

Q1 2026

FINANCIAL STATEMENTS

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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 2026 guidance and outlook, 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 2026 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, including management's intention to increase the Company's dividend and the timing thereof; 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; and timing of the divestitures of certain of the Company's operations and the use of such sale proceeds.

Such forward-looking statements or information are based on a number of current expectations and assumptions, all or any of which may prove to be incorrect. In addition to any other assumptions identified in this document, assumptions that have been made include, but are not limited to: 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 as of the date hereof, 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. In particular, please also see Vermilion's MD&A and Annual Information Form, each for the year ended December 31, 2025, available on SEDAR+ at www.sedarplus.ca or on Vermilion's website at www.vermilionenergy.com. 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 may disclose certain oil and gas metrics, including capital spent to drill, complete, equip and tie-in a well ("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. 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.

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, 2026	December 31, 2025
Assets			
Current			
Cash and cash equivalents	12	16,353	19,087
Accounts receivable		268,315	261,532
Income taxes receivable		10,759	11,953
Crude oil inventory		39,129	46,621
Derivative instruments		68,409	78,694
Prepaid expenses		58,017	49,399
Assets held for sale	3	23,802	—
Total current assets		484,784	467,286
Derivative instruments		19,972	25,266
Investments	4	45,510	43,885
Deferred taxes		113,891	19,002
Exploration and evaluation assets	6	258,217	284,266
Capital assets	5	4,624,152	4,504,515
Total assets		5,546,526	5,344,220
Liabilities			
Current			
Accounts payable and accrued liabilities		435,099	470,765
Derivative instruments		243,254	6,154
Income taxes payable		30,131	23,124
Asset retirement obligations	7	55,937	54,504
Liabilities associated with assets held for sale	3	651	—
Total current liabilities		765,072	554,547
Derivative instruments		85,842	52,872
Long-term debt	9	1,254,333	1,243,397
Lease obligations		48,786	49,340
Asset retirement obligations	7	1,049,051	905,232
Deferred taxes		298,819	316,971
Total liabilities		3,501,903	3,122,359
Shareholders' Equity			
Shareholders' capital	10	3,862,959	3,871,914
Contributed surplus		48,920	46,469
Accumulated other comprehensive income		274,905	283,763
Deficit		(2,142,161)	(1,980,285)
Total shareholders' equity		2,044,623	2,221,861
Total liabilities and shareholders' equity		5,546,526	5,344,220

Approved by the Board

(Signed "Manjit Sharma")

Manjit Sharma, Director

(Signed "Dion Hatcher")

Dion Hatcher, Director

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

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

	Note	Three Months Ended	
		Mar 31, 2026	Mar 31, 2025
Revenue			
Petroleum and natural gas sales		513,331	468,693
Royalties		(31,270)	(30,091)
Sales of purchased commodities		5,794	16,275
Petroleum and natural gas revenue		487,855	454,877
Expenses			
Purchased commodities		5,794	16,275
Operating		141,705	113,780
Transportation		33,307	28,241
Equity based compensation		2,451	5,931
Loss on derivative instruments		301,533	2,556
Interest expense		26,697	32,979
General and administration		19,965	29,735
Foreign exchange loss		15,817	33,517
Other (income) expense		(51)	14,785
Accretion	7	18,838	15,793
Depletion and depreciation	5, 6	164,130	148,282
		730,186	441,874
(Loss) earnings from continuing operations before income taxes		(242,331)	13,003
Income tax (recovery) expense			
Deferred		(112,789)	(12,923)
Current		11,664	22,077
		(101,125)	9,154
Net (loss) earnings from continuing operations		(141,206)	3,849
Net (loss) earnings from discontinued operations	3	(4,332)	11,104
Net (loss) earnings		(145,538)	14,953
Other comprehensive (loss) income			
Currency translation adjustments		(10,292)	71,039
Hedge accounting reserve, net of tax		—	1,632
Fair value adjustment on investment in securities, net of tax	4	1,434	—
Comprehensive (loss) income		(154,396)	87,624
Net (loss) earnings per share			
Continuing operations - basic		(0.92)	0.03
Discontinued operations - basic		(0.03)	0.07
Net (loss) earnings per share - basic		(0.95)	0.10
Continuing operations - diluted		(0.92)	0.03
Discontinued operations - diluted		(0.03)	0.07
Net (loss) earnings per share - diluted		(0.95)	0.10
Weighted average shares outstanding ('000s)			
Basic		152,731	154,173
Diluted		155,510	155,609

