Q1 2025

FINANCIAL STATEMENTS

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VERMILION ENERGY

Disclaimer

Certain statements included or incorporated by reference in this document may constitute forward-looking statements or information 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, including Vermilion's 2025 guidance, and Vermilion's ability to fund such expenditures; the flexibility of Vermilion's capital program and operations; business strategies and objectives; operational and financial performance; wells expected to be drilled and the timing thereof; exploration and development plans and the timing thereof; future drilling prospects; the ability of our asset base to deliver modest production growth; the evaluation of international acquisition opportunities; statements regarding the return of capital; our asset petroleum and natural gas sales; future production levels and the timing thereof, including Vermilion's 2025 guidance, and rates of average annual production growth; the effect of changes in crude oil and natural gas prices, changes in exchange and inflation rates; the payment and amount of future dividends; the effect of possible changes in critical accounting estimates; the Company's review of the impact of potential changes to financial reporting standards; the potential financial impact of climate-related risks; Vermilion's goals regarding its debt levels, including maintenance of a ratio of net debt to four quarter trailing fund flows from operations; statements regarding Vermilion's hedging program and the stability of our cash flows; operating and other expenses; royalty and income tax rates and Vermilion's expectations regarding future taxes and taxability 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; management's expectations relating to the timing and results of exploration and development activities; the impact of Vermilion's dividend policy on its future cash flows; credit ratings; hedging program; expected earnings/(loss) and adjusted earnings/(loss); expected earnings/(loss) or adjusted earnings/(loss) per share; expected future cash flows and free cash flow and expected future cash flow and free cash flow per share; estimated future dividends; financial strength and flexibility; debt and equity market conditions; general economic and competitive conditions; ability of management to execute key priorities; and the effectiveness of various actions resulting from the Vermilion's strategic priorities.

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, interest rates and inflation; 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 or involving Vermilion; and other risks and uncertainties described elsewhere in this document or in Vermilion's other filings with Canadian securities regulatory authorities. References to Vermilion or the Company in this document include Westbrick Energy Ltd. ("Westbrick" or "Westbrick Energy") which was acquired by Vermilion Energy Inc. on February 26, 2025.

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 discloses certain oil and gas metrics, including DCET costs, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this MD&A to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the

Company's performance in previous periods and therefore such metrics should not be unduly relied upon. DCET costs includes all capital spent to drill, complete, equip and tie-in a well. Additional oil and gas metrics in this document may include, but are not limited to:

Boe Equivalency: Per barrel of oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent (6:1). Barrel of oil equivalents (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Estimates of Drilling Locations: Unbooked drilling locations are the internal estimates of Vermilion based on Vermilion's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by Vermilion's management as an estimation of Vermilion's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Vermilion will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and natural gas reserves, resources or production. The drilling locations on which Vermilion will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been de-risked by Vermilion drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management of Vermilion has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Initial Production Rates and Short-Term Test Rates: This document discloses test rates of production for certain wells over short periods of time (i.e. 24 hours, IP30, IP60, IP90, etc.), which are preliminary and not determinative of the rates at which those or any other wells will commence production and thereafter decline. Short-term test rates are not necessarily indicative of long-term well or reservoir performance or of ultimate recovery. Although such rates are useful in confirming the presence of hydrocarbons, they are preliminary in nature, are subject to a high degree of predictive uncertainty as a result of limited data availability and may not be representative of stabilized on-stream production rates. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Production over a longer period will also experience natural decline rates, which can be high in certain plays in which the Company operates, and may not be consistent over the longer term with the decline experienced over an initial production period. Initial production or test rates may also include recovered "load" fluids used in well completion stimulation operations. Actual results will differ from those realized during an initial production period or short-term test period, and the difference may be material.

