

The logo for FixOvintiv, featuring the word "Fix" in white and "Ovintiv" in orange, with a stylized orange and white graphic element between the two words.

FixOvintiv

The logo for Kimmeridge, featuring a stylized green and blue flame-like graphic to the left of the word "Kimmeridge" in white.

Kimmeridge

A TRACK RECORD OF
VALUE DESTRUCTION

JANUARY 2021

WHAT'S WRONG AT OVINTIV?

Attractive Assets

Ovintiv ("OVV") has attractive positions in low-cost shale basins like the Permian and Montney.

Unattractive Returns

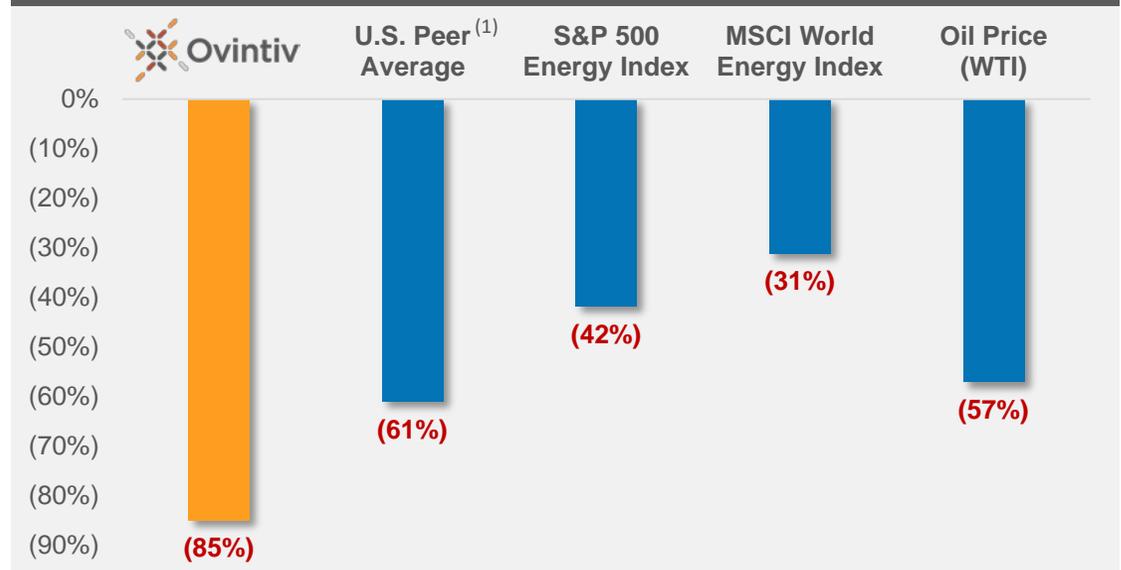
Total Shareholder Return is **(84.8%)** since Doug Suttles became CEO in June 2013. OVV shares have dramatically trailed peers and the rest of the energy sector.

With attractive assets and material underperformance, we ask:
What's wrong at Ovintiv?

Ovintiv Since June 2013

- Underperformed U.S. peer⁽¹⁾ average by 2,400bps
- Market value has fallen from \$13.7 bn to \$3.1 bn despite increasing share count by 76%
- Net debt is up 53%, from \$4.6 bn to \$7.1 bn
- Invested over \$15 bn in capital expenditures
- Recorded \$12.7 bn in impairments
- Total production unchanged (510 vs 509 kboe/d)
- Awarded over \$75 mm in CEO compensation

Total Shareholder Return June 2013 to November 2020



Source: FactSet, Bloomberg, Public Company Financial Reports and Proxy Statements. (1): U.S. Peer Group data shown above and elsewhere in this presentation represents average total shareholder returns of a subset of the constituents of the U.S. Performance Peers contained in OVV's 2020 Proxy Statement that traded consistently from 6/10/13 (the last trading day before Douglas Suttles joined OVV) to 11/16/20 (the last trading day before media reports that Kimmeridge was actively seeking changes). : APA, CHK, CLR, COG, CXO, DVN, EOG, HES, MRO, MUR, PXD, RRC and XEC. Note: Total Shareholder Return (TSR) of (84.8)% and market value fall from 6/10/13 to 11/16/20. Capital expenditures, net debt, shares outstanding (adjusted for reverse split), production and impairments from Q2'13 to Q3'20. CEO compensation since 2013 from 2020 proxy statement.

WHAT'S WRONG AT OVINTIV?

Three Primary Failures

Capital Allocation

- **Large, expensive deals:** Acquired Athlon Energy and Newfield Exploration: wrong time, wrong price
- **Addicted to debt:** Ovintiv has made these large acquisitions each time net debt fell below \$2.9 bn, adding leverage at the wrong point in the cycle
- **Throwing good money after bad:** Ovintiv continues to allocate capital to the STACK play, even as the industry has abandoned it, diluting exposure to best-in-class Permian operations

Corporate Governance

- **No accountability:** Lack of alignment between executive pay and performance
- **Minimal ownership:** Lowest CEO ownership in US peer group
- **Stale board:** Inadequate board refreshment, including only three new directors since 2015

Environmental Stewardship

- **Elevated emissions:** Among the highest total greenhouse gas emission (CO2e) intensities in its US peer group
- **Afraid of commitment:** No targets related to flaring or reduction in total emission intensity
- **ESG laggard:** As evidenced by deteriorating environmental scores