Consolidated Statements of Cash Flows

thousands of Canadian dollars, unaudited

	Note	Three Months Ended	
		Mar 31, 2026	Mar 31, 2025
Operating			
Net (loss) earnings		(145,538)	14,953
Adjustments:			
Accretion	7	18,838	17,880
Depletion and depreciation	5, 6	169,267	176,388
Unrealized loss on derivative instruments		285,648	13,675
Equity based compensation		2,451	5,931
Unrealized foreign exchange loss		15,267	35,899
Unrealized other expense		84	319
Deferred tax recovery		(113,740)	(9,016)
Asset retirement obligations settled	7	(12,802)	(9,347)
Changes in non-cash operating working capital		7,923	33,702
Cash flows from operating activities		227,398	280,384
Investing			
Drilling and development	5	(134,146)	(167,464)
Exploration and evaluation	6	(434)	(14,655)
Acquisitions, net of cash acquired	5	(6,035)	(1,084,456)
Changes in non-cash investing working capital		(48,158)	10,829
Cash flows used in investing activities		(188,773)	(1,255,746)
Financing			
Net draw on the revolving credit facility	9	—	298,449
Repayment of 2025 senior unsecured notes	9	—	(399,467)
Repayment of 2033 senior unsecured notes	9	(13,460)	—
Issuance of 2033 senior unsecured notes	9	—	562,968
Issuance of term loan	9	—	445,392
Payments on lease obligations		(2,763)	(3,829)
Repurchase of shares	10	(4,692)	(16,576)
Cash dividends	10	(20,601)	(18,521)
Changes in non-cash financing working capital		92	(2,430)
Cash flows (used in) from financing activities		(41,424)	865,986
Foreign exchange gain on cash held in foreign currencies		65	1,174
Net change in cash and cash equivalents		(2,734)	(108,202)
Cash and cash equivalents, beginning of period		19,087	131,730
Cash and cash equivalents, end of period	12	16,353	23,528
Supplementary information for cash flows from operating activities			
Interest paid		26,705	21,409
Income taxes paid		3,464	29,889

Consolidated Statements of Changes in Shareholders' Equity

thousands of Canadian dollars, unaudited

	Note	Three Months Ended	
		March 31, 2026	March 31, 2025
Shareholders' capital	10		
Balance, beginning of period		3,871,914	3,918,898
Shares issued for acquisition		—	13,363
Repurchase of shares		(8,955)	(32,573)
Balance, end of period		3,862,959	3,899,688
Contributed surplus	10		
Balance, beginning of period		46,469	45,225
Equity based compensation		2,451	5,931
Balance, end of period		48,920	51,156
Accumulated other comprehensive income			
Balance, beginning of period		283,763	135,847
Currency translation adjustments		(10,292)	71,039
Hedge accounting reserve		—	1,632
Fair value adjustment on investment in securities, net of tax	4	1,434	—
Balance, end of period		274,905	208,518
Deficit			
Balance, beginning of period		(1,980,285)	(1,288,981)
Net (loss) earnings		(145,538)	14,953
Dividends declared	10	(20,601)	(20,043)
Repurchase of shares	10	4,263	15,997
Balance, end of period		(2,142,161)	(1,278,074)
Total shareholders' equity		2,044,623	2,881,288

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 (loss) 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 (loss) 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 (loss) 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, 2026 and 2025

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, 2025.

The operating results attributable to the Company's Saskatchewan, United States, and SA-07 in Croatia operations have been classified and presented as discontinued operations, with all other operating results presented as continuing operations. The prior period results have been presented to conform with current period presentation. See Note 3 - "Discontinued Operations" for additional information.

These condensed consolidated interim financial statements should be read in conjunction with Vermilion's consolidated financial statements for the year ended December 31, 2025, which are contained within Vermilion's Annual Report for the year ended December 31, 2025 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 5, 2026.