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, 2025	December 31, 2024
Assets			
Current			
Cash and cash equivalents	12	**23,528**	131,730
Accounts receivable		**305,955**	298,493
Income taxes receivable		**15,141**	—
Crude oil inventory		**48,561**	40,694
Derivative instruments		**40,227**	40,312
Prepaid expenses		**76,314**	71,097
Total current assets		**509,726**	582,326
Derivative instruments		**4,392**	13,927
Investments	4	**78,536**	78,862
Deferred taxes		**65,248**	197,714
Exploration and evaluation assets	6	**373,864**	224,286
Capital assets	5	**6,052,004**	5,018,461
Total assets		**7,083,770**	6,115,576
Liabilities			
Current			
Accounts payable and accrued liabilities		**544,377**	425,410
Dividends payable	10	**20,043**	18,521
Derivative instruments		**47,826**	52,944
Income taxes payable		**105,898**	113,715
Total current liabilities		**718,144**	610,590
Derivative instruments		**81,835**	86,036
Long-term debt	9	**1,874,033**	963,456
Lease obligations		**56,835**	54,991
Asset retirement obligations	7	**1,092,293**	1,224,718
Deferred taxes		**379,342**	364,796
Total liabilities		**4,202,482**	3,304,587
Shareholders' Equity			
Shareholders' capital	10	**3,899,688**	3,918,898
Contributed surplus		**51,156**	45,225
Accumulated other comprehensive income		**208,518**	135,847
Deficit		**(1,278,074)**	(1,288,981)
Total shareholders' equity		**2,881,288**	2,810,989
Total liabilities and shareholders' equity		**7,083,770**	6,115,576

Approved by the Board

(Signed "Manjit Sharma")

Manjit Sharma, Director

(Signed "Dion Hatcher")

Dion Hatcher, Director

Consolidated Statements of Net Earnings and Comprehensive Income

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

		Three Months Ended	
	Note	Mar 31, 2025	Mar 31, 2024
Revenue			
Petroleum and natural gas sales		**568,846**	508,035
Royalties		**(49,290)**	(48,553)
Sales of purchased commodities		**16,275**	38,370
Petroleum and natural gas revenue		**535,831**	497,852
Expenses			
Purchased commodities		**16,275**	38,370
Operating		**141,777**	149,311
Transportation		**31,186**	22,962
Equity based compensation		**5,931**	5,518
Loss (gain) on derivative instruments		**2,556**	(31,871)
Interest expense		**32,979**	18,392
General and administration		**34,660**	23,703
Foreign exchange loss		**33,400**	19,770
Other expense (income)		**14,785**	(46)
Accretion	7	**17,880**	17,934
Depletion and depreciation	5, 6	**176,388**	178,434
		507,817	442,477
Earnings before income taxes		**28,014**	55,375
Income tax expense			
Deferred		**(9,016)**	16,645
Current		**22,077**	36,425
		13,061	53,070
Net earnings		**14,953**	2,305
Other comprehensive income			
Currency translation adjustments		**71,039**	(1,085)
Hedge accounting reserve, net of tax		**1,632**	1,632
Fair value adjustment on investment in securities, net of tax		**—**	(2,203)
Comprehensive income		**87,624**	649
Net earnings per share			
Basic		**0.10**	0.01
Diluted		**0.10**	0.01
Weighted average shares outstanding ('000s)			
Basic		**154,173**	161,221
Diluted		**155,609**	163,648

Consolidated Statements of Cash Flows

thousands of Canadian dollars, unaudited

		Three Months Ended	
	Note	Mar 31, 2025	Mar 31, 2024
Operating			
Net earnings		**14,953**	2,305
Adjustments:			
Accretion	7	**17,880**	17,934
Depletion and depreciation	5, 6	**176,388**	178,434
Unrealized loss on derivative instruments		**13,675**	188,744
Equity based compensation		**5,931**	5,518
Unrealized foreign exchange loss		**35,899**	21,641
Unrealized other expense		**319**	137
Deferred tax expense		**(9,016)**	16,645
Asset retirement obligations settled	7	**(9,347)**	(4,975)
Changes in non-cash operating working capital		**33,702**	(72,088)
Cash flows from operating activities		**280,384**	354,295
Investing			
Drilling and development	5	**(167,464)**	(182,298)
Exploration and evaluation	6	**(14,655)**	(8,144)
Acquisitions, net of cash acquired	3, 5	**(1,084,456)**	(379)
Acquisition of securities	4	**—**	(9,373)
Changes in non-cash investing working capital		**10,829**	18,851
Cash flows used in investing activities		**(1,255,746)**	(181,343)
Financing			
Net draw on the revolving credit facility	9	**298,449**	—
Repayment of 2025 senior unsecured notes	9	**(399,467)**	(3,969)
Issuance of senior unsecured notes	9	**562,968**	—
Issuance of term loan	9	**445,392**	—
Payments on lease obligations		**(3,829)**	(4,102)
Repurchase of shares	10	**(16,576)**	(36,409)
Cash dividends	10	**(18,521)**	(16,227)
Changes in non-cash financing working capital		**(2,430)**	—
Cash flows from (used in) financing activities		**865,986**	(60,707)
Foreign exchange gain on cash held in foreign currencies		**1,174**	950
Net change in cash and cash equivalents		**(108,202)**	113,195
Cash and cash equivalents, beginning of period		**131,730**	141,456
Cash and cash equivalents, end of period		**23,528**	254,651
Supplementary information for cash flows from operating activities			
Interest paid		**21,409**	13,652
Income taxes paid		**29,889**	2,978

