

Q1 2019

# FINANCIAL STATEMENTS

EXCELLENCE. TRUST. RESPECT. RESPONSIBILITY.



INTERNATIONALLY DIVERSIFIED | SUSTAINABLE GROWTH AND INCOME

VERMILION  
E N E R G Y



## **FRONT COVER THEME**

As illustrated by the front cover photo of our operations in Germany, Vermilion's integration of sustainability throughout our business recognizes that we are part of a larger whole: the environments and communities in which we operate. We are therefore committed to conducting our activities in a manner that will protect the health and safety of both. This includes understanding our role in the evolving energy transition within the broader context of the United Nations Sustainable Development Goals ("SDGs"). We believe this approach, in which sustainability is embedded in our corporate strategy, supports Vermilion's long-term economic viability while building a better future for our stakeholders through enhanced economic, environmental and community wellbeing.



# Disclaimer

Certain statements included or incorporated by reference in this document may constitute forward looking statements or financial outlooks under applicable securities legislation. Such forward looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements or information in this document may include, but are not limited to: capital expenditures; business strategies and objectives; operational and financial performance; estimated reserve quantities and the discounted net present value of future net revenue from such reserves; petroleum and natural gas sales; future production levels (including the timing thereof) and rates of average annual production growth; exploration and development plans; acquisition and disposition plans and the timing thereof; operating and other expenses, including the payment and amount of future dividends; royalty and income tax rates; and the timing of regulatory proceedings and approvals.

Such forward looking statements or information are based on a number of assumptions, all or any of which may prove to be incorrect. In addition to any other assumptions identified in this document, assumptions have been made regarding, among other things: the ability of Vermilion to obtain equipment, services and supplies in a timely manner to carry out its activities in Canada and internationally; the ability of Vermilion to market crude oil, natural gas liquids, and natural gas successfully to current and new customers; the timing and costs of pipeline and storage facility construction and expansion and the ability to secure adequate product transportation; the timely receipt of required regulatory approvals; the ability of Vermilion to obtain financing on acceptable terms; foreign currency exchange rates and interest rates; future crude oil, natural gas liquids, and natural gas prices; and management's expectations relating to the timing and results of exploration and development activities.

Although Vermilion believes that the expectations reflected in such forward looking statements or information 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 or information are based on current expectations, estimates, and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Vermilion and described in the forward looking statements or information. These risks and uncertainties include, but are not limited to: the ability of management to execute its business plan; the risks of the oil and gas industry, both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil, natural gas liquids, and natural gas; risks and uncertainties involving geology of crude oil, natural gas liquids, and natural gas deposits; risks inherent in Vermilion's marketing operations, including credit risk; the uncertainty of reserves estimates and reserves life and estimates of resources and associated expenditures; the uncertainty of estimates and projections relating to production and associated expenditures; potential delays or changes in plans with respect to exploration or development projects; Vermilion's ability to enter into or renew leases on acceptable terms; fluctuations in crude oil, natural gas liquids, and natural gas prices, foreign currency exchange rates and interest rates; health, safety, and environmental risks; uncertainties as to the availability and cost of financing; the ability of Vermilion to add production and reserves through exploration and development activities; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; uncertainty in amounts and timing of royalty payments; risks associated with existing and potential future law suits and regulatory actions against Vermilion; and other risks and uncertainties described elsewhere in this document or in Vermilion's other filings with Canadian securities regulatory authorities.

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

This document contains 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. Natural gas volumes have been converted on the basis of six thousand cubic feet of natural gas to one barrel of oil equivalent. Barrels of oil equivalent (boe) 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.

Financial data contained within this document are reported in Canadian dollars, unless otherwise stated.