2. Segmented information

The following tables present capital expenditures and reconcile fund flows from operations for our continuing and discontinued operations:

	Three Months Ended March 31, 2026								Continuing operations	Discontinued operations ⁽¹⁾	Total
	Canada	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate			
Drilling and development	113,897	6,978	2,707	3,154	1,970	5,601	(35)	—	134,272	(126)	134,146
Exploration and evaluation	—	—	—	120	—	—	—	—	120	314	434
Crude oil and condensate sales	122,397	50,928	169	20,017	—	32,317	3	—	225,831	—	225,831
NGL sales	24,933	—	—	—	—	—	—	—	24,933	—	24,933
Natural gas sales	116,577	—	30,573	36,206	72,488	—	6,723	—	262,567	—	262,567
Sales of purchased commodities	—	—	—	—	—	—	—	5,794	5,794	—	5,794
Royalties	(20,014)	(5,646)	—	(3,679)	—	—	(1,931)	—	(31,270)	—	(31,270)
Revenue from external customers	243,893	45,282	30,742	52,544	72,488	32,317	4,795	5,794	487,855	—	487,855
Purchased commodities	—	—	—	—	—	—	—	(5,794)	(5,794)	—	(5,794)
Transportation	(21,700)	(6,109)	—	(3,612)	(1,886)	—	—	—	(33,307)	—	(33,307)
Operating	(58,802)	(12,849)	(9,113)	(14,187)	(11,768)	(33,978)	(1,008)	—	(141,705)	(74)	(141,779)
General and administration	(7,437)	(3,907)	(1,187)	(3,439)	(1,057)	(1,428)	(1,510)	—	(19,965)	(78)	(20,043)
Corporate income tax expense	—	(375)	(5,825)	(3,028)	(149)	—	(346)	(1,941)	(11,664)	—	(11,664)
Interest expense	—	—	—	—	—	—	—	(26,697)	(26,697)	—	(26,697)
Realized loss on derivative instruments	—	—	—	—	—	—	—	(15,885)	(15,885)	—	(15,885)
Realized foreign exchange loss	—	—	—	—	—	—	—	(544)	(544)	—	(544)
Realized other income	—	—	—	—	—	—	—	135	135	—	135
Fund flows from operations	155,954	22,042	14,617	28,278	57,628	(3,089)	1,931	(44,932)	232,429	(152)	232,277

	Three Months Ended March 31, 2025								Continuing operations	Discontinued operations ⁽¹⁾	Total
	Canada	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate			
Drilling and development	121,851	6,756	7,747	10,960	328	9,702	1,072	—	158,416	9,048	167,464
Exploration and evaluation	—	—	—	14,275	—	—	98	—	14,373	282	14,655
Crude oil and condensate sales	84,436	61,062	330	17,021	43	30,832	15	—	193,739	89,726	283,465
NGL sales	19,727	—	—	—	—	—	—	—	19,727	6,310	26,037
Natural gas sales	62,101	—	42,556	36,314	100,943	—	13,313	—	255,227	4,117	259,344
Sales of purchased commodities	—	—	—	—	—	—	—	16,275	16,275	—	16,275
Royalties	(18,657)	(7,466)	(10)	(2,338)	—	—	(1,620)	—	(30,091)	(19,199)	(49,290)
Revenue from external customers	147,607	53,596	42,876	50,997	100,986	30,832	11,708	16,275	454,877	80,954	535,831
Purchased commodities	—	—	—	—	—	—	—	(16,275)	(16,275)	—	(16,275)
Transportation	(16,295)	(5,478)	—	(4,269)	(2,199)	—	—	—	(28,241)	(2,945)	(31,186)
Operating	(42,941)	(16,043)	(9,608)	(15,177)	(14,242)	(14,985)	(784)	—	(113,780)	(27,997)	(141,777)
General and administration ⁽²⁾	(17,688)	(3,609)	(1,324)	(3,081)	(1,675)	(1,190)	(1,168)	—	(29,735)	(4,925)	(34,660)
Petroleum resource rent tax	—	—	—	—	—	(3,018)	—	—	(3,018)	—	(3,018)
Corporate income tax expense	—	(478)	(11,337)	(6,132)	(189)	(147)	(341)	(435)	(19,059)	—	(19,059)
Interest expense	—	—	—	—	—	—	—	(32,979)	(32,979)	—	(32,979)
Realized gain on derivative instruments	—	—	—	—	—	—	—	11,119	11,119	—	11,119
Realized foreign exchange gain	—	—	—	—	—	—	—	2,499	2,499	—	2,499
Realized other expense	—	—	—	—	—	—	—	(14,466)	(14,466)	—	(14,466)
Fund flows from operations	70,683	27,988	20,607	22,338	82,681	11,492	9,415	(34,262)	210,942	45,087	256,029

⁽¹⁾ Fund flows from discontinued operations is comprised of the fund flows from operations from the assets disposed of in the United States, Saskatchewan and SA-07 assets in Croatia. The prior period results have been presented to conform with current period presentation. Refer to Note 3 - "Discontinued operations" for additional information.

