



# INTERNATIONALLY DIVERSIFIED | SUSTAINABLE GROWTH AND INCOME

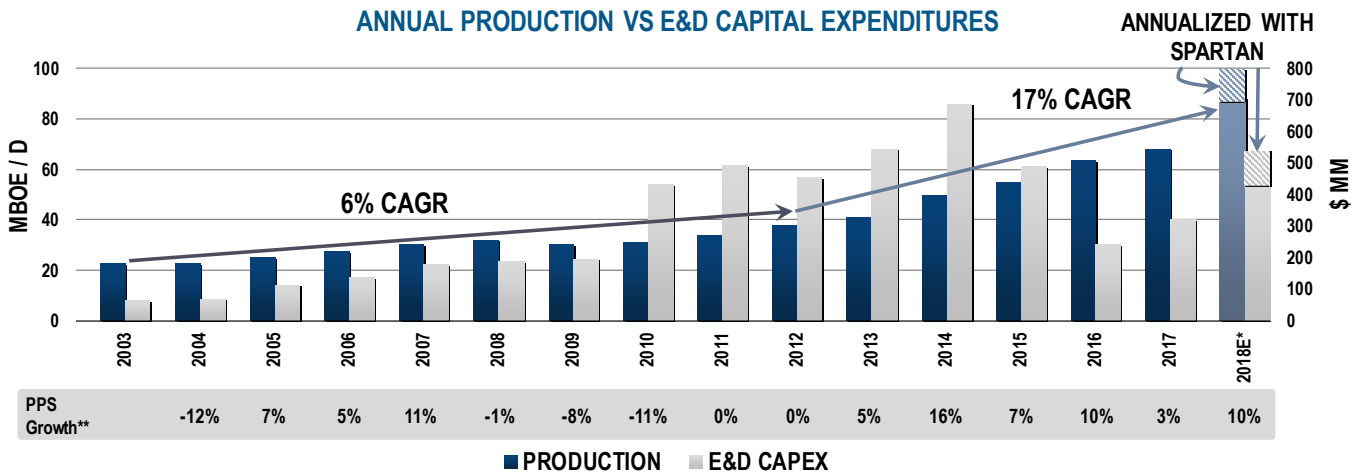
## Key Attributes

- Global independent E&P with leading positions in high netback businesses in Europe, North America and Australia
- Self-funded growth-and-income model supported by high margins, low decline rates and strong capital efficiencies
- Defensive issue with multiple risk-reducing attributes: global commodity exposure, project diversification and relatively low financial leverage
- Consistent production growth from high-return, conventional and semi-conventional projects, coupled with inventory depth more typical of an unconventional producer
- All major business units generate free cash flow with stable-to-growing production over the long-term
- Energy industry leader in sustainability and ESG performance
- Substantial employee and director ownership and a consistent record of market out-performance

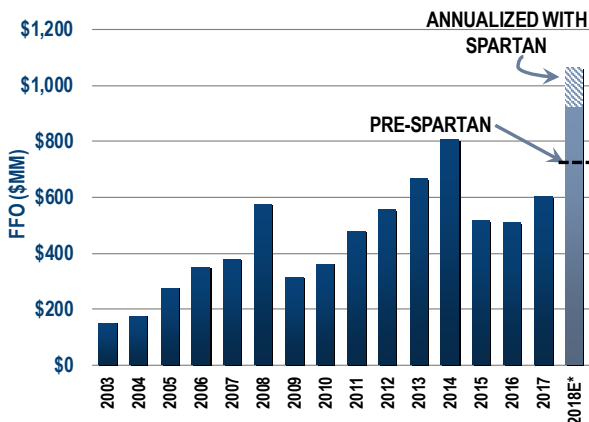
## Capital Markets Summary

Market Summary	
Trading Price (May 30, 2018)	\$44.48 (TSX), \$34.53 (NYSE)
Ticker Symbol (TSX & NYSE)	VET
Shares Outstanding (March 31, 2018 plus shares issued on SPE acq)	150.7 million
Average Daily Trading Volume (shares)	0.8 million
Monthly Dividend *	\$0.23/share
Dividend Yield	6.2%
Director and Employee Ownership **	6.5%
Capital Structure	
Market Capitalization	\$6.7 billion
Enterprise Value	\$8.2 billion
Net Debt (including net working capital)	\$1.5 billion
Net Debt-to-FFO Ratio ***	2.5 x

