enerPLUS

FIRST QUARTER REPORT

3 months ended March 31, 2023

SELECTED FINANCIAL RESULTS	Three months ended March 31, 2023	2022
Financial (US$, thousands, except ratios)		
Net Income/(Loss)	$ 137,486	$ 33,243
Adjusted Net Income(1)	140,729	145,828
Cash Flow from Operating Activities	241,401	195,992
Adjusted Funds Flow	260,409	261,895
Dividends to Shareholders - Declared	11,993	7,918
Net Debt	150,622	572,271
Capital Spending	138,648	99,013
Property and Land Acquisitions	1,748	1,941
Property and Land Divestments	233	6,581
Net Debt to Adjusted Funds Flow Ratio	0.1x	0.7x
Financial per Weighted Average Shares Outstanding		
Net Income/(Loss) - Basic	$ 0.63	$ 0.14
Net Income/(Loss) - Diluted	0.62	0.13
Weighted Average Number of Shares Outstanding (000's) - Basic	216,806	242,787
Weighted Average Number of Shares Outstanding (000's) - Diluted	222,927	249,337
Selected Financial Results per BOE(2)(3)		
Crude Oil & Natural Gas Sales(4)	$ 47.02	$ 61.84
Commodity Derivative Instruments	3.90	(8.81)
Operating Expenses	(10.56)	(10.03)
Transportation Costs	(4.30)	(4.32)
Production Taxes	(3.43)	(4.26)
General and Administrative Expenses	(1.48)	(1.35)
Cash Share-Based Compensation	0.10	(0.25)
Interest, Foreign Exchange and Other Expenses	(0.37)	(0.66)
Current Income Tax Expense	(1.25)	(0.60)
Adjusted Funds Flow	$ 29.63	$ 31.56

SELECTED OPERATING RESULTS	Three months ended March 31, 2023	2022
Average Daily Production(3)		
Crude Oil (bbls/day)	47,369	47,634
Natural Gas Liquids (bbls/day)	9,365	8,377
Natural Gas (Mcf/day)	245,509	217,111
Total (BOE/day)	97,652	92,196
% Crude Oil and Natural Gas Liquids	58%	61%
Average Selling Price(3)(4)		
Crude Oil (per bbl)	$ 76.34	$ 91.95
Natural Gas Liquids (per bbl)	20.55	37.78
Natural Gas (per Mcf)	3.08	4.62
Net Wells Drilled	15.7	14.9

(1) This financial measure is a non-GAAP financial measure and may not be directly comparable to similar measures presented by other entities. See "Non-GAAP Measures" section in this MD&A.
(2) Non-cash amounts have been excluded.
(3) Based on Net production volumes. See "Basis of Presentation" section in the following MD&A.
(4) Before transportation costs and commodity derivative instruments.

Average Benchmark Pricing	Three months ended March 31, 2023	2022
WTI Crude Oil ($/bbl)	$ 76.13	$ 94.29
Brent (ICE) Crude Oil ($/bbl)	82.22	97.38
Propane – Conway ($/bbl)	32.99	54.05
NYMEX Natural Gas – Last Day ($/Mcf)	3.42	4.95
CDN/US Average Exchange Rate	0.74	0.79

Share Trading Summary For the three months ended March 31, 2023	U.S.[1] – ERF (US$)	CDN[2] – ERF (CDN$)
High	$ 18.17	$ 24.20
Low	$ 12.84	$ 17.65
Close	$ 14.41	$ 19.48

(1) NYSE and other U.S. trading data combined.
(2) TSX and other Canadian trading data combined.

2023 Dividends Declared per Share	US$	CDN$[1]
First Quarter Total	$ 0.055	$ 0.076

(1) CDN$ dividends converted at the relevant foreign exchange rate on the payment date.