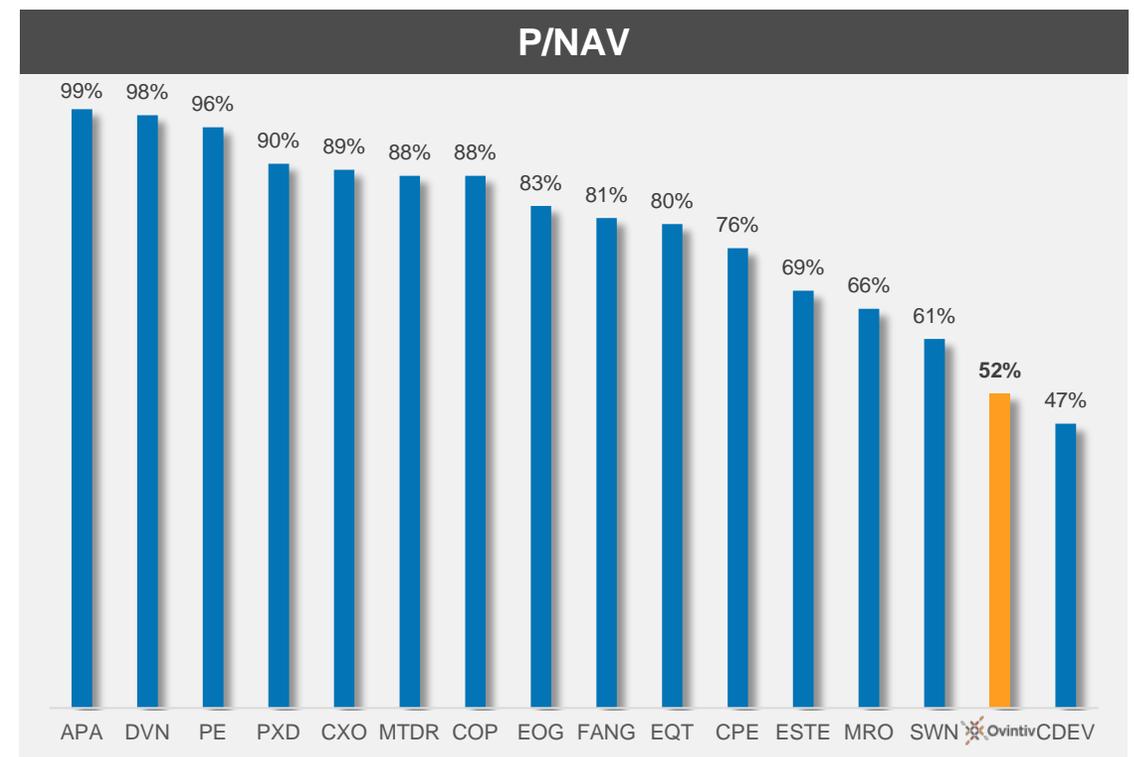
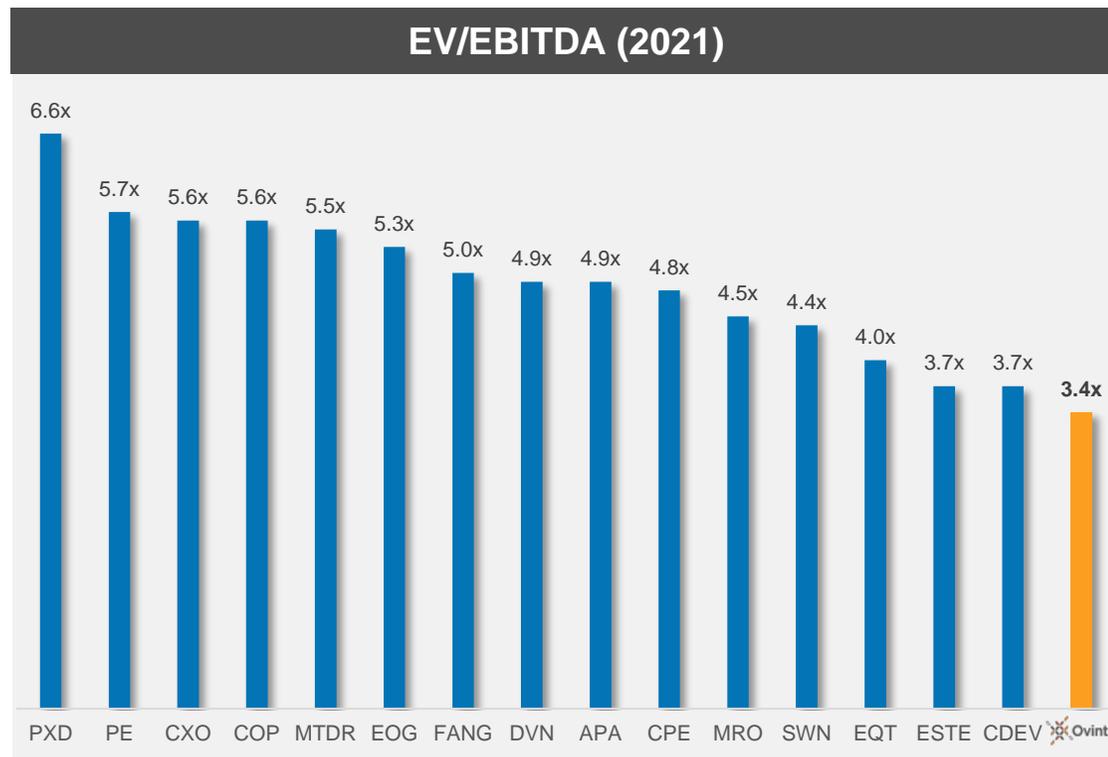
COMPELLING RE-RATING OPPORTUNITY

Crisis of Confidence

These failures have created a crisis of confidence amongst investors

Deteriorating investor sentiment has resulted in valuation multiples well below that of peers

This presents a compelling re-rating opportunity if we are successful in restoring confidence



Source: Valuation metrics for companies within RBC U.S. E&P coverage (RBC Report, "U.S. E&P Comps: The Rally Has More Legs" 1/7/2021)
Note: 2021 EBITDA and free cash flow estimates based on strip commodity prices and share prices as of 1/7/2021
Note: NAV based on \$50 WTI & \$2.50 HH long-term prices