Consolidated Statements of Changes in Shareholders' Equity

thousands of Canadian dollars, unaudited

		Three Months Ended	
	Note	March 31, 2025	March 31, 2024
Shareholders' capital	10		
Balance, beginning of period		**3,918,898**	4,142,566
Shares issued for acquisition		**13,363**	—
Repurchase of shares		**(32,573)**	(62,294)
Balance, end of period		**3,899,688**	4,080,272
Contributed surplus	10		
Balance, beginning of period		**45,225**	43,348
Equity based compensation		**5,931**	5,518
Balance, end of period		**51,156**	48,866
Accumulated other comprehensive income			
Balance, beginning of period		**135,847**	109,302
Currency translation adjustments		**71,039**	(1,085)
Hedge accounting reserve		**1,632**	1,632
Fair value adjustment on investment in securities, net of tax	4	**—**	(2,203)
Balance, end of period		**208,518**	107,646
Deficit			
Balance, beginning of period		**(1,288,981)**	(1,263,568)
Net earnings		**14,953**	2,305
Dividends declared		**(20,043)**	(19,183)
Repurchase of shares	10	**15,997**	25,885
Balance, end of period		**(1,278,074)**	(1,254,561)
Total shareholders' equity		**2,881,288**	2,982,223

Description of equity reserves

Shareholders' capital

Represents the recognized amount for common shares issued (net of equity issuance costs and deferred taxes) less the weighted-average carrying value of shares repurchased. The price paid to repurchase common shares is compared to the carrying value of the shares and the difference is recorded against deficit.

Contributed surplus

Represents the recognized value of unvested equity based awards that will be settled in shares. Once vested, the value of the awards are transferred to shareholders' capital.

Accumulated other comprehensive income

Represents currency translation adjustments, hedge accounting reserve and fair value adjustments on investments.

Currency translation adjustments result from translating the balance sheets of subsidiaries with a foreign functional currency to Canadian dollars at period-end rates. These amounts may be reclassified to net earnings if there is a disposal or partial disposal of a subsidiary.

The hedge accounting reserve represents the effective portion of the change in fair value related to cash flow and net investment hedges recognized in other comprehensive income, net of tax and reclassified to the consolidated statement of net earnings in the same period in which the transaction associated with the hedged item occurs.

Fair value adjustment on investment in securities, net of tax, are a result of changes in the fair value of investments that have been elected to be subsequently measured at fair value through other comprehensive income.

Deficit

Represents the cumulative net earnings less distributed earnings and surplus of the price paid to repurchase common shares of Vermilion Energy Inc. over the weighted-average carrying value of the shares repurchased.

Notes to the Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2025 and 2024

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". 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, 2024.

These condensed consolidated interim financial statements should be read in conjunction with Vermilion's consolidated financial statements for the year ended December 31, 2024, which are contained within Vermilion's Annual Report for the year ended December 31, 2024 and are available on SEDAR+ at www.sedarplus.ca or on Vermilion's website at www.vermilionenergy.com.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of Vermilion on May 7, 2025.