⁽²⁾ General and administrative expenses previously presented within the Corporate segment have been reclassified to our Canadian segment. The prior period results have been presented to conform with current period presentation

Reconciliation of fund flows from continuing operations to net (loss) earnings from continuing operations:

	Three Months Ended	
	Mar 31, 2026	Mar 31, 2025
Fund flows from continuing operations	232,429	210,942
Equity based compensation	(2,451)	(5,931)
Unrealized loss on derivative instruments	(285,648)	(13,675)
Unrealized foreign exchange loss	(15,273)	(36,016)
Accretion	(18,838)	(15,793)
Depletion and depreciation	(164,130)	(148,282)
Deferred tax recovery	112,789	12,923
Unrealized other expense	(84)	(319)
Net (loss) earnings from continuing operations	(141,206)	3,849

3. Discontinued operations

Croatia

On March 9, 2026 Vermilion entered into an agreement for the sale of the block SA-07 assets in Croatia for net proceeds of \$23.2 million. At March 31, 2026 the sale was considered to be highly probable; therefore, the assets and liabilities associated with the disposal group were reclassified to held for sale and measured at the lower of their carrying amount and fair value less costs to sell.

The following table reconciles the assets held for sale and liabilities associated with assets held for sale as at March 31, 2026:

	March 31, 2026
Exploration and evaluation assets	20,900
Capital assets	2,927
Foreign exchange	(25)
Assets held for sale	23,802
Asset retirement obligation	651
Liabilities associated with assets held for sale	651

Saskatchewan

On July 10, 2025, Vermilion closed the sale of the Saskatchewan and Manitoba assets for net proceeds of \$392.6 million with resulting impairment of \$230.9 million. The closing of the sale resulted in the derecognition of the net assets, and a gain on disposition of \$2.5 million, recognized in other expense within net (loss) earnings from discontinued operations. The book value of the net assets disposed was \$379.0 million.

United States

On July 31, 2025, Vermilion closed the sale of the United States assets for net proceeds of \$90.9 million with resulting impairment of \$141.5 million. The closing of the sale resulted in derecognition of the net assets and a loss on disposition of \$6.5 million, recognized in other expense within net (loss) earnings from discontinued operations. The book value of the net assets disposed was \$97.5 million.

The following table summarizes the Company's financial results from discontinued operations:

	Three Months Ended	
	Mar 31, 2026	Mar 31, 2025
Revenue		
Petroleum and natural gas sales	—	100,153
Royalties	—	(19,199)
Petroleum and natural gas revenue	—	80,954
Expenses		
Operating	74	27,997
Transportation	—	2,945
General and administration	78	4,925
Foreign exchange loss (gain)	(6)	(117)
Accretion	—	2,087
Depletion and depreciation	5,137	28,106
	5,283	65,943
(Loss) earnings from discontinued operations before income taxes	(5,283)	15,011
Income tax (recovery) expense		
Deferred	(951)	3,907
	(951)	3,907
Net (loss) earnings from discontinued operations	(4,332)	11,104

The following table summarizes cash flows from discontinued operations reported in the consolidated statements of cash flows:

	Three Months Ended	
	Mar 31, 2026	Mar 31, 2025
Cash flows from operating activities	(175)	39,852
Cash flows used in investing activities	188	(25,288)
Cash flows from discontinued operations	13	14,564

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 in securities:

	2026
Balance at January 1	43,885
Fair value adjustment ⁽¹⁾	1,625
Balance at March 31	45,510

⁽¹⁾ Investments in securities are classified as a level 1 instrument on the fair value hierarchy and use observable inputs when making fair value adjustments. Deferred tax expense of \$0.2 million was recorded on the fair value adjustment for the three months ended March 31, 2026.