NEWS RELEASE

HIGHLIGHTS

- Adjusted funds flow was $260.4 million in the first quarter, which exceeded capital spending of $138.6 million, generating free cash flow[1] of $121.8 million
- Returned $66.6 million to shareholders through dividends and share repurchases in the first quarter; planning to return at least 60% of full-year 2023 free cash flow to shareholders (as previously indicated)
- Expect to complete remaining share repurchases of 3.3 million shares by end of July 2023, and renew normal course issuer bid for 10% of shares outstanding in August 2023, based on current market conditions
- Reduced net debt by 32% from year-end 2022, ending the quarter with net debt of $150.6 million
- First quarter production averaged 97.7 MBOE per day, including 56.7 Mbbl per day of liquids
- Production per share increased by 19% in the first quarter of 2023, compared to the same period in 2022

"Our strong operating performance has continued through the first quarter of 2023," said Ian C. Dundas, President and CEO. "We remain on track to efficiently execute our capital program which is designed to generate attractive free cash flow and deliver profitable growth. Priorities for free cash flow will continue to be focused on returning capital to shareholders and reinforcing the balance sheet."

FIRST QUARTER SUMMARY

Production in the first quarter of 2023 was 97,652 BOE per day, an increase of 6% compared to the same period a year ago, and 9% lower than the prior quarter. Crude oil and natural gas liquids production in the first quarter of 2023 was 56,734 barrels per day, in line with the same period a year ago, and 13% lower than the prior quarter. The higher production compared to the same period in 2022 was driven by the Company's 2022 development plan and strong well performance in North Dakota and the Marcellus. The lower production compared to the prior quarter was due to the planned sequencing of the Company's completions program in North Dakota with no operated wells brought online between mid-October 2022 and mid-February 2023. The sale of substantially all of Enerplus' Canadian assets in the fourth quarter of 2022 with associated production of 6,400 BOE per day (78% liquids) also contributed to the lower production in the first quarter of 2023 compared to the prior quarter.

Enerplus reported first quarter 2023 net income of $137.5 million, or $0.63 per share (basic), compared to net income of $33.2 million, or $0.14 per share (basic), in the same period in 2022. Excluding certain non-cash or non-recurring items, adjusted net income[1] for the first quarter of 2023 was $140.7 million, or $0.65 per share (basic), compared to $145.8 million, or $0.60 per share (basic), during the same period in 2022. First quarter 2023 net income was higher than the prior year period primarily due to a gain in commodity derivative instruments compared to a commodity derivative instrument loss in the prior year quarter.

Enerplus' first quarter 2023 realized Bakken oil price differential was $0.06 per barrel above WTI, compared to $0.35 per barrel below WTI in the first quarter of 2022. Enerplus is revising its 2023 Bakken crude oil price differential guidance to $0.50 per barrel above WTI, from $0.75 per barrel above WTI previously, reflecting the slightly weaker than expected pricing in the first quarter.

The Company's realized Marcellus natural gas price differential was $0.64 per Mcf below NYMEX during the first quarter of 2023, compared to $0.01 per Mcf above NYMEX in the first quarter of 2022. Enerplus expects its Marcellus differential to remain supported during spring and into summer due to a flat outlook on natural gas supply growth and weaker NYMEX pricing. As a result, Enerplus is maintaining its annual Marcellus differential guidance of $0.75 per Mcf below NYMEX.

Operating expenses were $10.56 per BOE in the first quarter of 2023, compared to $10.03 per BOE during the first quarter of 2022. The increase in per unit operating expenses compared to the prior year period was due to inflation adjusted contract pricing, increased gas processing volumes due to improved capture rates, and higher planned well service activity.

Current tax expense was $11.0 million in the first quarter.

Capital spending totaled $138.6 million in the first quarter of 2023. The Company paid $12.0 million in dividends in the quarter and repurchased approximately 3.5 million shares at an average price of $15.37 per share, for total consideration of $54.6 million. Subsequent to March 31, 2023, and up to and including May 3, 2023, Enerplus repurchased 1.1 million shares at an average price of $14.81 per share, for total consideration of $16.0 million.

[1] This is a non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" section for more information.

Enerplus ended the first quarter of 2023 with total debt of $203.2 million and cash of $52.6 million. Enerplus was undrawn on its $1.3 billion credit facilities

OPERATIONS

North Dakota production averaged 66,656 BOE per day during the first quarter of 2023, an increase of 16% compared to the same period a year ago. North Dakota production was 8% lower than the prior quarter due to the planned sequencing of the Company's completions program. During the first quarter, Enerplus drilled 14 gross operated wells (86% average working interest) and brought four gross operated wells (75% working interest) on production in North Dakota. In the second quarter, Enerplus expects to bring approximately 19 – 22 net operated wells on production in North Dakota, including 3 – 5 net refracs. The Company is continuing to operate two drilling rigs throughout 2023.