# Consolidated Interim Financial Statements

## Consolidated Balance Sheet

thousands of Canadian dollars, unaudited

	Note	March 31, 2019	December 31, 2018
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		5,216	26,809
Accounts receivable		253,263	260,322
Crude oil inventory		16,962	27,751
Derivative instruments		32,200	95,667
Prepaid expenses		17,313	19,328
Total current assets		324,954	429,877
Derivative instruments		3,967	1,215
Deferred taxes		227,553	219,411
Exploration and evaluation assets	5	298,570	303,295
Capital assets	4	5,370,124	5,316,873
Total assets		6,225,168	6,270,671
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		357,570	449,651
Dividends payable	8	35,239	35,122
Derivative instruments		8,233	41,016
Income taxes payable		58,140	37,410
Total current liabilities		459,182	563,199
Derivative instruments		3,872	17,527
Long-term debt	7	1,865,916	1,796,207
Lease obligations		106,391	108,189
Asset retirement obligations	6	719,664	650,164
Deferred taxes		332,881	318,134
Total liabilities		3,487,906	3,453,420
<b>Shareholders' equity</b>			
Shareholders' capital	8	4,025,565	4,008,828
Contributed surplus		91,688	78,478
Accumulated other comprehensive income		74,248	118,182
Deficit		(1,454,239)	(1,388,237)
Total shareholders' equity		2,737,262	2,817,251
Total liabilities and shareholders' equity		6,225,168	6,270,671

### Approved by the Board

(Signed "Catherine L. Williams")

Catherine L. Williams, Director

(Signed "Anthony Marino")

Anthony Marino, Director

# Consolidated Statements of Net Earnings and Comprehensive (Loss) Income

thousands of Canadian dollars, except share and per share amounts, unaudited

		Three Months Ended	
	Note	Mar 31, 2019	Mar 31, 2018
<b>Revenue</b>			
Petroleum and natural gas sales		481,083	318,269
Royalties		(43,384)	(22,995)
Sales of purchased commodities		29,539	—
<b>Petroleum and natural gas revenue</b>		<b>467,238</b>	<b>295,274</b>
<b>Expenses</b>			
Purchased commodities		29,539	—
Operating		122,422	67,839
Transportation		16,700	10,182
Equity based compensation		22,843	19,750
Loss on derivative instruments		3,929	372
Interest expense		20,979	15,588
General and administration		13,058	11,728
Foreign exchange gain		(21,208)	(10,179)
Other income		(6,679)	(6)
Accretion	6	7,986	7,154
Depletion and depreciation	4, 5	177,029	124,893
		386,598	247,321
<b>Earnings before income taxes</b>		<b>80,640</b>	<b>47,953</b>
<b>Taxes</b>			
Deferred		14,943	9,651
Current		26,150	13,562
		41,093	23,213
<b>Net earnings</b>		<b>39,547</b>	<b>24,740</b>
<b>Other comprehensive (loss) income</b>			
Currency translation adjustments		(43,934)	38,957
<b>Comprehensive (loss) income</b>		<b>(4,387)</b>	<b>63,697</b>
<b>Net earnings per share</b>			
Basic		0.26	0.20
Diluted		0.26	0.20
<b>Weighted average shares outstanding ('000s)</b>			
Basic		152,904	122,390
Diluted		154,550	124,304

# Consolidated Statements of Cash Flows

thousands of Canadian dollars, unaudited

	Note	Three Months Ended	
		Mar 31, 2019	Mar 31, 2018
<b>Operating</b>			
Net earnings		39,547	24,740
Adjustments:			
Accretion	6	7,986	7,154
Depletion and depreciation	4, 5	177,029	124,893
Unrealized loss (gain) on derivative instruments		14,277	(17,343)
Equity based compensation		22,843	19,750
Unrealized foreign exchange gain		(23,258)	(8,625)
Unrealized other expense		205	195
Deferred taxes		14,943	9,651
Asset retirement obligations settled	6	(3,597)	(3,591)
Changes in non-cash operating working capital		(45,747)	17,794
Cash flows from operating activities		204,228	174,618
<b>Investing</b>			
Drilling and development	4	(197,291)	(124,658)
Exploration and evaluation	5	(4,762)	(3,807)
Acquisitions	4	(16,027)	(56,355)
Changes in non-cash investing working capital		(2,885)	20,847
Cash flows used in investing activities		(220,965)	(163,973)
<b>Financing</b>			
Borrowings on the revolving credit facility	7	99,910	23,909
Payments on lease obligations		(6,468)	(4,350)
Cash dividends		(98,328)	(59,225)
Cash flows used in financing activities		(4,886)	(39,666)
Foreign exchange gain on cash held in foreign currencies		30	1,759
Net change in cash and cash equivalents		(21,593)	(27,262)
Cash and cash equivalents, beginning of period		26,809	46,561
Cash and cash equivalents, end of period		5,216	19,299
Supplementary information for cash flows from operating activities			
Interest paid		26,551	18,134
Income taxes paid		5,495	342

