or shut-ins, if enacted, will not impact long-term reservoir performance; plans to allocate capital from 7G's sustainability fund to local sustainability and joint community initiatives, plans to continue to seek new and innovative practices to improve operating performance over time and maintain an unwavering focus on ESG despite the present period of economic uncertainty; the other forward-looking information described under "Refined 2020 Capital investment Plan", including forecast production, capital investments and expenses. In addition to the foregoing, information and statements in this news release relating to reserves and the net present value of future net revenue from 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 that they can be profitably produced and/or sold based upon certain forecast prices and costs, as evaluated by the company's qualified independent reserves evaluator.

With respect to forward-looking information contained in this document, assumptions have been made regarding, among other things: future oil, NGLs and natural gas prices being consistent with current commodity price forecasts after factoring in quality adjustments at the company's points of sale; the company's continued ability to obtain qualified staff and equipment in a timely and cost-efficient manner; drilling and completion techniques; infrastructure and facility design concepts that have been successfully applied by the company elsewhere in its Kakwa River Project may be successfully applied to other properties within the Kakwa River Project; the consistency of the regulatory regime and framework governing royalties, taxes and environmental matters in the jurisdictions in which the company conducts its business and any other jurisdictions in which the company may conduct its business in the future; the company's ability to market production of oil, NGLs and natural gas successfully to customers; the company's future production levels and amount of future capital investment will be consistent with the company's current development plans and budget; the accuracy of the forecasts provided under "Refined 2020 Capital Investment Plan"; new technologies for recovery and production of the company's reserves and resources may improve capital and operational efficiencies in the future; the recoverability of the company's reserves and resources; sustained future capital investment by the company; future cash flows from production; taxes and royalties will remain consistent with the company's calculated rates; the future sources of funding for the company's capital investment program; the company's future debt levels; geological and engineering estimates in respect of the company's reserves and resources; the geography of the areas in which the company is conducting exploration and development activities, and the access, economic, regulatory and physical limitations to which the company may be subject from time to time; the impact of competition on the company; and the company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in the forward-looking information that is contained herein as a result of the risks and risk factors that are set forth in the annual information form dated February 26, 2020 for the year ended December 31, 2019 (the "AIF") and in Management's Discussion and Analysis dated May 6, 2020, for the three months ended March 31, 2020 and 2019, which are available on SEDAR, including, but not limited to: volatility in market prices and demand for oil, NGLs and natural gas and hedging activities related thereto; general economic, business and industry conditions; global or national health concerns, including the outbreak of pandemic or contagious diseases, such as the current novel coronavirus outbreak; recent and ongoing declines in general economic, business or industry conditions and weakness and volatility in the market conditions for the oil and gas industry; civil unrest, pandemics and other disruptions and dislocations; variance of the company's actual capital costs, operating costs and economic returns from those anticipated; the ability to find, develop or acquire additional reserves and the availability of the capital or financing necessary to do so on satisfactory terms; risks related to the exploration, development and production of oil and natural gas reserves and resources; negative public perception of oil sands development, oil and natural gas development and transportation, hydraulic fracturing and fossil fuels; actions by governmental authorities, including changes in government regulation, royalties and taxation; political changes; potential legislative and regulatory changes; the rescission, or amendment to the conditions, of groundwater licenses of the company; management of the company's growth; the ability to successfully identify and make attractive acquisitions, joint ventures or investments, or successfully integrate future acquisitions or businesses; the availability, cost or shortage of rigs, equipment, raw materials, supplies or qualified personnel; the adoption or modification of climate change legislation by governments; potential impacts of climate change on the company's operations; uncertainty associated with estimates of oil, NGLs and natural gas reserves and resources and the variance of such estimates from actual future production; dependence upon compressors, gathering lines, pipelines and other facilities, certain of which the company does not control; the ability to satisfy obligations under the company's firm commitment transportation and processing arrangements; the export and sale of natural gas to the United States; the uncertainties related to the company's identified drilling locations; the high-risk nature of successfully stimulating well productivity and drilling for and producing oil, NGLs and natural gas; operating hazards and uninsured risks; the risks of fires, floods and natural disasters, which could become more frequent or of a greater magnitude as a result of climate change; the possibility that the company's drilling activities may encounter sour gas; execution risks associated with the company's business plan; failure to acquire or develop replacement reserves; the concentration of the company's assets in the Kakwa area; unforeseen title defects; Indigenous claims; failure to accurately estimate abandonment and reclamation costs; development and exploratory drilling efforts and well operations may not be profitable or achieve the targeted return; horizontal drilling and completion technique risks and failure of drilling results to meet expectations for reserves or production; limited intellectual property protection for operating practices and dependence on employees and contractors; third-party claims regarding the company's right to use technology and equipment; expiry of certain leases for the undeveloped leasehold acreage in the near future; failure to realize the anticipated benefits of acquisitions or dispositions; failure of properties acquired now or in the future to produce as projected and inability to determine reserve and resource potential, identify liabilities associated with acquired properties or obtain protection from sellers against such liabilities; government regulations; changes in the application, interpretation and enforcement of applicable laws and regulations; environmental, health and safety requirements; restrictions on development intended to protect certain species of wildlife; potential conflicts of interests; actual results differing materially from management estimates and assumptions; seasonality of the company's activities and the Canadian oil and gas industry; alternatives to and changing demand for petroleum products; extensive competition in the company's industry; changes in the company's credit ratings; third party credit risk; dependence upon a limited number of customers; lower oil, NGLs and natural gas prices and higher costs; failure of 2D and 3D seismic data used by the company to accurately identify the presence of oil and natural gas; risks relating to commodity price hedging instruments; terrorist attacks or armed conflict; cyber security risks, loss of information and computer systems; inability to dispose of non-strategic assets on attractive terms; the potential for security deposits to be required under provincial liability management programs; reassessment by taxing and royalty authorities of the company's prior transactions and filings; variations in foreign exchange rates and interest rates; risks associated with counterparties in risk management activities related to commodity prices and foreign exchange rates; sufficiency of insurance policies; potential for litigation; variation in future calculations of non-GAAP/non-IFRS measures; breach of and potential enforceability issues in contracts; impact of expansion into new activities on risk exposure; inability of the company to respond quickly to competitive pressures; and the risks related to the common shares that are publicly traded and the company's senior notes and other indebtedness.