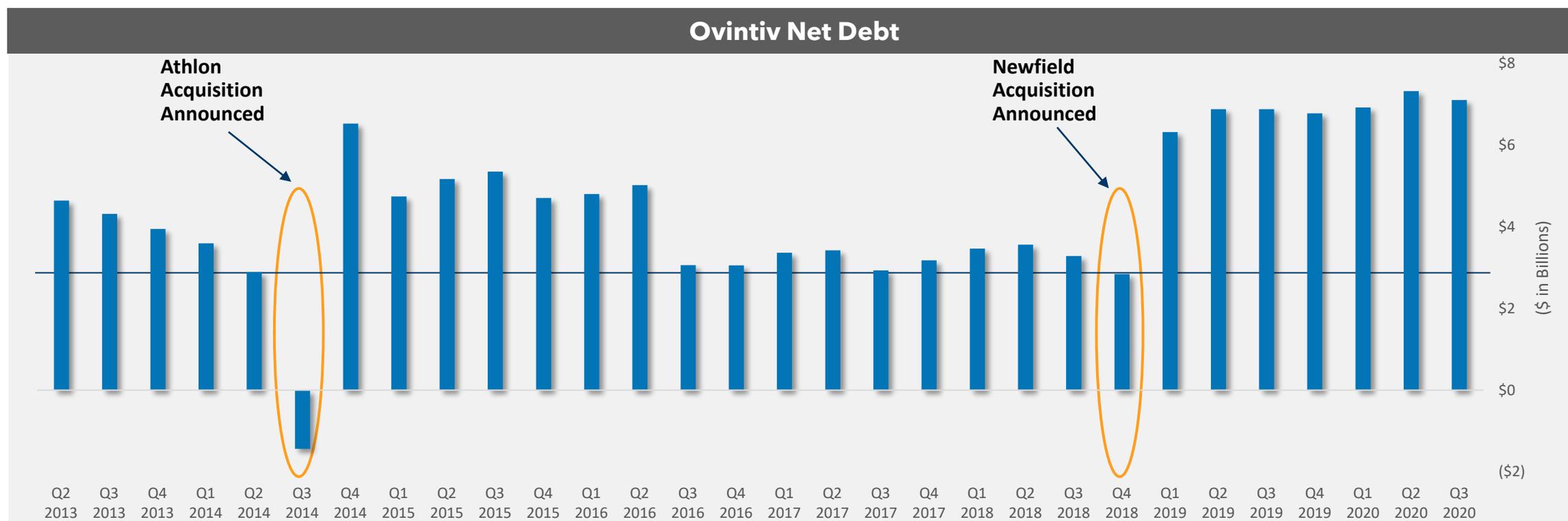
FAILURE OF CAPITAL ALLOCATION

Addicted to Debt

Since 2014, each time net debt fell below \$2.9 bn, Ovintiv made a large and, in our view, value-destructive acquisition

OWV's net debt has risen by 53% over the CEO's tenure to \$7.1 bn

The debt overhang has weighed on investor sentiment



Source: Bloomberg, Public Company Financial Reports and Proxy Statements

Note: Net Debt defined as long-term and short-term debt minus cash & equivalents from Q2'13 to Q3'20

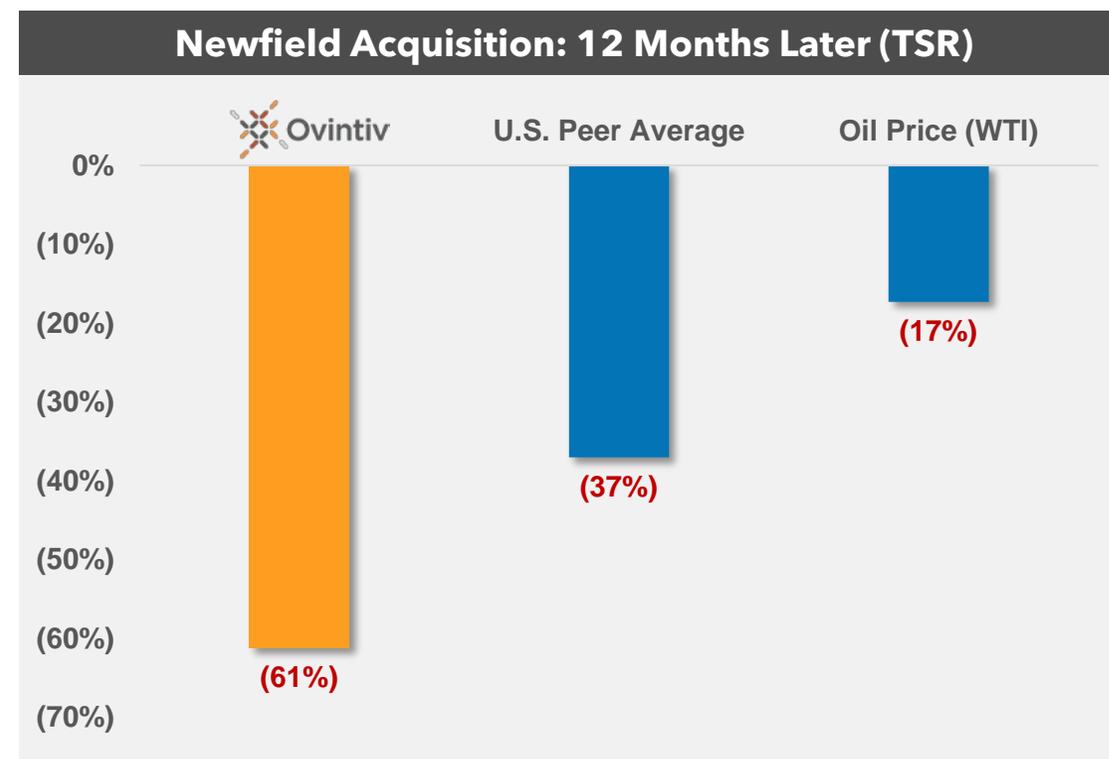
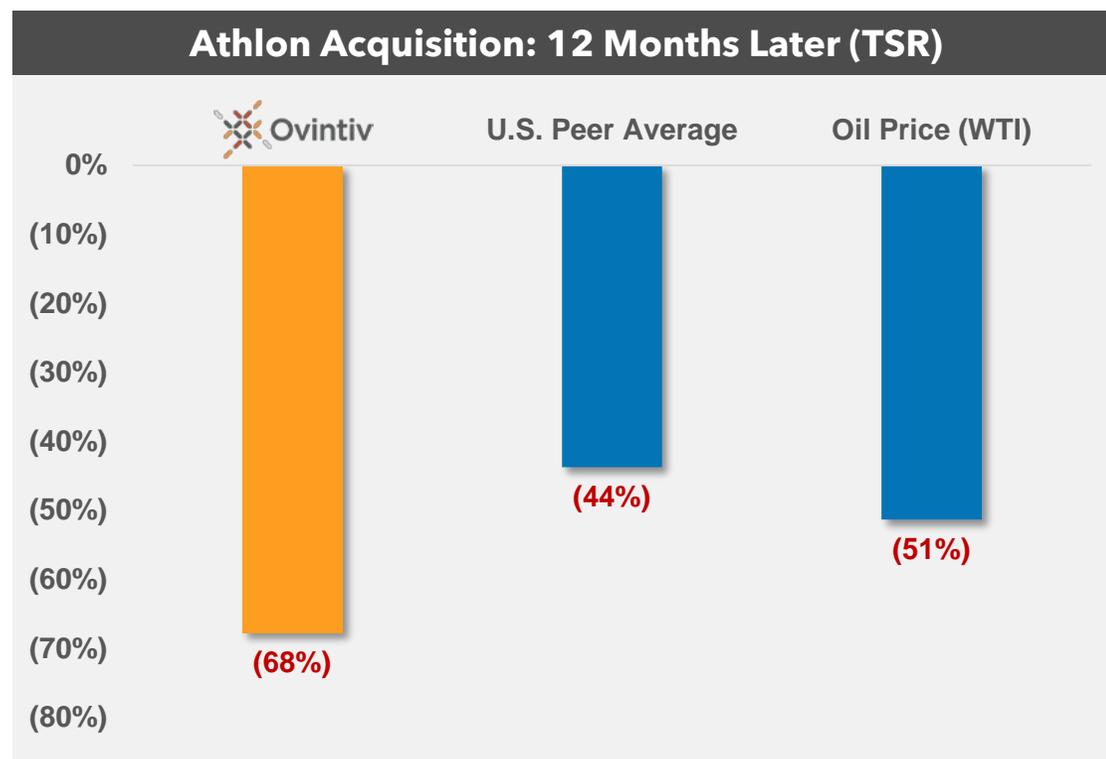
FAILURE OF CAPITAL ALLOCATION