## Consolidated Statements of Changes in Shareholders' Equity

thousands of Canadian dollars, unaudited

	Three Months Ended	
	Mar 31, 2019	Mar 31, 2018
<b>Shareholders' capital</b>		
Balance, beginning of period	4,008,828	2,650,706
Shares issued for the Dividend Reinvestment Plan	7,104	19,641
Equity based compensation	9,633	7,444
Balance, end of period	4,025,565	2,677,791
<b>Contributed surplus</b>		
Balance, beginning of period	78,478	84,354
Equity based compensation	13,210	12,306
Balance, end of period	91,688	96,660
<b>Accumulated other comprehensive income</b>		
Balance, beginning of period	118,182	71,829
Currency translation adjustments	(43,934)	38,957
Balance, end of period	74,248	110,786
<b>Deficit</b>		
Balance, beginning of period	(1,388,237)	(1,264,003)
Net earnings	39,547	24,740
Dividends declared	(105,549)	(79,005)
Balance, end of period	(1,454,239)	(1,318,268)
<b>Total shareholders' equity</b>	<b>2,737,262</b>	<b>1,566,969</b>

Please refer to Note 8 (Shareholders' capital) for additional information.

# Notes to the Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2019 and 2018

tabular amounts in thousands of Canadian dollars, except share and per share amounts, unaudited

## 1. Basis of presentation

Vermilion Energy Inc. (the "Company" or "Vermilion") is a corporation governed by the laws of the Province of Alberta and is actively engaged in the business of crude oil and natural gas exploration, development, acquisition and production.

These condensed consolidated interim financial statements are in compliance with International Accounting Standard ("IAS") 34, "Interim financial reporting". Except as described in Note 2, these condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as Vermilion's consolidated financial statements for the year ended December 31, 2018.

These condensed consolidated interim financial statements should be read in conjunction with Vermilion's consolidated financial statements for the year ended December 31, 2018, which are contained within Vermilion's Annual Report for the year ended December 31, 2018 and are available on SEDAR at [www.sedar.com](http://www.sedar.com) or on Vermilion's website at [www.vermilionenergy.com](http://www.vermilionenergy.com).

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of Vermilion on April 25, 2019.

## 2. Changes in accounting pronouncements

### *Definition of a Business - Amendments to IFRS 3 "Business Combinations"*

Vermilion elected to early adopt the amendments to IFRS 3 "Business Combinations" effective January 1, 2019, which will be applied prospectively to acquisitions that occur on or after January 1, 2019. The amendments introduce an optional concentration test, narrow the definitions of a business and outputs, and clarify that an acquired set of activities and assets must include an input and a substantive process that together significantly contribute to the ability to create outputs. These amendments do not result in changes to Vermilion's accounting policies for applying the acquisition method.