Marcellus production averaged 180 MMcf per day during the first quarter of 2023, approximately 11% higher than the same period in 2022 and approximately flat to the prior quarter.

RETURN OF CAPITAL TO SHAREHOLDERS

Enerplus remains committed to returning at least 60% of free cash flow generated in 2023 to shareholders through dividends and share repurchases. Based on current market conditions, the Company expects to continue to prioritize share repurchases for the majority of its return of capital plan and intends to complete share repurchases under its remaining normal course issuer bid ("NCIB") by the end of July 2023. Enerplus expects to renew its NCIB in August 2023 for another 10% of the public float (within the meaning under the TSX rules).

As at May 3, 2023, Enerplus had 3.3 million shares remaining under its NCIB.

Enerplus announced a quarterly cash dividend of $0.055 per share payable on June 15, 2023 to shareholders of record on May 31, 2023.

2023 UPDATED GUIDANCE

Enerplus' current 2023 guidance is summarized below. The Company has updated guidance for its Bakken oil price differential to $0.50 per barrel above WTI (from $0.75 per barrel above WTI), production tax of 7% to 8% (from 7%), and transportation expense to $4.20 per BOE (from $4.35 per BOE). All other guidance remains unchanged.

2023 Guidance Summary

	Guidance
Capital spending	$500 – 550 million
Average total production	93,000 – 98,000 BOE/day
Average liquids production	57,000 – 61,000 bbls/day
Average production tax rate (% of net sales, before transportation)	7 – 8% (from 7%)
Operating expense	$10.75 – 11.75/BOE
Transportation expense	$4.20/BOE (from $4.35/BOE)
Cash G&A expense	$1.35/BOE
Current tax expense	5 – 6% of adjusted funds flow before tax

2023 Differential/Basis Outlook[(1)]

	Guidance
U.S. Bakken crude oil differential (compared to WTI crude oil)	$0.50/bbl (from $0.75/bbl)
Marcellus natural gas sales price differential (compared to NYMEX natural gas)	$(0.75)/Mcf

(1) Excluding transportation costs.

Q1 2023 CONFERENCE CALL DETAILS

A conference call hosted by Ian C. Dundas, President and CEO will be held at 9:00 AM MT (11:00 AM ET) on May 5, 2023, to discuss these results. Details of the conference call are as follows:

Date: Friday, May 5, 2023
Time: 9:00 AM MT (11:00 AM ET)
Audiocast: https://app.webinar.net/JmYbPKNEKpo

To immediately join the conference call by phone, without operator assistance, please use the following URL to register and be connected into the conference call by automated call back: https://emportal.ink/3LP3OCW.

To join the call from a live operator managed queue, please dial 1-888-390-0546 (Toll Free) using conference ID 00849157.

To ensure timely participation in the conference call, callers are encouraged to join 15 minutes prior to the start time to register for the event. A telephone replay will be available for 30 days following the conference call and can be accessed at the following numbers:

Replay Dial-In: 1-888-390-0541 (Toll Free)
Replay Passcode: 849157 #

PRICE RISK MANAGEMENT

The following is a summary of Enerplus' financial commodity hedging contracts at May 3, 2023.

	WTI Crude Oil ($/bbl)(1)(2)		NYMEX Natural Gas ($/Mcf)(2)
	Apr 1, 2023 – Jun 30, 2023	**Jul 1, 2023 – Dec 31, 2023**	**Apr 1, 2023 – Oct 31, 2023**
Swaps			
Volume (bbls/day)	10,000	10,000	–
Brent - WTI Spread	$ 5.47	$ 5.47	–
3 Way Collars			
Volume (bbls/day)	15,000	5,000	–
Sold Puts	$ 61.67	$ 65.00	–
Purchased Puts	$ 79.33	$ 85.00	–
Sold Calls	$ 114.31	$ 128.16	–
Collars			
Volume (Mcf/day)	–	–	50,000
Volume (bbls/day)(3)	2,000	2,000	–
Purchased Puts	$ 5.00	$ 5.00	$ 4.05
Sold Calls	$ 75.00	$ 75.00	$ 7.00

(1) The total average deferred premium spent on our outstanding crude oil contracts is $1.32/bbl from April 1, 2023 – June 30, 2023 and $1.07/bbl from July 1, 2023 – December 31, 2023.
(2) Transactions with a common term have been aggregated and presented at weighted average prices and volumes.
(3) Outstanding commodity derivative instruments acquired as part of the Bruin Acquisition completed in 2021.