Any financial outlook and future-oriented financial information contained in this document regarding prospective financial performance, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action based on management's assessment of the relevant information that is currently available. Projected operational information contains forward-looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future oriented financial information or a financial outlook. The actual results of the company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. Actual results will vary from projected results. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. The forward-looking information and statements contained in this document speak only as of the date hereof and the company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Independent Reserves Evaluation

Estimates of the company's reserves and the related net present value of future net revenue attributable to the company's reserves are based upon the reports prepared McDaniel & Associates Consultants Ltd. ("McDaniel"), as at December 31, 2019. Estimates of reserves and the net present value of future net revenue attributable to such reserves are estimates only and there is no guarantee that such reserves will be recovered or that the related future net revenue estimates will be realized. Actual reserves and related future net revenue may be greater than or less than such estimates and the differences may be material. Estimates of future net revenue attributable to the company's reserves do not represent the fair market value of the company's reserves and there is uncertainty that the net present value of future net revenue will be realized. There is no assurance that the forecast price and cost assumptions applied by McDaniel in evaluating Seven Generations' reserves will be attained and variances could be material. For important additional information regarding the independent reserves evaluations that were conducted by McDaniel, please refer to the AIF which is available on the SEDAR website at www.sedar.com.

Note Regarding Oil and Gas Metrics

Seven Generations has adopted the standard of 6 Mcf:1 bbl when converting natural gas to boes. Condensate and other NGLs are converted to boes at a ratio of 1 bbl:1 bbl. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based roughly on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the company's sales point. Given the value ratio based on the current price of oil as compared to natural gas and NGLs is significantly different from the energy equivalency of 6 Mcf: 1 bbl and 1 bbl: 1 bbl, respectively, utilizing a conversion ratio at 6 Mcf: 1 bbl for natural gas and 1 bbl: 1 bbl for NGLs, may be misleading as an indication of value.

Note Regarding Product Types

This news release includes references to total average daily production, condensate production, other NGL production, natural gas production and liquids production. Other NGLs refers to all natural gas liquids, except for condensate, which is reported separately. Natural gas refers to conventional natural gas and shale gas combined. Liquids refers to condensate and other NGLs combined. The following table is intended to provide supplemental information about the product type composition for each of the production figures that are provided in this news release:

	Condensate (mbbl/d)	Other NGLs (mbbl/d)	Shale gas (MMcf/d)	Conventional natural gas (MMcf/d)	Total (mboe/d)
Three months ended					
March 31, 2019	72.7	44.1	447.3	36.3	**197.4**
March 31, 2020	69.0	43.0	461.5	27.6	**193.5**
December 31, 2019	75.0	45.9	492.4	30.7	**208.1**

This news release also makes reference to company's forecasted total average daily production of 175 - 185 mboe/d for 2020. Seven Generations expects that approximately 32% - 36% of that production will be comprised of condensate, 39% - 41% will be comprised of shale gas, 22% - 24% will be comprised of other NGLs and 3% will be comprised of conventional natural gas.

Oil and Gas Definitions

Certain terms that are used in this news release that are not otherwise defined herein are provided below:

probable reserves are those additional gross reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

proved reserves are those gross reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

Abbreviations

AECO	physical storage and trading hub for natural gas on the TransCanada Alberta transmission system which is the delivery point for various benchmark Alberta index prices
AIF	annual information form dated February 26, 2020 for the year ended December 31, 2019
bbl	barrel
bbls	barrels
boe	barrels of oil equivalent
CAD	Canadian dollars
CROIC	cash return on invested capital
d	day
D&C	drilling and completions
EBITDA	earnings before interest, taxes depreciation and amortization
ESG	environment, social and governance factors
FX	foreign exchange
G&A	general and administrative expenses
GAAP	generally accepted accounting practices
IFRS	International Financial Reporting Standards

m	metres
Mboe	thousand barrels of oil equivalent
Mbbl	thousands of barrels
mcf	thousand cubic feet
MM	millions
MMbtu	million British thermal units
MMcf	million cubic feet
Nest	the Nest 1, Nest 2 and Nest 3 areas combined
Nest 1	the “Nest 1” area that is shown in the map that is provided under the heading “Description of Business – Development Areas” in the AIF
Nest 2	the “Nest 2” area that is shown in the map that is provided under the heading “Description of Business – Development Areas” in the AIF
Nest 3	the “Nest 3” area that is shown in the map that is provided under the heading “Description of Business – Development Areas” in the AIF
NGLs	natural gas liquids
nm	not meaningful information
ROCE	return on capital employed
Q1	first quarter
Q2	second quarter
Q3	third quarter
Q4	fourth quarter
SEDAR	System for Electronic Document Analysis and Retrieval
TSX	Toronto Stock Exchange
US$	United States dollars
WTI	West Texas Intermediate
$MM	millions of dollars

Seven Generations Energy Ltd. is also referred to as **Seven Generations**, **Seven Generations Energy**, **7G, we, our, the company** or **the Company**.