Wrong Time, Wrong Price

Acquiring Athlon and Newfield destroyed tremendous value, on both an absolute and relative basis

Average value of the two deals: \$7.4 bn

Average change in OVV's market cap over the following 12 months: **NEGATIVE** \$7.4 bn



Source: FactSet, Bloomberg, Public Company Financial Reports and Proxy Statements

Note: Deal value from Company transaction announcements on 9/29/14 & 11/1/18

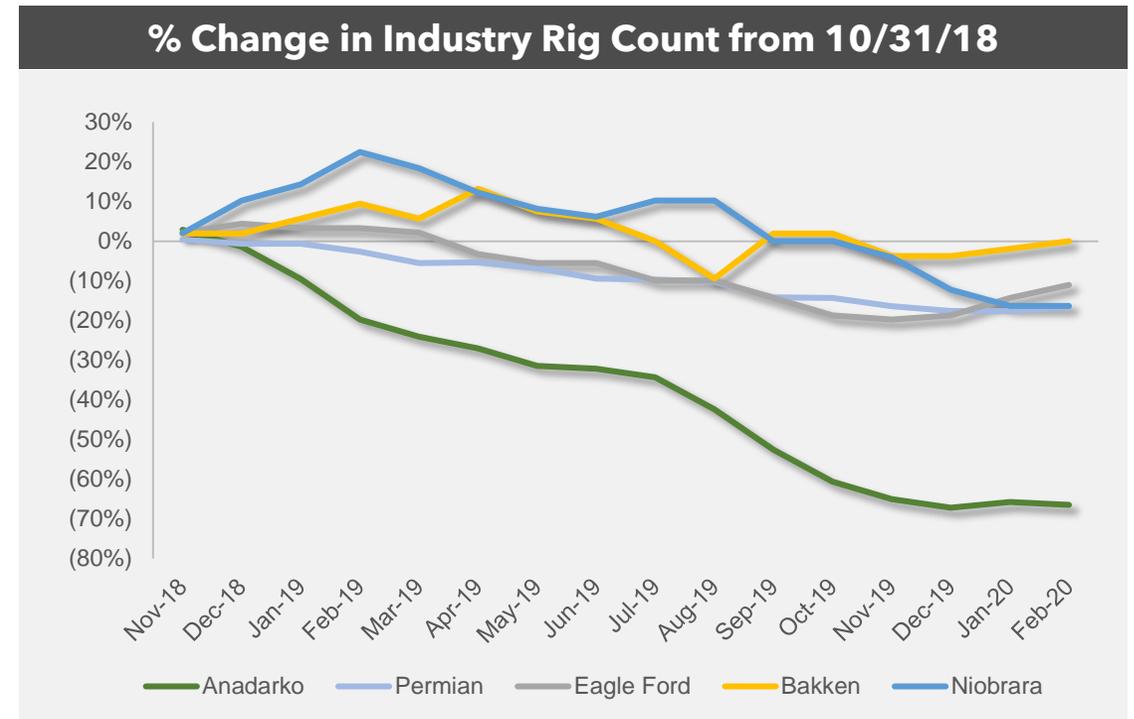
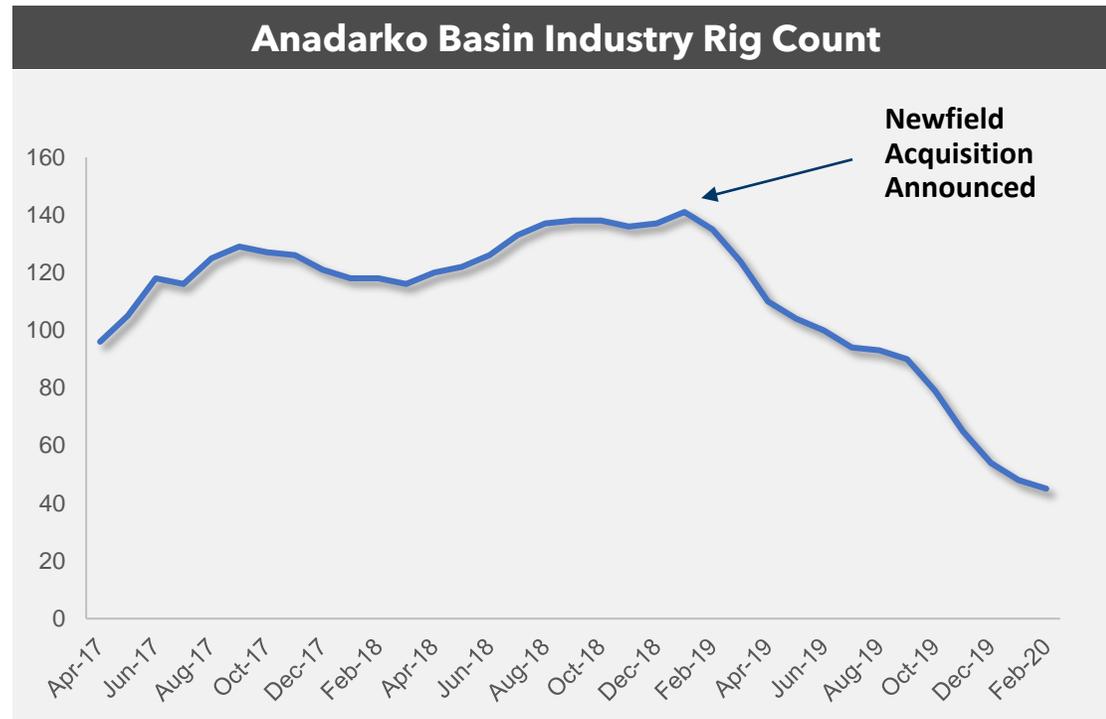
Note: Twelve month change in price in Ovintiv, U.S. Peers and Front Month WTI from 9/26/14 to 9/25/15 and 10/31/18 to 10/31/19