2. Segmented information

	Three Months Ended March 31, 2025									
	Canada	USA	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate	Total
Drilling and development	125,643	5,167	6,756	7,747	10,960	328	9,702	1,161	—	167,464
Exploration and evaluation	—	—	—	—	14,275	—	—	380	—	14,655
Crude oil and condensate sales	153,630	20,532	61,062	330	17,021	43	30,832	15	—	283,465
NGL sales	22,818	3,219	—	—	—	—	—	—	—	26,037
Natural gas sales	63,951	2,267	—	42,556	36,314	100,943	—	13,313	—	259,344
Sales of purchased commodities	—	—	—	—	—	—	—	—	16,275	16,275
Royalties	(30,589)	(7,267)	(7,466)	(10)	(2,338)	—	—	(1,620)	—	(49,290)
Revenue from external customers	209,810	18,751	53,596	42,876	50,997	100,986	30,832	11,708	16,275	535,831
Purchased commodities	—	—	—	—	—	—	—	—	(16,275)	(16,275)
Transportation	(19,115)	(125)	(5,478)	—	(4,269)	(2,199)	—	—	—	(31,186)
Operating	(63,878)	(6,942)	(16,043)	(9,608)	(15,177)	(14,242)	(14,985)	(902)	—	(141,777)
General and administration	(8,536)	(1,872)	(3,609)	(1,324)	(3,081)	(1,675)	(1,190)	(1,221)	(12,152)	(34,660)
Petroleum resource rent tax	—	—	—	—	—	—	(3,018)	—	—	(3,018)
Corporate income tax expense	—	—	(478)	(11,337)	(6,132)	(189)	(147)	(341)	(435)	(19,059)
Interest expense	—	—	—	—	—	—	—	—	(32,979)	(32,979)
Realized gain on derivative instruments	—	—	—	—	—	—	—	—	11,119	11,119
Realized foreign exchange gain	—	—	—	—	—	—	—	—	2,499	2,499
Realized other expense	—	—	—	—	—	—	—	—	(14,466)	(14,466)
Fund flows from operations	**118,281**	**9,812**	**27,988**	**20,607**	**22,338**	**82,681**	**11,492**	**9,244**	**(46,414)**	**256,029**

	Three Months Ended March 31, 2024									
	Canada	USA	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate	Total
Drilling and development	124,282	12,227	11,015	4,598	20,410	3,093	6,171	136	366	182,298
Exploration and evaluation	—	—	—	—	3,618	—	—	4,526	—	8,144
Crude oil and condensate sales	128,488	31,666	88,996	1,274	8,477	—	74,826	—	—	333,727
NGL sales	17,333	4,570	—	—	—	—	—	—	—	21,903
Natural gas sales	29,224	1,975	—	33,692	22,707	64,464	—	343	—	152,405
Sales of purchased commodities	—	—	—	—	—	—	—	—	38,370	38,370
Royalties	(22,555)	(11,325)	(13,052)	(217)	(1,355)	—	—	(49)	—	(48,553)
Revenue from external customers	152,490	26,886	75,944	34,749	29,829	64,464	74,826	294	38,370	497,852
Purchased commodities	—	—	—	—	—	—	—	—	(38,370)	(38,370)
Transportation	(10,954)	(379)	(5,363)	—	(3,192)	(3,074)	—	—	—	(22,962)
Operating	(60,458)	(8,214)	(21,440)	(10,610)	(10,761)	(10,604)	(26,786)	(438)	—	(149,311)
General and administration	(12,997)	(3,266)	(5,189)	(1,938)	(2,572)	(2,170)	(1,738)	(1,894)	8,061	(23,703)
Petroleum resource rent tax	—	—	—	—	—	—	(10,783)	—	—	(10,783)
Corporate income tax expense	(1)	—	(5,825)	(11,011)	(4,372)	(451)	(841)	—	(3,141)	(25,642)
Interest expense	—	—	—	—	—	—	—	—	(18,392)	(18,392)
Realized gain on derivative instruments	—	—	—	—	—	—	—	—	220,615	220,615
Realized foreign exchange gain	—	—	—	—	—	—	—	—	1,871	1,871
Realized other income	—	—	—	—	—	—	—	—	183	183
Fund flows from operations	**68,080**	**15,027**	**38,127**	**11,190**	**8,932**	**48,165**	**34,678**	**(2,038)**	**209,197**	**431,358**