5. Capital assets

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

	2026
Balance at January 1	4,504,515
Acquisitions	6,035
Additions	134,146
Increase in right-of-use assets	1,435
Reclassified to assets held for sale ⁽¹⁾	(2,927)
Depletion and depreciation	(157,825)
Changes in asset retirement obligations	136,487
Foreign exchange	2,286
Balance at March 31	4,624,152

⁽¹⁾ Refer to Note 3 "Discontinued Operations" for additional information.

6. Exploration and evaluation assets

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

	2026
Balance at January 1	284,266
Additions	434
Reclassified to assets held for sale ⁽¹⁾	(20,900)
Depreciation	(5,451)
Foreign exchange	(132)
Balance at March 31	258,217

⁽¹⁾ Refer to Note 3 "Discontinued Operations" for additional information.

7. Asset retirement obligations

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

	2026
Balance at January 1	959,736
Additional obligations recognized	832
Obligations settled	(12,802)
Accretion	18,838
Reclassified to liabilities associated with assets held for sale ⁽¹⁾	(651)
Changes in rates	135,655
Foreign exchange	3,380
Balance at March 31	1,104,988
Long-term portion of asset retirement obligations	1,049,051
Current portion of asset retirement obligations	55,937
Balance at March 31	1,104,988

⁽¹⁾ Refer to Note 3 "Discontinued Operations" for additional information.

Vermilion calculated the present value of the obligations using a credit-adjusted risk-free rate, calculated using a credit spread of 3.1% as at March 31, 2026 (December 31, 2025 - 4.4%) 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, 2026	Dec 31, 2025
Canada	3.9 %	3.9 %
France	4.6 %	4.5 %
Netherlands	3.7 %	3.2 %
Germany	3.5 %	3.4 %
Ireland	3.4 %	3.2 %
Australia	5.2 %	4.9 %
Central and Eastern Europe	5.2 %	4.8 %

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, current asset retirement obligations 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, 2026	Dec 31, 2025
Long-term debt	1,254,333	1,243,397
Adjusted working capital ⁽¹⁾	41,208	96,091
Unrealized FX on swapped USD borrowings ⁽²⁾	(2,974)	2,902
Net debt	1,292,567	1,342,390
Ratio of net debt to four quarter trailing fund flows from operations ⁽³⁾	1.4	1.4

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

⁽²⁾ Vermilion may enter into cross currency interest rate swaps to hedge the foreign exchange movements on USD borrowings on our revolving credit facility. Unrealized FX on swapped USD borrowings relates to the unrealized gains and losses on our cross currency interest swaps. At March 31, 2026, there was \$203.4 million of USD borrowings on our revolving credit facility. (December 31, 2025 - \$196.7 million).

⁽³⁾ Subsequent to February 26, 2025, net debt to four quarter trailing fund flows from operations is calculated inclusive of Westbrick Energy's pre-acquisition four quarter trailing fund flows from operations, as if the acquisition of Westbrick Energy occurred at the beginning of the four quarter trailing period, and exclusive of the four quarter trailing fund flows from discontinued operations 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, 2026	Dec 31, 2025
Revolving credit facility	229,491	222,724
2030 senior unsecured notes	513,962	504,962
2033 senior unsecured notes	510,880	515,711
Long-term debt	1,254,333	1,243,397

The fair value of the 2030 senior unsecured notes as at March 31, 2026 was \$528.2 million (December 31, 2025 - \$506.2 million). The fair value of the 2033 senior notes as at March 31, 2026 was \$523.4 million (December 31, 2025 - \$491.3 million).

The following table reconciles the change in Vermilion's long-term debt, net of costs:

	2026
Balance at January 1	1,243,397
Repayment of 2033 senior unsecured notes	(13,460)
Amortization of transaction costs	759
Foreign exchange	23,637
Balance at March 31	1,254,333

Revolving credit facility

As at March 31, 2026, Vermilion had in place a bank revolving credit facility maturing May 25, 2029 with the following terms:

	As at	
	Mar 31, 2026	Dec 31, 2025
Total facility amount	1,350,000	1,350,000
Amount drawn	(229,491)	(222,724)
Letters of credit outstanding	(42,153)	(49,263)
Unutilized capacity	1,078,356	1,078,013

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.

Subsequent to March 31, 2026, the maturity date of the revolving credit facility was extended to May 30, 2030 with no other changes to the existing terms and conditions.