Note: Change in market capitalization calculated with shares outstanding as of Q3'14 and Q3'18

FAILURE OF CAPITAL ALLOCATION

Wrong Basin

OWJ justified a 35% premium for Newfield by calling the STACK in the Anadarko Basin a “world-class, oil-rich” play
Within months, the rest of the industry abandoned the Anadarko Basin



FAILURE OF CAPITAL ALLOCATION

Wrong Basin

The success of the Newfield acquisition hinged on the STACK being a highly-competitive, low-cost resource play
Industry experts have concluded the STACK is not an economically competitive play



Ovintiv Management (Nov '18)

"The STACK/SCOOP clearly competes with the other assets in [Ovintiv's] portfolio with half-cycle break-evens in the mid to high \$30 range."



Ovintiv Management (Nov '18)

"STACK wells competitive with the best plays in North America."



RS Energy (Jan '20)

"Ovintiv's STACK asset, even with cost reductions, does not compete economically with the rest of its portfolio, notably the Midland and Montney."



J.P. Morgan (Dec '20)

"We see Midland Basin break-evens at \$35 per bbl vs. ~\$39-\$41 per bbl for the Eagle Ford, Delaware Basin, and Bakken and \$49 per bbl for the SCOOP/STACK."



Wood Mackenzie (Oct '20)

"The SCOOP STACK was once colloquially called the 'next Permian.' Fast forward a decade and the play has lost over 90% of the 113 rigs it had in 2019 and every major operator has pulled back or cut capex completely."

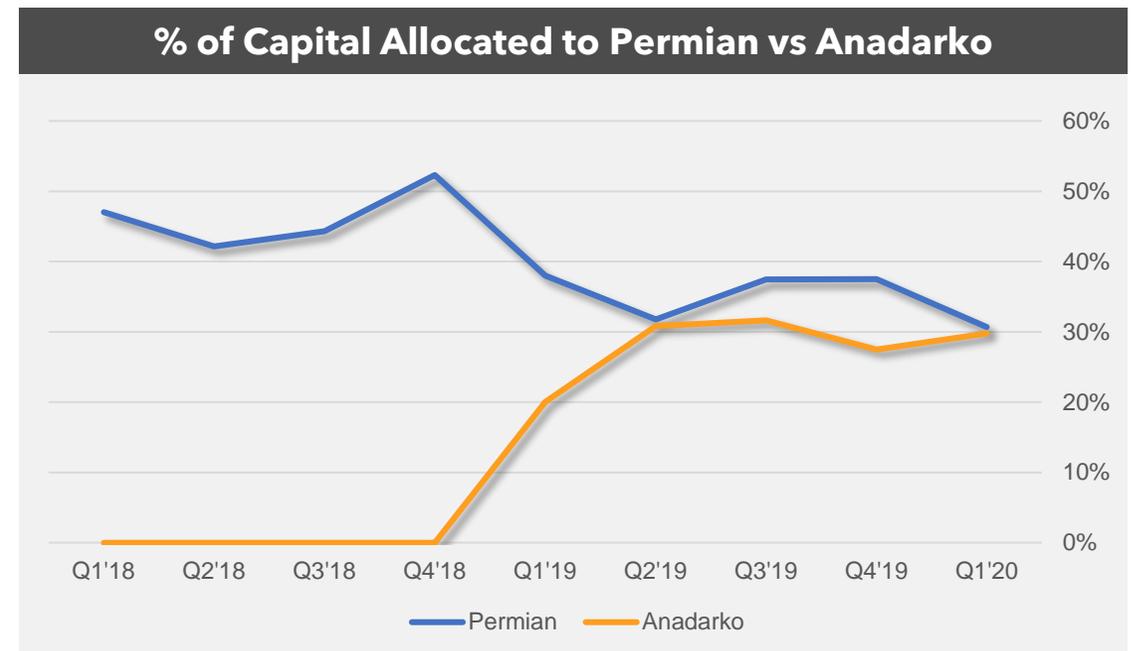
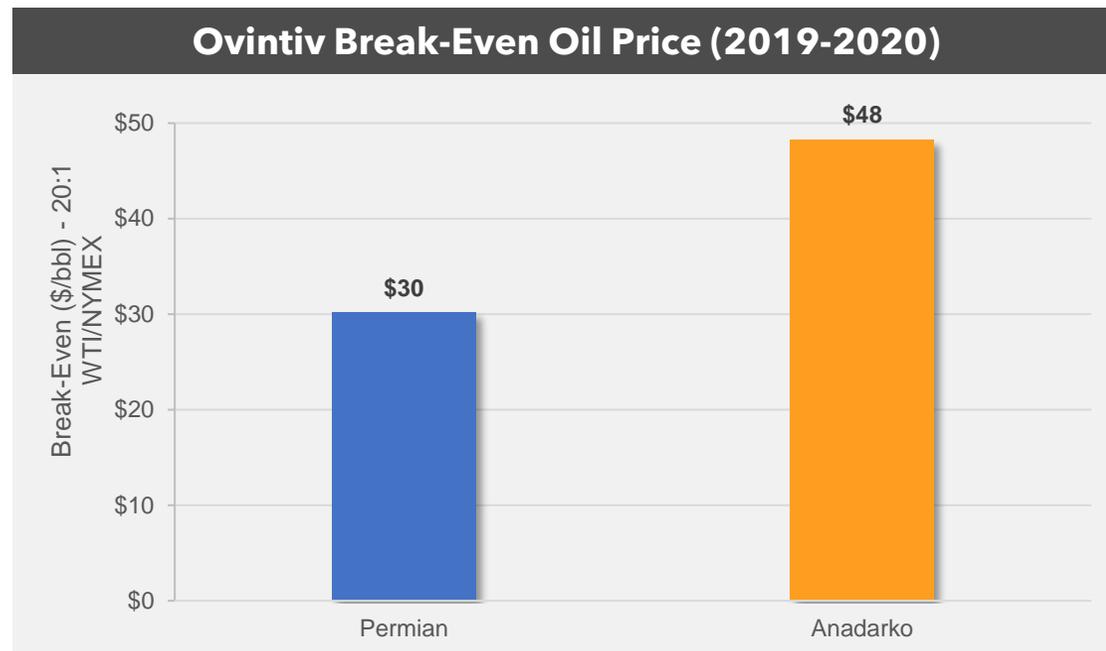
FAILURE OF CAPITAL ALLOCATION