### 3. Segmented information

(\$M)	Three Months Ended March 31, 2019								Total
	Canada	France	Netherlands	Germany	Ireland	Australia	USA	Corporate	
Total assets	3,130,118	901,053	273,195	277,607	632,392	261,998	410,208	338,597	6,225,168
Drilling and development	128,055	22,084	6,330	1,877	11	18,864	20,036	34	197,291
Exploration and evaluation	—	2	19	1,167	—	—	—	3,574	4,762
Crude oil and condensate sales	172,659	82,581	559	7,431	—	63,582	10,774	—	337,586
NGL sales	13,874	—	—	—	—	—	2,109	—	15,983
Natural gas sales	33,623	121	40,027	11,937	39,792	—	2,014	—	127,514
Sales of purchased commodities	—	—	—	—	—	—	—	29,539	29,539
Royalties	(25,331)	(11,283)	(614)	(2,223)	—	—	(3,933)	—	(43,384)
Revenue from external customers	194,825	71,419	39,972	17,145	39,792	63,582	10,964	29,539	467,238
Purchased commodities	—	—	—	—	—	—	—	(29,539)	(29,539)
Transportation	(10,692)	(3,170)	—	(1,672)	(1,166)	—	—	—	(16,700)
Operating	(63,604)	(15,736)	(8,285)	(5,920)	(3,810)	(21,404)	(3,432)	(231)	(122,422)
General and administration	(2,719)	(3,655)	(892)	(1,913)	(329)	(1,039)	(1,891)	(620)	(13,058)
PRRT	—	—	—	—	—	(10,400)	—	—	(10,400)
Corporate income taxes	—	(7,700)	(4,200)	—	—	(3,700)	—	(150)	(15,750)
Interest expense	—	—	—	—	—	—	—	(20,979)	(20,979)
Realized gain on derivative instruments	—	—	—	—	—	—	—	10,348	10,348
Realized foreign exchange loss	—	—	—	—	—	—	—	(2,050)	(2,050)
Realized other income	—	—	—	—	—	—	—	6,884	6,884
<b>Fund flows from operations</b>	<b>117,810</b>	<b>41,158</b>	<b>26,595</b>	<b>7,640</b>	<b>34,487</b>	<b>27,039</b>	<b>5,641</b>	<b>(6,798)</b>	<b>253,572</b>

(\$M)	Three Months Ended March 31, 2018								Total
	Canada	France	Netherlands	Germany	Ireland	Australia	USA	Corporate	
Total assets	1,680,755	917,733	247,569	305,685	665,450	228,771	92,483	141,705	4,280,151
Drilling and development	69,115	29,893	3,245	1,954	47	4,449	15,868	87	124,658
Exploration and evaluation	—	34	33	461	—	—	—	3,279	3,807
Crude oil and condensate sales	62,623	72,745	475	9,299	—	38,170	3,953	—	187,265
NGL sales	11,639	—	—	—	—	—	66	—	11,705
Natural gas sales	18,671	—	35,711	11,202	53,675	—	40	—	119,299
Royalties	(9,848)	(9,438)	(850)	(1,737)	—	—	(1,122)	—	(22,995)
Revenue from external customers	83,085	63,307	35,336	18,764	53,675	38,170	2,937	—	295,274
Transportation	(4,540)	(2,358)	—	(1,998)	(1,286)	—	—	—	(10,182)
Operating	(24,096)	(13,049)	(7,685)	(6,186)	(3,209)	(13,048)	(566)	—	(67,839)
General and administration	(700)	(3,513)	(773)	(1,558)	(1,309)	(1,525)	(1,176)	(1,174)	(11,728)
PRRT	—	—	—	—	—	(4,848)	—	—	(4,848)
Corporate income taxes	—	(2,053)	(5,805)	—	—	(670)	—	(186)	(8,714)
Interest expense	—	—	—	—	—	—	—	(15,588)	(15,588)
Realized loss on derivative instruments	—	—	—	—	—	—	—	(17,715)	(17,715)
Realized foreign exchange gain	—	—	—	—	—	—	—	1,554	1,554
Realized other income	—	—	—	—	—	—	—	201	201
<b>Fund flows from operations</b>	<b>53,749</b>	<b>42,334</b>	<b>21,073</b>	<b>9,022</b>	<b>47,871</b>	<b>18,079</b>	<b>1,195</b>	<b>(32,908)</b>	<b>160,415</b>

*Reconciliation of fund flows from operations to net earnings:*

(\$M)	Three Months Ended	
	Mar 31, 2019	Mar 31, 2018
Fund flows from operations	253,572	160,415
Accretion	(7,986)	(7,154)
Depletion and depreciation	(177,029)	(124,893)
Unrealized (loss) gain on derivative instruments	(14,277)	17,343
Equity based compensation	(22,843)	(19,750)
Unrealized foreign exchange gain	23,258	8,625
Unrealized other expense	(205)	(195)
Deferred tax	(14,943)	(9,651)
<b>Net earnings</b>	<b>39,547</b>	<b>24,740</b>

#### 4. Capital assets

The following table reconciles the change in Vermilion's capital assets:

(\$M)	2019
<b>Balance at January 1</b>	<b>5,316,873</b>
Acquisitions	16,027
Additions	197,291
Increase in right-of-use assets	6,850
Transfers from exploration and evaluation assets	1,039
Depletion and depreciation	(168,640)
Changes in asset retirement obligations	83,852
Foreign exchange	(83,168)
<b>Balance at March 31</b>	<b>5,370,124</b>

#### 5. Exploration and evaluation assets

The following table reconciles the change in Vermilion's exploration and evaluation assets:

(\$M)	2019
<b>Balance at January 1</b>	<b>303,295</b>
Additions	4,762
Changes in asset retirement obligations	42
Transfers to capital assets	(1,039)
Depreciation	(4,586)
Foreign exchange	(3,904)
<b>Balance at March 31</b>	<b>298,570</b>

#### 6. Asset retirement obligations

The following table reconciles the change in Vermilion's asset retirement obligations:

(\$M)	2019
<b>Balance at January 1</b>	<b>650,164</b>
Additional obligations recognized	4,914
Obligations settled	(3,597)
Accretion	7,986
Changes in discount rates	78,980
Foreign exchange	(18,783)
<b>Balance at March 31</b>	<b>719,664</b>

## 7. Long-term debt

The following table summarizes Vermilion's outstanding long-term debt:

(\$M)	As at	
	Mar 31, 2019	Dec 31, 2018
Revolving credit facility	1,469,970	1,392,206
Senior unsecured notes	395,946	404,001
<b>Long-term debt</b>	<b>1,865,916</b>	<b>1,796,207</b>

The following table reconciles the change in Vermilion's long-term debt:

(\$M)	2019
<b>Balance at January 1</b>	<b>1,796,207</b>
Borrowings on the revolving credit facility	99,910
Amortization of transaction costs and prepaid interest	2,823
Foreign exchange	(33,024)
<b>Balance at March 31</b>	<b>1,865,916</b>

### *Revolving credit facility*

At March 31, 2019, Vermilion had in place a bank revolving credit facility maturing May 31, 2022 with the following terms:

(\$M)	As at	
	Mar 31, 2019	Dec 31, 2018
Total facility amount	2,100,000	1,800,000
Amount drawn	(1,469,970)	(1,392,206)
Letters of credit outstanding	(15,200)	(15,400)
<b>Unutilized capacity</b>	<b>614,830</b>	<b>392,394</b>

The facility can be extended from time to time at the option of the lenders and upon notice from Vermilion. If no extension is granted by the lenders, the amounts owing pursuant to the facility are due at the maturity date. The facility is secured by various fixed and floating charges against the subsidiaries of Vermilion.

The facility bears interest at a rate applicable to demand loans plus applicable margins.

As at March 31, 2019, the revolving credit facility was subject to the following financial covenants:

Financial covenant	Limit	As at	
		Mar 31, 2019	Dec 31, 2018
Consolidated total debt to consolidated EBITDA	4.0	1.74	1.72
Consolidated total senior debt to consolidated EBITDA	3.5	1.38	1.34
Consolidated total senior debt to total capitalization	55%	32%	30%

The financial covenants include financial measures defined within the revolving credit facility agreement that are not defined under IFRS. These financial measures are defined by the revolving credit facility agreement as follows:

- Consolidated total debt: Includes all amounts classified as "Long-term debt" and "Lease obligations" (including the current portion included within "Accounts payable and accrued liabilities" but excluding operating leases as defined under IAS 17) on the balance sheet.
- Consolidated total senior debt: Defined as consolidated total debt excluding unsecured and subordinated debt.
- Consolidated EBITDA: Defined as consolidated net earnings before interest, income taxes, depreciation, accretion and certain other non-cash items, adjusted for the impact of the acquisition of a material subsidiary.
- Total capitalization: Includes all amounts classified as "Shareholders' equity" plus consolidated total debt as defined above.

As at March 31, 2019 and 2018, Vermilion was in compliance with the above covenants.

### Senior unsecured notes

On March 13, 2017, Vermilion issued US \$300.0 million of senior unsecured notes at par. The notes bear interest at a rate of 5.625% per annum, to be paid semi-annually on March 15 and September 15. The notes mature on March 15, 2025. As direct senior unsecured obligations of Vermilion, the notes rank equally with existing and future senior unsecured indebtedness of the Company.