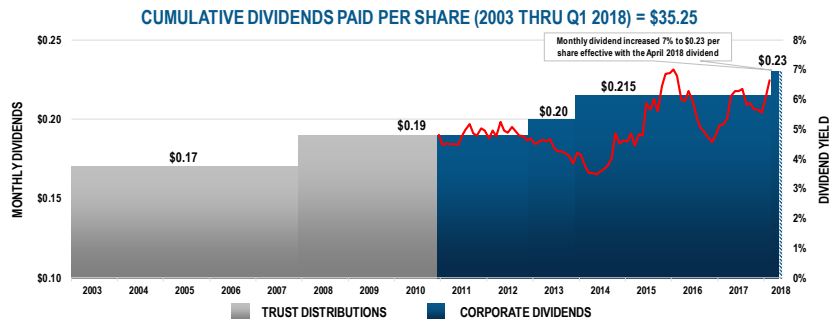
## Production Growth



## Fund Flows From Operations (FFO)



## Reliable and Growing Dividends



**VERMILION HAS BEEN PAYING A MONTHLY DIVIDEND SINCE 2003**

Capital Markets: \* Announced 7% dividend increase to \$0.23/share per month on March 1, 2018 effective with the April 2018 dividend. \*\* Based on fully-diluted shares. \*\*\* Net debt to fund flows from operations (FFO) - based on trailing twelve month FFO at March 31, 2018. Non-GAAP measures, see Investor Presentation Advisory. Production: \*\* Reflects additional contribution from acquisition of Spartan Energy, which closed on May 28, 2018. \*\* Production and production per share growth (PPS) for 2018 is calculated based on the mid-point of guidance range. FFO: \* Company estimates as at May 28, 2018. 2018 FFO estimate based on 4 months of actuals, remainder of year at strip. 2018 strip at May 28, 2018: Brent (US\$/bbl) \$74.37; WTI (US\$/bbl) \$66.10; MSW = WTI less US\$6.96; TTF (\$/mmbtu) \$9.76; AECO (\$/mmbtu) \$1.48; CAD/USD 1.29; CAD/EUR 1.52 and CAD/AUD 0.98. Includes existing hedges. FFO is a non-standardized measure (see Advisory). Reflects additional contribution from acquisition of Spartan Energy, which closed on May 28, 2018.

## CORE OPERATING AREAS



## EUROPEAN ASSETS

### France

#### VERMILION IS THE #1 OIL PRODUCER IN FRANCE

- Entered France in 1997 with assets characterized by large OOIP conventional fields with high working interest (OOIP in 5 largest fields >1.7 billion barrels of oil)
- Workover, infill drilling and secondary recovery opportunities
- Strong free cash flow generator with organic growth
- Brent indexed production base with low base decline rate

### Netherlands

#### WORLD CLASS CONVENTIONAL NATURAL GAS BASIN

- Entered Netherlands in 2004 and are the #2 onshore gas producer
- High impact natural gas drilling and development
- Strong gas price, favorable fiscal regime, and low OPEX enhance netbacks
- Seven consecutive years of organic production growth while generating FCF\*\*
- Undeveloped land base of ~800,000 net acres

### Germany

#### STRATEGICALLY POSITIONED TO CAPTURE OPPORTUNITIES IN EUROPE'S LARGEST GAS MARKET

- Entered Germany in 2014, the largest gas market in Europe, with long history of oil and gas development
- Country-wide production is approximately 48 kbbbl/d of oil and 0.75 Bcf/d of natural gas (170k boe/d)
- Current land position of approximately 1.3 million net acres (97% undeveloped)
- Increased WI in high potential exploration acreage through farm-in and acreage trades

### Ireland

#### HIGH NETBACK NATURAL GAS + MINIMAL FUTURE CAPEX = SIGNIFICANT FREE CASH FLOW

- Vermilion currently holds 18.5% non-operated interest in the Corrib gas field, offshore Ireland
- At closing of announced strategic partnership with Canada Pension Plan Investment Board, Vermilion expects to assume operatorship of Corrib and increase ownership by 1.5%
- No royalties, low OPEX and minimal ongoing CAPEX translate to high netbacks and free cash flow

### Central and Eastern Europe

#### FOCUSED ON ESTABLISHING LOW COST POSITIONS IN THE UNDER-EXPLOITED PANNONIAN BASIN

- HUNGARY: Hold more than 650,000 acres (100% W.I.) across the South Battyony, Ebes and Békéssámsón concessions awarded in 2014 to 2017; recently drilled first exploration well
- SLOVAKIA: Awarded farm-in agreement with NAFTA, Slovakia's dominant E&P, granting 50% working interest to jointly explore 183,000 acres on an existing license; plan to drill in 2019
- CROATIA: Awarded 4 exploration concessions of nearly 2.35 million acres (100% W.I.) for 5 year term in 2016, making Vermilion the largest onshore landholder; plan to drill in 2019 and 2020