Throwing Good Money After Bad

Despite inferior economics, OVV has continued to allocate meaningful capital to the Anadarko Basin

This has been at the expense of OVV's Permian Basin operations, which have generated industry-leading results

Management appears more focused on justifying a failed acquisition than making prudent capital allocation decisions



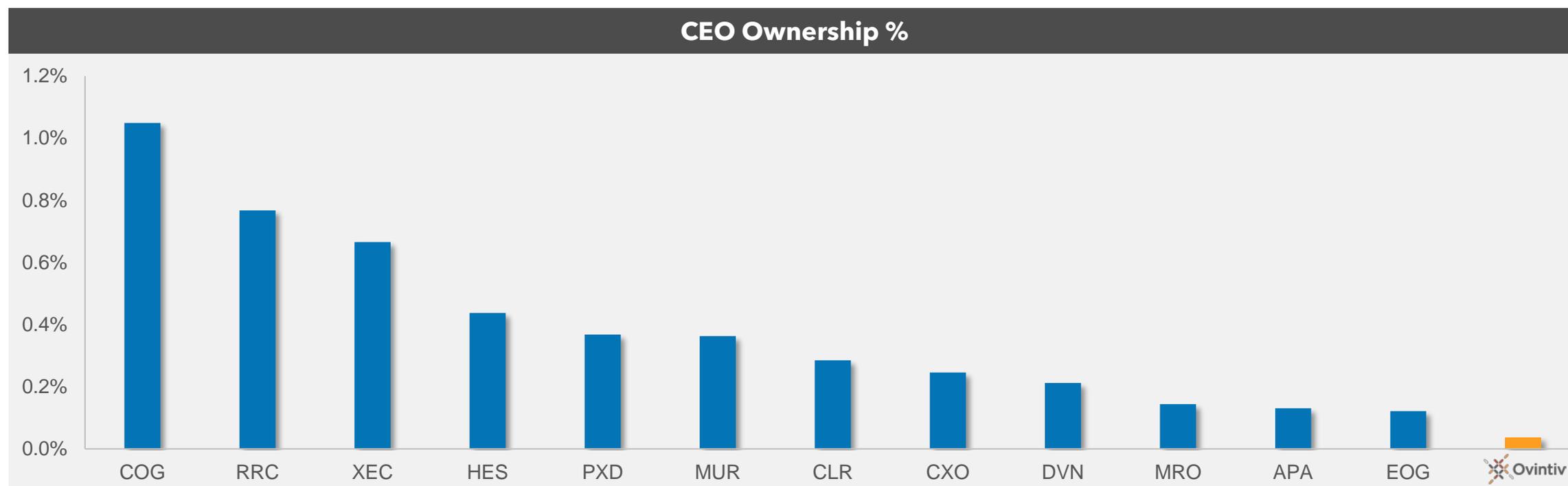
FAILURE OF GOVERNANCE

Minimal Insider Ownership

OVV's history of value destructive capital allocation may result from insiders' lack of skin in the game

OVV's CEO has the lowest ownership among U.S. peers. The board owns less than 0.2% of shares outstanding

The CEO's beneficial ownership is only worth \$1.4 mm, a fraction of his 2019 compensation of \$12.6 mm.



Source: FactSet, Bloomberg, Public Company Financial Reports and Proxy Statements
Note: Beneficial Ownership from Bloomberg as of 12/31/20 for OVV and U.S. Peer Group
Note: Value of beneficial ownership based on 12/31/20 share price of \$14.36
Note: 2019 total compensation from 2020 Proxy statement

FAILURE OF GOVERNANCE

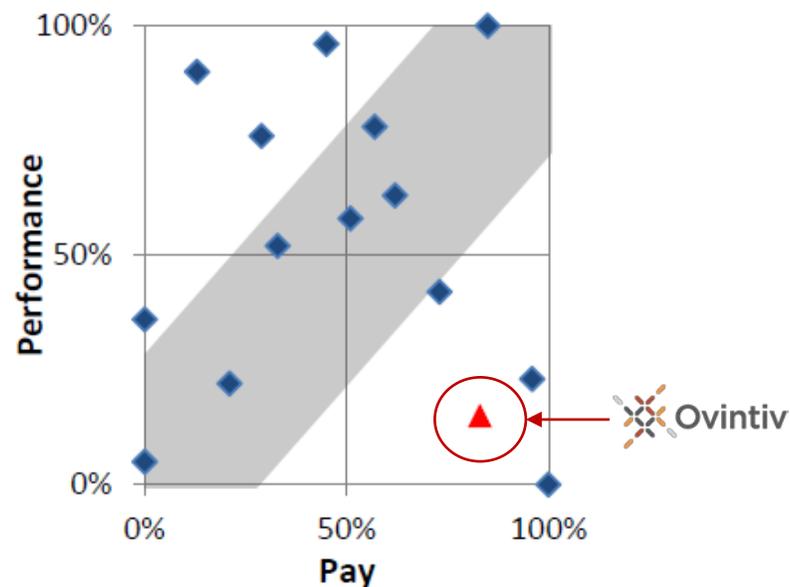
No Alignment or Accountability

Despite the share price underperformance, CEO pay increased from \$6.7 mm in 2014 to \$12.6 mm in 2019
ISS' analysis shows top quartile pay (horizontal) for bottom quartile performance (vertical)