Reconciliation of fund flows from operations to net earnings:

	Three Months Ended	
	Mar 31, 2025	Mar 31, 2024
Fund flows from operations	**256,029**	431,358
Equity based compensation	**(5,931)**	(5,518)
Unrealized loss on derivative instruments	**(13,675)**	(188,744)
Unrealized foreign exchange loss	**(35,899)**	(21,641)
Accretion	**(17,880)**	(17,934)
Depletion and depreciation	**(176,388)**	(178,434)
Deferred tax recovery (expense)	**9,016**	(16,645)
Unrealized other expense	**(319)**	(137)
Net earnings	**14,953**	2,305

3. Business combination

Westbrick Energy Ltd

On February 26, 2025, Vermilion purchased 100% of the shares outstanding of Westbrick Energy Ltd. ("Westbrick" or "Westbrick Energy") a private company with assets located adjacent to Vermilion's existing Alberta assets for total consideration of $1.1 billion, including 1,104,357 shares of Vermilion valued at $12.10 per share for an aggregate $13.4 million in fair value share consideration upon closing, with the balance paid in cash. Total transaction costs included in Vermilion's general and administrative expenses for the three months ended March 31, 2025 related to the acquisition are approximately $8.3 million ($0.8 million in the year ended December 31, 2024).

The total consideration paid and the fair value of the assets acquired and liabilities assumed at the date of acquisition are detailed in the table below. The initial accounting for the working capital deficit has been determined on a provisional basis as final working capital amounts related to accounts receivable, accounts payable, and taxes payable are unavailable due to the timing of close.

	Consideration
Cash consideration paid	1,089,805
Share consideration	13,363
Total consideration paid	**1,103,168**

	Allocation of consideration
Cash acquired	6,159
Capital assets	1,185,212
Exploration and evaluation assets	129,578
Acquired working capital deficit	(36,555)
Derivative asset	13,376
Lease liability	(3,434)
Asset retirement obligations	(46,190)
Deferred tax liability	(144,978)
Net assets acquired	**1,103,168**

The results of operations from the assets acquired and liabilities assumed have been included in Vermilion's condensed consolidated interim financial statements beginning February 26, 2025 and have contributed revenues net of royalties of $38.5 million and net earnings of $4.9 million. Had the acquisition occurred on January 1, 2025, consolidated petroleum and natural gas revenue net of royalties would have been $578.5 million and consolidated net earnings would have been $30.6 million for the three months ended March 31, 2025.

Vermilion acquired the following contractual obligations and commitments as part of the Westbrick acquisition completed on February 26, 2025, presented as at March 31, 2025:

($M)	Less than 1 year	1 - 3 years	3 - 5 years	After 5 years	Total
Lease obligations	1,692	3,666	—	—	5,358
Processing and transportation agreements	33,899	19,841	6,848	5,473	66,061
Total contractual obligations and commitments	**35,591**	**23,507**	**6,848**	**5,473**	**71,419**

The Company's contractual obligations and commitments as at December 31, 3024 remain relatively unchanged.

4. Investments

Investments are comprised of Vermilion's ownership interest in Coelacanth Energy Inc. ("CEI"), an oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in northeastern British Columbia, Canada.

The following table reconciles the change in Vermilion's investments:

	2025
Balance at January 1	**78,862**
Vermilion's share of net loss [1]	**(326)**
Balance at March 31	**78,536**

(1) Investment losses are recognized within other expense (income) on the consolidated statements of net earnings and comprehensive income.

The following table summarizes the net assets of CEI based on their most recent and publicly available financial statements as at December 31, 2024, and Vermilion's respective share:

Current assets	**11,579**
Non-current assets	**201,459**
Current liabilities	**(37,234)**
Non-current liabilities	**(7,775)**
Net assets	**168,029**
Vermilion's ownership	**20.7 %**
Vermilion's share of net assets	**34,782**

For the three months ended March 31, 2025, Vermilion adjusted the value of the investment for its share of CEI's profit or loss. The following table summarizes CEI's estimated revenue and net loss and Vermilion's respective share, based on CEI's most recent and publicly available financial statements and other market factors, including but not limited to, relevant market prices:

	March 31, 2025
Total revenue	**14,838**
Net loss	**(1,577)**
Vermilion's ownership	**20.7 %**
Vermilion's share of net loss	**(326)**

At March 31, 2025, the fair value of Vermilion's investment in CEI is $90.3 million or $0.82/share (December 31, 2024 - $88.1 million or $0.80/share).