## NORTH AMERICAN ASSETS

### Canada

#### SIGNIFICANTLY ADVANTAGED PLAYS IN THE MANNVILLE, CARDIUM AND MIDALE

- Production and assets are focused in West Central Alberta and SE Saskatchewan
- In West Pembina, potential for three significant development projects sharing surface infrastructure
  - Mannville liquids-rich gas: 211,800 net acres (2,400 – 2,700 m depth)
  - Cardium light oil: 104,000 net acres (1,800 m depth)
  - Duvernay liquids-rich gas: 82,400 net acres in (3,200 – 3,400 m depth)
- Canadian cash flows fully tax-sheltered for 10+ years

### United States - Wyoming Development

#### LOW-COST LIGHT OIL DEVELOPMENT PROJECT WITH SIGNIFICANT LEARNING CURVE POTENTIAL

- Entered United States in 2014
- Large, operated contiguous land position (83,500 net acres at 100% W.I.) in the Powder River Basin
- Promising tight oil Turner Sand development project (98% undeveloped), shallow depth of ~1,500 metres

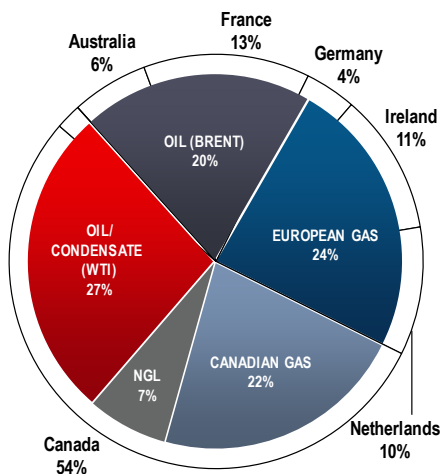
## AUSTRALIAN ASSET

#### STABLE ASSET DELIVERING PREMIUM TO PRICED OIL

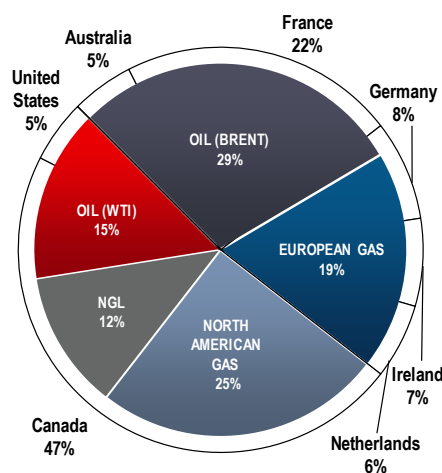
- Entered Australia in 2005 with offshore oil field ~80 km NW of Australia (55 m water depth)
- Horizontal well development with 18 wellbores and five lateral sidetracks
- Contracted oil production receives a premium to Dated Brent index

## Commodity Mix

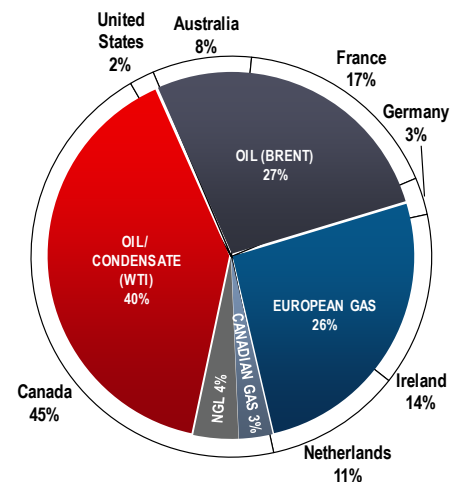
### PRODUCTION (2018E)\*



### 2P RESERVES (YE 2017)\*\*



### ESTIMATED FFO CONTRIBUTION (2018E)\*



\* Company estimates as at May 28, 2018, including impact from Spartan Energy acquisition, which closed on May 28, 2018. FFO Contribution is a non-standardized measure (see Advisory) and excludes interest expense. FFO estimate based on May 28, 2018 strip: Brent US\$74.37/bbl; WTI US\$66.10/bbl; MSW = WTI less US\$6.96; TTF \$9.76/mmbtu; AECO \$1.48/mmbtu; CAD/USD 1.29; CAD/EUR 1.52 and CAD/AUD 0.98. Includes existing hedges plus additional contribution from acquisition of Spartan Energy. \*\* Proved plus probable (2P) reserves as evaluated by GLJ (see Investor Presentation Advisory) and does not include reserves acquired from Spartan Energy.

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