ISS: Pay vs Performance (2017 - 2019)

RELATIVE DEGREE OF ALIGNMENT

The chart plots percentiles of the annualized 3-year performance and pay rankings for the company (▲) and ISS' derived peers (◆).
The gray band generally indicates alignment



FAILURE OF GOVERNANCE

Lack of Alignment Between CEO Compensation and Performance

Three-year TSR of (59%) is far below peers', while CEO pay **increased** to \$12.6 mm for 2019

The compensation structure has no correlation to shareholder value creation

The board awarded over 100% of target for annual bonuses **and** long-term incentives each of the last three years

This is despite OVV's TSR being substantially negative, absolutely and relatively, in 2018 and 2019

Absolute and Relative TSR vs CEO Compensation

	TSR	Average TSR of U.S. Peers ⁽¹⁾	Relative Spread	% of Annual Bonus Target	% of LT Performance Incentive Target	Total CEO Compensation
2019	(18%)	(4%)	(13%)	103%	123%	\$12,570,394
2018	(56%)	(30%)	(26%)	167%	168%	\$11,788,470
2017	14%	(9%)	+24%	159%	121%	\$11,944,686
3 Year	(59%)	(35%)	(24%)	143%	137%	

Source: FactSet, Bloomberg, Public Company Financial Reports and Proxy Statements

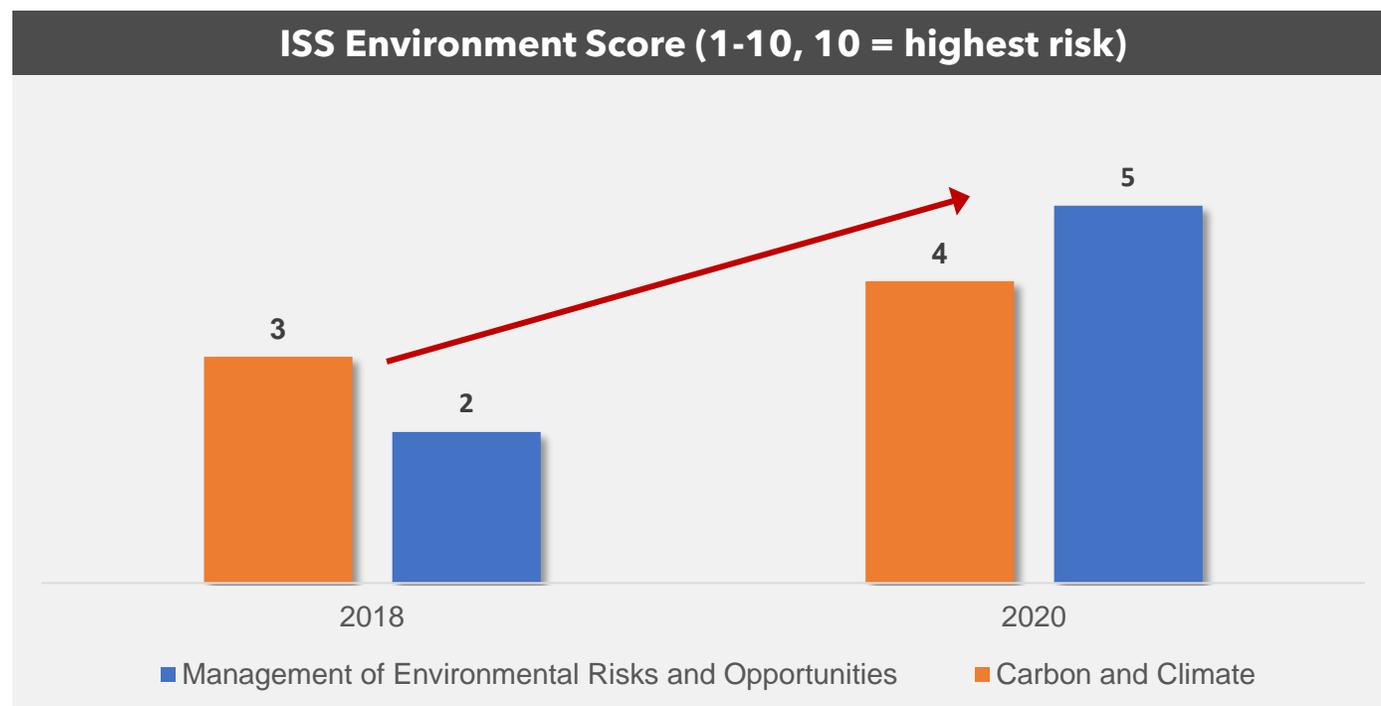
(Note: Long-term performance incentive target award based on three-year performance period. 2019 % of target based on 2017-2019 PSU Settlement awarded in February 2020

Note: 3 Year represents cumulative performance from 2017 to 2019 and the average % of target award for each of those years

FAILURE OF ENVIRONMENTAL STEWARDSHIP

Lagging Not Leading

In investor materials, management refers to Ovintiv as the “New E&P” with “top tier ESG performance”
However, OVV appears to be the only one who believes that
Credible third-party evaluators rate OVV’s environmental stewardship as poor



Source: ISS QualityScores from Proxy Voting Recommendations in 2018 & 2020 ranked by decile versus ISS peer group. Permission was neither sought nor given from ISS.
Note: Climate Disclosure Project (CDP) Climate change score for 2019 as of 12/31/2020 (2020 score not yet available)
Note: Comments on “New E&P” and “Top Tier ESG Performance” included in January 2021 investor presentation