The senior unsecured notes were recognized at amortized cost and include the transaction costs directly related to the issuance.

Vermilion may, at its option, redeem the notes prior to maturity as follows:

- Prior to March 15, 2020, Vermilion may redeem up to 35% of the original principal amount of the senior unsecured notes with the proceeds of certain equity offerings by the Company at a redemption price of 105.625% of the principal amount plus any accrued and unpaid interest to the applicable redemption date.
- Prior to March 15, 2020, Vermilion may redeem some or all of the senior unsecured notes at a price equal to 100% of the principal amount of the senior unsecured notes, plus an applicable premium and any accrued and unpaid interest.
- On or after March 15, 2020, Vermilion may redeem some or all of the senior unsecured notes at the redemption prices set forth in the following table plus any accrued and unpaid interest.

Year	Redemption price
2020	104.219%
2021	102.813%
2022	101.406%
2023 and thereafter	100.000%

## 8. Shareholders' capital

The following table reconciles the change in Vermilion's shareholders' capital:

Shareholders' Capital	2019	
	Shares ('000s)	Amount (\$M)
<b>Balance at January 1</b>	<b>152,704</b>	<b>4,008,828</b>
Shares issued for the Dividend Reinvestment Plan	221	7,104
Shares issued for equity based compensation	288	9,633
<b>Balance at March 31</b>	<b>153,213</b>	<b>4,025,565</b>

Dividends declared to shareholders for the three months ended March 31, 2019 were \$105.5 million (2018 - \$79.0 million).

Subsequent to the end of the period and prior to the condensed consolidated interim financial statements being authorized for issue, Vermilion declared dividends of \$35.6 million or \$0.23 per share.

## 9. Capital disclosures

Vermilion defines capital as net debt (long-term debt plus net working capital) and shareholders' capital. In managing capital, Vermilion reviews whether fund flows from operations is sufficient to fund capital expenditures, dividends, and asset retirement obligations.

The following table calculates Vermilion's ratio of net debt to annualized fund flows from operations:

(\$M except as indicated)	Three Months Ended	
	Mar 31, 2019	Mar 31, 2018
Long-term debt	1,865,916	1,363,502
Current liabilities	459,182	396,247
Current assets	(324,954)	(234,187)
<b>Net debt</b>	<b>2,000,144</b>	<b>1,525,562</b>
<b>Ratio of net debt to annualized fund flows from operations</b>	<b>1.97</b>	<b>2.38</b>

## 10. Financial instruments

The following table summarizes the increase (positive values) or decrease (negative values) to net earnings before tax due to a change in the value of Vermilion's financial instruments as a result of a change in the relevant market risk variable. This analysis does not attempt to reflect any interdependencies between the relevant risk variables.

(\$M)	Mar 31, 2019
<b>Currency risk - Euro to Canadian dollar</b>	
\$0.01 increase in strength of the Canadian dollar against the Euro	(2,200)
\$0.01 decrease in strength of the Canadian dollar against the Euro	2,200
<b>Currency risk - US dollar to Canadian dollar</b>	
\$0.01 increase in strength of the Canadian dollar against the US \$	3,368
\$0.01 decrease in strength of the Canadian dollar against the US \$	(3,368)
<b>Commodity price risk - Crude oil</b>	
US \$5.00/bbl increase in crude oil price used to determine the fair value of derivatives	(17,381)
US \$5.00/bbl decrease in crude oil price used to determine the fair value of derivatives	18,862
<b>Commodity price risk - European natural gas</b>	
€ 0.5/GJ increase in European natural gas price used to determine the fair value of derivatives	(32,338)
€ 0.5/GJ decrease in European natural gas price used to determine the fair value of derivatives	29,213



## DIRECTORS

Lorenzo Donadeo<sup>1</sup>  
Calgary, Alberta

Larry J. Macdonald<sup>2, 4, 6, 8</sup>  
Chairman & CEO, Point Energy Ltd.  
Calgary, Alberta