5. Capital assets

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

	2025
Balance at January 1	**5,018,461**
Acquisitions	**1,181,008**
Additions	**167,464**
Increase in right-of-use assets	**6,055**
Depletion and depreciation	**(178,561)**
Changes in asset retirement obligations	**(223,129)**
Foreign exchange	**80,706**
Balance at March 31	**6,052,004**

6. Exploration and evaluation assets

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

	2025
Balance at January 1	**224,286**
Acquisitions	**129,578**
Additions	**14,655**
Depreciation	**(79)**
Foreign exchange	**5,424**
Balance at March 31	**373,864**

7. Asset retirement obligations

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

	2025
Balance at January 1	**1,224,718**
Additional obligations recognized	**46,551**
Obligations settled	**(9,347)**
Accretion	**17,880**
Changes in rates	**(223,491)**
Foreign exchange	**35,982**
Balance at March 31	**1,092,293**

Vermilion calculated the present value of the obligations using a credit-adjusted risk-free rate, calculated using a credit spread of 3.8% as at March 31, 2025 (December 31, 2024 - 2.6%) added to risk-free rates based on long-term, risk-free government bonds. Vermilion's credit spread is determined using the Company's expected cost of borrowing at the end of the reporting period.

The country-specific risk-free rates used as inputs to discount the obligations were as follows:

	Mar 31, 2025	Dec 31, 2024
Canada	**3.2 %**	3.2 %
United States	**4.7 %**	4.8 %
France	**4.1 %**	3.7 %
Netherlands	**3.1 %**	2.7 %
Germany	**3.1 %**	2.6 %
Ireland	**3.2 %**	2.8 %
Australia	**4.7 %**	4.6 %
Central and Eastern Europe	**5.0 %**	4.7 %

8. Capital disclosures

Vermilion defines capital as net debt and shareholders' capital. Net debt consists of long-term debt (excluding unrealized foreign exchange on swapped USD borrowings) plus adjusted working capital (defined as current assets less current liabilities, excluding current derivatives and current lease liabilities). In managing capital, Vermilion reviews whether fund flows from operations is sufficient to fund capital expenditures, dividends, share buybacks, and asset retirement obligations.

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

	Mar 31, 2025	Dec 31, 2024
Long-term debt	**1,874,033**	963,456
Adjusted working capital deficit (1)	**187,916**	3,426
Unrealized FX on swapped USD borrowings	**856**	—
Net debt	**2,062,805**	966,882
Ratio of net debt to four quarter trailing fund flows from operations (2)	**1.7**	0.8

(1) Adjusted working capital is defined as current assets (excluding current derivatives), less current liabilities (excluding current derivatives and current lease liabilities).

(2) Subsequent to February 26, 2025, net debt to four quarter trailing funds flows from operations is calculated inclusive of Westbrick Energy's pre-acquisition four quarter trailing funds flow from operations, as if the acquisition of Westbrick Energy occurred at the beginning of the four-quarter trailing period, to reflect the Company's ability to repay debt on a pro forma basis..

9. Long-term debt

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

	As at	
	Mar 31, 2025	Dec 31, 2024
Revolving credit facility	**298,449**	—
Term loan	**445,392**	—
2025 senior unsecured notes	**—**	398,275
2030 senior unsecured notes	**565,078**	565,181
2033 senior unsecured notes	**565,114**	—
Long-term debt	**1,874,033**	963,456

The fair value of the 2030 senior unsecured notes as at March 31, 2025 was $563.4 million (December 31, 2024 - $571.2 million). The fair value of the 2033 senior notes as at March 31, 2025 was $549.6 million.