As at March 31, 2026, the revolving credit facility was subject to the following financial covenants:

Financial covenant	Limit	As at	
		Mar 31, 2026	Dec 31, 2025
Consolidated total debt to consolidated EBITDA	Less than 4.0	1.17	1.14
Consolidated total senior debt to consolidated EBITDA	Less than 3.5	0.21	0.21
Consolidated EBITDA to consolidated interest expense	Greater than 2.5	8.77	8.44

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 (loss) 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, 2026 and December 31, 2025, 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 balance was repaid in full in 2025.

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.

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 %
2028 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 %

During the three months ended March 31, 2026, Vermilion purchased \$13.5 million of the 2033 senior unsecured notes at a rate of 99.0% on the open market which were subsequently cancelled.

10. Shareholders' capital

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

Shareholders' Capital	2026	
	Shares ('000s)	Amount
Balance at January 1	152,950	3,871,914
Repurchase of shares	(350)	(8,955)
Balance at March 31	152,600	3,862,959

Dividends are approved by the Board of Directors and are paid quarterly. Dividends declared to shareholders for the three months ended March 31, 2026 were \$20.6 million or \$0.135 per common share and was paid on March 31, 2026 (March 31, 2025 - declared \$20.0 million or \$0.130 per common share).

On May 5, 2026, Vermilion declared a dividend of \$0.135 per common share payable on June 30, 2026, to shareholders of record on June 15, 2026.

On July 9, 2025, 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 15,259,187 common shares (representing approximately 10% of outstanding common shares) beginning July 12, 2025 and ending July 11, 2026. Common shares purchased under the NCIB will be cancelled.

In the first quarter of 2026, Vermilion purchased 0.4 million common shares under the NCIB for total consideration of \$4.7 million. The common shares purchased under the NCIB were cancelled.

Subsequent to March 31, 2026, Vermilion purchased and cancelled 0.1 million shares under the NCIB for total consideration of \$1.3 million.

11. Financial instruments

The following table summarizes the increase (positive values) or decrease (negative values) to net (loss) 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, 2026
Currency risk - Euro to Canadian dollar	
\$0.01 increase in strength of the Canadian dollar against the Euro	4,616
\$0.01 decrease in strength of the Canadian dollar against the Euro	(4,616)
Currency risk - US dollar to Canadian dollar	
\$0.01 increase in strength of the Canadian dollar against the US \$	7,126
\$0.01 decrease in strength of the Canadian dollar against the US \$	(7,126)
Commodity price risk - North American natural gas	
\$0.25/GJ increase in North American natural gas price used to determine the fair value of derivatives	(21,681)
\$0.25/GJ decrease in North American natural gas price used to determine the fair value of derivatives	24,519
Commodity price risk - European natural gas	
€1.0/GJ increase in European natural gas price used to determine the fair value of derivatives	(56,363)
€1.0/GJ decrease in European natural gas price used to determine the fair value of derivatives	56,363
Commodity price risk - Crude oil	
US \$5.00/bbl increase in crude oil price used to determine the fair value of derivatives	(21,659)
US \$5.00/bbl decrease in crude oil price used to determine the fair value of derivatives	17,470
Share price risk - Equity swaps	
\$1.00 increase from initial share price of the equity swap	3,150
\$1.00 decrease from initial share price of the equity swap	(3,150)

12. Cash and cash equivalents

Cash and cash equivalents was comprised of the following:

	As at	
	Mar 31, 2026	Dec 31, 2025
Cash on deposit with financial institutions	12,859	19,087
Guaranteed investment certificates	3,494	—
Cash and cash equivalents	16,353	19,087

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Halifax, Nova Scotia

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 Safety & Sustainability Committee Chair (Independent)

⁷ Safety & Sustainability Committee Member (Independent)

⁸ Technical Committee Chair (Independent)

⁹ Technical 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

Yvonne Jeffery
Vice President Sustainability

Darcy Kerwin
Vice President International & HSE

Geoff MacDonald
Vice President Geosciences

Randy McQuaig
Vice President North America

Averyl Schraven
Vice President People & Culture

Gerard Schut
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The Bank of Nova Scotia

Canadian Imperial Bank of Commerce

National Bank of Canada

Royal Bank of Canada

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ATB Financial

Bank of America N.A., Canada Branch

Export Development Canada

Fédération des caisses Desjardins du Québec

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