Carin Knickel<sup>6, 8, 12</sup>  
Golden, Colorado

Stephen P. Larke<sup>4, 6, 12</sup>  
Calgary, Alberta

Loren M. Leiker<sup>10</sup>  
McKinney, Texas

Timothy R. Marchant<sup>7, 10, 11</sup>  
Calgary, Alberta

Anthony Marino  
Calgary, Alberta

Robert Michaleski<sup>4, 5</sup>  
Calgary, Alberta

William Roby<sup>8, 9, 12</sup>  
Katy, Texas

Catherine L. Williams<sup>3, 6</sup>  
Calgary, Alberta

<sup>1</sup> Chairman of the Board

<sup>2</sup> Lead Director

<sup>3</sup> Audit Committee Chair (Independent)

<sup>4</sup> Audit Committee Member

<sup>5</sup> Governance and Human Resources Committee Chair (Independent)

<sup>6</sup> Governance and Human Resources Committee Member

<sup>7</sup> Health, Safety and Environment Committee Chair (Independent)

<sup>8</sup> Health, Safety and Environment Committee Member

<sup>9</sup> Independent Reserves Committee Chair (Independent)

<sup>10</sup> Independent Reserves Committee Member

<sup>11</sup> Sustainability Committee Chair (Independent)

<sup>12</sup> Sustainability Committee Member

## OFFICERS AND KEY PERSONNEL CANADA

Anthony Marino  
President & Chief Executive Officer

Lars Glemser  
Vice President & Chief Financial Officer

Mona Jasinski  
Executive Vice President, People and Culture

Michael Kaluza  
Executive Vice President & Chief Operating Officer

Dion Hatcher  
Vice President Canada Business Unit

Terry Hergott  
Vice President Marketing

Jenson Tan  
Vice President Business Development

Daniel Goulet  
Director Corporate HSE

Jeremy Kalanuk  
Director Operations Accounting

Bryce Kremnica  
Director Field Operations - Canada Business Unit

Tom Rafter  
Director Land - Canada Business Unit

Kyle Preston  
Director Investor Relations

Robert (Bob) J. Engbloom  
Corporate Secretary

**UNITED STATES**  
Scott Seatter  
Managing Director - U.S. Business Unit

Timothy R. Morris  
Director U.S. Business Development - U.S.  
Business Unit

**EUROPE**  
Gerard Schut  
Vice President European Operations

Sylvain Nothhelfer  
Managing Director - France Business Unit

Sven Tummers  
Managing Director - Netherlands Business Unit

Bill Liutkus  
Managing Director - Germany Business Unit

Darcy Kerwin  
Managing Director - Ireland Business Unit

Bryan Sralla  
Managing Director - Central & Eastern Europe Business Unit

**AUSTRALIA**  
Bruce D. Lake  
Managing Director - Australia Business Unit

## AUDITORS

Deloitte LLP  
Calgary, Alberta

## BANKERS

The Toronto-Dominion Bank

Bank of Montreal

Canadian Imperial Bank of Commerce

Export Development Canada

National Bank of Canada

Royal Bank of Canada

The Bank of Nova Scotia

Wells Fargo Bank N.A., Canadian Branch

HSBC Bank Canada

Bank of America N.A., Canada Branch

Citibank N.A., Canadian Branch - Citibank Canada

JPMorgan Chase Bank, N.A., Toronto Branch

La Caisse Centrale Desjardins du Québec

Alberta Treasury Branches

Canadian Western Bank

Goldman Sachs Lending Partners LLC

Barclays Bank PLC

## EVALUATION ENGINEERS

GLJ Petroleum Consultants Ltd.  
Calgary, Alberta

## LEGAL COUNSEL

Norton Rose Fulbright Canada LLP  
Calgary, Alberta

## TRANSFER AGENT

Computershare Trust Company of Canada

## STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange ("VET")  
The New York Stock Exchange ("VET")

## INVESTOR RELATIONS

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## EXCELLENCE

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We embrace diversity, value our people and believe every employee and business associate worldwide deserves to be treated with the utmost dignity and respect.

## RESPONSIBILITY

Vermilion continually shows its commitment to the care of our people and environment, and enrichment of the communities in which we live and work.

**VERMILION**  
**E N E R G Y**



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