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

	2025
Balance at January 1	**963,456**
Net borrowings on the revolving credit facility	**298,449**
Repayment of 2025 senior unsecured notes	**(399,467)**
Issuance of 2033 senior unsecured notes	**562,968**
Issuance of term loan	**445,392**
Amortization of transaction costs	**726**
Foreign exchange	**2,509**
Balance at March 31	**1,874,033**

Revolving credit facility

As at March 31, 2025, Vermilion had in place a bank revolving credit facility maturing May 26, 2028 with the following terms:

	As at	
	Mar 31, 2025	**Dec 31, 2024**
Total facility amount	**1,350,000**	1,350,000
Amount drawn	**(298,449)**	—
Letters of credit outstanding	**(30,961)**	(22,731)
Unutilized capacity	**1,020,590**	1,327,269

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, 2025, the revolving credit facility was subject to the following financial covenants:

		As at	
Financial covenant	**Limit**	**Mar 31, 2025**	**Dec 31, 2024**
Consolidated total debt to consolidated EBITDA	Less than 4.0	**1.38**	0.72
Consolidated total senior debt to consolidated EBITDA	Less than 3.5	**0.55**	—
Consolidated EBITDA to consolidated interest expense	Greater than 2.5	**13.35**	16.59

The financial covenants include financial measures defined within the revolving credit facility agreement that are not defined under IFRS® Accounting Standards. 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 consolidated balance sheet.
- Consolidated total senior debt: Consolidated total debt excluding unsecured and subordinated debt.
- Consolidated EBITDA: 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.
- Consolidated total interest expense: Includes all amounts classified as "Interest expense", but excludes interest on operating leases as defined under IAS 17.

As at March 31, 2025 and December 31, 2024, Vermilion was in compliance with the above covenants.

Term loan

Concurrent with the completion of the Westbrick acquisition on February 26, 2025, Vermilion's credit facility agreement was amended to incorporate a new $450.0 million term loan (the “Term Loan”) which was immediately drawn. The Term Loan does not require principal repayments prior to its May 26, 2028 maturity, is non-revolving, and is subject to the same financial covenants as Vermilion’s revolving credit facility. The Term Loan bears interest based on a reference rate plus an applicable margin.

2025 senior unsecured notes

On March 13, 2017, Vermilion issued US $300.0 million of senior unsecured notes at par. The notes bore interest at a rate of 5.625% per annum paid semi-annually on March 15 and September 15. The notes matured on March 15, 2025 and the balance was repaid in full.

2030 senior unsecured notes

On April 26, 2022, Vermilion closed a private offering of US $400.0 million of senior unsecured notes, priced at 99.241% of par. The notes bear interest at a rate of 6.875% per annum, to be paid semi-annually on May 1 and November 1. The notes mature on May 1, 2030. 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 May 1, 2025, Vermilion may redeem up to 35% of the original principal amount of the notes with an amount of cash not greater than the net cash proceeds of certain equity offerings at a redemption price of 106.875% of the principal amount of the notes, together with accrued and unpaid interest.
- Prior to May 1, 2025, Vermilion may also redeem some or all of the notes at a price equal to 100% of the principal amount of the notes, plus a “make-whole premium,” together with applicable premium, accrued and unpaid interest.
- On or after May 1, 2025, Vermilion may redeem some or all of the senior unsecured notes at the redemption prices set forth below, together with accrued and unpaid interest.

Year	Redemption price
2025	103.438 %
2026	102.292 %
2027	101.146 %
2027 and thereafter	100.000 %

2033 senior unsecured notes

On February 11, 2025 Vermilion closed a private offering of US $400.0 million of senior unsecured notes at par. The notes bear interest at a rate of 7.250% per annum, to be paid semi-annually on February 15 and August 15. The notes mature on February 15, 2033. 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 February 15, 2028, Vermilion may redeem up to 40% of the original principal amount of the notes with an amount of cash not greater than the net cash proceeds of certain equity offerings at a redemption price of 107.250% of the principal amount of the notes, together with accrued and unpaid interest.
- Prior to February 15, 2028, Vermilion may also redeem some or all of the notes at a price equal to 100% of the principal amount of the notes, plus a “make-whole premium,” together with applicable premium, accrued and unpaid interest.
- On or after February 15, 2028, Vermilion may redeem some or all of the senior unsecured notes at the redemption prices set forth below, together with accrued and unpaid interest.