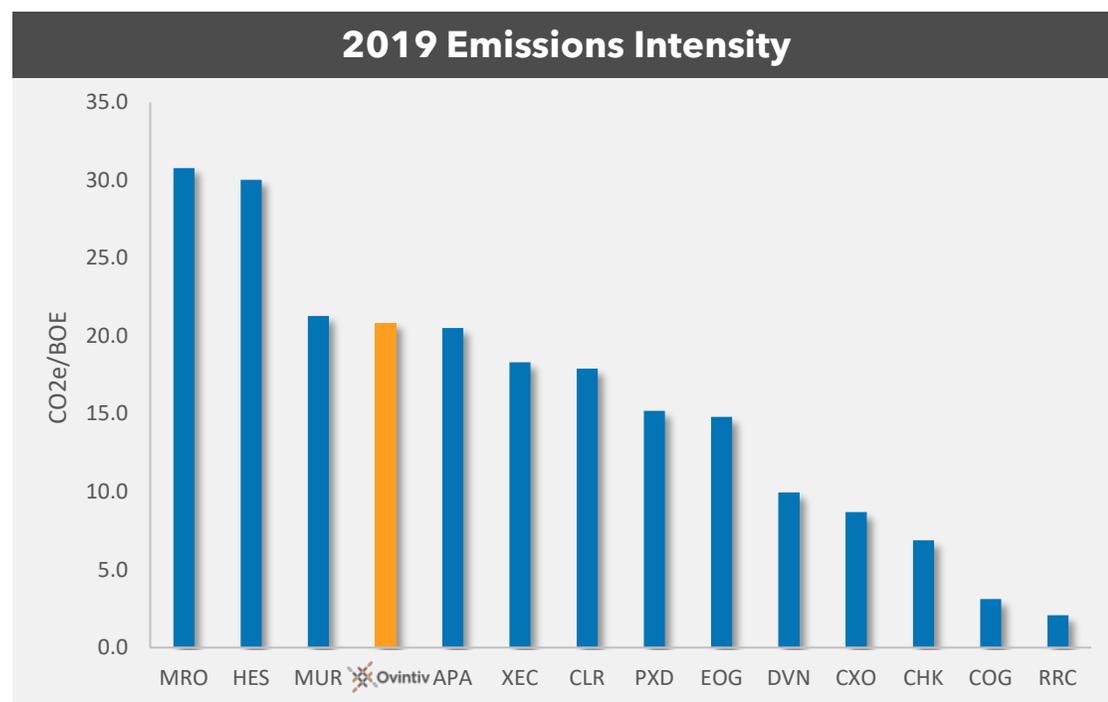
FAILURE OF ENVIRONMENTAL STEWARDSHIP

Elevated Emissions

OVV has one of the highest greenhouse gas emission intensities within its U.S. Peer Group

It has not adopted targets for total emissions intensity or gas flaring, unlike peers such as Pioneer

OVV's unwillingness to listen to shareholders is clear, given majority investor support in 2020 for a shareholder proposal to "disclose climate-related targets that are aligned with the goal of the Paris Agreement"



Pioneer (PXD) Emission Targets

“Pioneer is formally adopting targets to reduce GHG and methane emission intensities from the Company’s operations, including a 25% reduction in GHG intensity and 40% reduction in methane intensity by 2030.”

“Pioneer will end routine flaring (*as defined by the World Bank*) by 2030, with the aspiration to accomplish this by 2025.”

Source: CO2e emissions from 2020 Sustainability Reports and corporate presentations
Note: U.S. Peer Group data for 2019 except Chesapeake, which is from 2018 as the company had not published 2019 data
Note: Pioneer press release dated 12/2/20
Note: 56.4% of votes in favor of stockholder proposal from Ovintiv April 30, 2020 press release

KIMMERIDGE PLAN

How to Fix Ovintiv

CAPITAL ALLOCATION

- Reintroduce 5-year plan with long-term visibility into return of capital
- Monetize non-core assets to accelerate debt reduction
- Reallocate capital from the STACK and widen spacing assumptions
- Redirect capital to the Permian with detailed disclosure on inventory

GOVERNANCE REFORM

- Redesign executive compensation to establish pay-for-performance
- Board refreshment that is independent of the CEO's nomination
- Improve quality and diversity of perspectives

ENVIRONMENTAL STEWARDSHIP

- Introduce emission targets aligned with the Paris Agreement
- Tie compensation to science-based emission reductions
- Embrace sector-leading environmental disclosure

ABOUT US



- Founded in 2012, Kimmeridge is a private investment firm focused on U.S. unconventional oil and gas assets
- Kimmeridge is differentiated in its direct investment approach with in-house technical expertise and experience in geological evaluation, land acquisition and engineering
- In April 2020 we launched the Kimmeridge Energy Engagement Partners strategy to invest in the public E&P sector with the goal of preparing companies for the energy transition and reversing a decade of underperformance
- Through 2020 Kimmeridge published a series of white papers outlining our three pillars of reform:

February 2020

Preparing the E&P Sector for the Energy Transition: A New Business Model ([link](#))

"The industry needs to embrace a new business model focused on lower reinvestment rates (70%), lower growth, lower costs, returns above the cost of capital and cash return to shareholders...."

September 2020

Charting a Path to Net Zero Emissions ([link](#))

"The leading E&P companies of tomorrow will adopt a business model that is aligned with the energy transition through lower reinvestment rates while charting a path towards net zero emissions in their direct operations."

November 2020

Bringing Alignment & Accountability to the E&P Sector ([link](#))

"The public E&P sector is broken, and the root cause of the problem is a lack of alignment between executives and shareholders. The misalignment that begins with skewed incentives and low insider ownership is compounded by boards who appear unwilling to hold management teams accountable."

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LEGEND

Kimmeridge and certain of their principals and affiliates (collectively, "Kimmeridge") and potential nominees (collectively and together with Kimmeridge, the "Participants") intend to file with the SEC a definitive proxy statement and accompanying form of proxy to be used in connection with the solicitation of proxies from the stockholders of Ovintiv. All Ovintiv stockholders are advised to read the definitive proxy statement and other documents related to the solicitation of proxies by the Participants when they become available, as they will contain important information, including additional information related to the Participants. The definitive proxy statement and an accompanying proxy card will be furnished to Ovintiv stockholders and will be, along with other relevant documents, available at no charge on the SEC website at <http://www.sec.gov/>.

Information about the Participants and a description of their direct or indirect interests by securities holdings is contained in the Schedule 14A filed by the Participants with the SEC on January 14, 2021. This document will be available free of charge from the source indicated above.