Year	Redemption price
2028	103.625 %
2029	101.813 %
2030 and thereafter	100.000 %

10. Shareholders' capital

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

	2025	
Shareholders’ Capital	**Shares ('000s)**	**Amount**
Balance at January 1	**154,344**	**3,918,898**
Shares issued for acquisition	**1,104**	**13,363**
Repurchase of shares	**(1,271)**	**(32,573)**
Balance at March 31	**154,177**	**3,899,688**

Dividends are approved by the Board of Directors and are paid quarterly. Dividends declared to shareholders for the three months ended March 31, 2025 were $20.0 million or $0.13 per common share (March 31, 2024 - $19.2 million or $0.12 per common share).

On July 8, 2024, the Toronto Stock Exchange approved the Company's notice of intention to renew its normal course issuer bid ("the NCIB"). The NCIB renewal allows Vermilion to purchase up to 15,689,839 common shares (representing approximately 10% of outstanding common shares) beginning July 12, 2024 and ending July 11, 2025. Common shares purchased under the NCIB will be cancelled.

In the first quarter of 2025, Vermilion purchased 1.3 million common shares under the NCIB for total consideration of $16.6 million. The common shares purchased under the NCIB were cancelled.

Subsequent to March 31, 2025, Vermilion purchased and cancelled 0.3 million shares under the NCIB for total consideration of $2.5 million.

11. 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.

	Mar 31, 2025
Currency risk - Euro to Canadian dollar	
$0.01 increase in strength of the Canadian dollar against the Euro	**5,207**
$0.01 decrease in strength of the Canadian dollar against the Euro	**(5,207)**
Currency risk - US dollar to Canadian dollar	
$0.01 increase in strength of the Canadian dollar against the US $	**7,602**
$0.01 decrease in strength of the Canadian dollar against the US $	**(7,602)**
Commodity price risk - Crude oil	
US $5.00/bbl increase in crude oil price used to determine the fair value of derivatives	**(9,582)**
US $5.00/bbl decrease in crude oil price used to determine the fair value of derivatives	**9,582**
Commodity price risk - European natural gas	
€1.0/GJ increase in European natural gas price used to determine the fair value of derivatives	**(32,331)**
€1.0/GJ decrease in European natural gas price used to determine the fair value of derivatives	**7,098**
Share price risk - Equity swaps	
$1.00 increase from initial share price of the equity swap	**3,750**
$1.00 decrease from initial share price of the equity swap	**(3,750)**

12. Cash and cash equivalents

The following table summarizes Vermilion's cash and cash equivalents:

	As at	
	Mar 31, 2025	Dec 31, 2024
Cash on deposit with financial institutions	**17,929**	124,938
Guaranteed investment certificates	**5,599**	6,792
Cash and cash equivalents	**23,528**	131,730

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1 Chairman (Independent)
2 Audit Committee Chair (Independent)
3 Audit Committee Member (Independent)
4 Governance and Human Resources Committee Chair (Independent)
5 Governance and Human Resources Committee Member (Independent)
6 Health, Safety and Environment Committee Chair (Independent)
7 Health, Safety and Environment Committee Member (Independent)
8 Technical Committee Chair (Independent)
9 Technical Committee Member (Independent)
10 Sustainability Committee Chair (Independent)
11 Sustainability Committee Member (Independent)

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President & Chief Executive Officer

Lars Glemser *
Vice President & Chief Financial Officer

Lara Conrad
Vice President Business Development

Tamar Epstein
General Counsel & Corporate Secretary

Terry Hergott
Vice President Marketing

Yvonne Jeffery
Vice President Sustainability

Darcy Kerwin *
Vice President International & HSE

Geoff MacDonald
Vice President Geosciences

Randy McQuaig *
Vice President North America

Kyle Preston
Vice President Investor Relations

Averyl Schraven
Vice President People & Culture

Gerard Schut
Vice President European Operations

* Principal Executive Committee Member

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Canadian Imperial Bank of Commerce

National Bank of Canada

Royal Bank of Canada

Wells Fargo Bank N.A., Canadian Branch

ATB Financial

Bank of America N.A., Canada Branch

Export Development Canada

Fédération des caisses Desjardins du Québec

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Canadian Western Bank

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