FIRST QUARTER 2023 PRODUCTION AND OPERATIONAL SUMMARY TABLES

Summary of Average Daily Production(1)

	Three months ended March 31, 2023			
	Williston Basin	**Marcellus**	**Other(2)**	**Total**
Tight oil (bbl/d)	46,625	—	743	47,369
Light & medium oil (bbl/d)	—	—	—	—
Heavy oil (bbl/d)	—	—	—	—
Total crude oil (bbl/d)	**46,625**	**—**	**743**	**47,369**
Natural gas liquids (bbl/d)	**9,276**	**—**	**89**	**9,365**
Shale gas (Mcf/d)	64,531	180,184	793	245,509
Conventional natural gas (Mcf/d)	—	—	—	—
Total natural gas (Mcf/d)	**64,531**	**180,184**	**793**	**245,509**
Total production (BOE/d)	**66,656**	**30,031**	**964**	**97,652**

(1) Table may not add due to rounding.
(2) Primarily DJ Basin.

Summary of Wells Drilled(1)

	Three months ended March 31, 2023			
	Operated		**Non Operated**	
	Gross	Net	Gross	Net
Williston Basin	14	12.0	18	1.5
Marcellus	—	—	12	0.2
DJ Basin	2	2.0	—	—
Total	**16**	**14.0**	**30**	**1.7**

(1) Table may not add due to rounding.

Summary of Wells Brought On-Stream(1)

	Three months ended March 31, 2023			
	Operated		**Non Operated**	
	Gross	Net	Gross	Net
Williston Basin	4	3.0	3	0.1
Marcellus	—	—	13	0.2
DJ Basin	—	—	—	—
Total	**4**	**3.0**	**16**	**0.3**

(1) Table may not add due to rounding.

Currency and Accounting Principles

All amounts in this news release are stated in U.S. dollars unless otherwise specified. All financial information in this news release has been prepared and presented in accordance with U.S. GAAP, except as noted below under "Non-GAAP and Other Financial Measures".

Barrels of Oil Equivalent

This news release contains references to "BOE" (barrels of oil equivalent), "MBOE" (one thousand barrels of oil equivalent), and "MMBOE" (one million barrels of oil equivalent). Enerplus has adopted the standard of six thousand cubic feet of gas to one barrel of oil (6 Mcf: 1 bbl) when converting natural gas to BOEs. BOE, MBOE and MMBOE may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and do not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading.

Basis of Presentation

All production volumes presented in this news release are reported on a "net" basis (the Company's working interest share after deduction of royalty obligations, plus the Company's royalty interests), unless expressly indicated that it is being presented on a "gross" basis.

All references to "liquids" in this news release include light and medium crude oil, heavy oil and tight oil (all together referred to as "crude oil") and NGLs on a combined basis. All references to "natural gas" in this news release include conventional natural gas and shale gas on a combined basis.

Readers are urged to review the 2023 interim Management's Discussion & Analysis (MD&A) and financial statements, and 2022 MD&A and financial statements filed on SEDAR and as part of our Form 6-K and Form 40-F, respectively, on EDGAR concurrently with this news release for more complete disclosure on our operations.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This news release contains certain forward-looking information and statements ("forward-looking information") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "guidance", "ongoing", "may", "will", "project", "plans", "budget", "strategy" and similar expressions are intended to identify forward-looking information. In particular, but without limiting the foregoing, this news release contains forward-looking information pertaining to the following: 2023 production and capital spending guidance; Enerplus' return of capital plans, including expectations regarding payment of dividends and the source of funds related thereto; the funding of dividends and the share repurchase program from free cash flow; the anticipated percentage of free cash flow planned to be returned to shareholders; expectations regarding Enerplus' share purchase program, including the completion of the Company's current NCIB and the timing thereof; the anticipated renewal of the Company's NCIB based on current market conditions, including the timing and size thereof; expectations regarding the number of net operated wells brought on production in the second quarter of 2023; expected operating strategy in 2023 and expectations regarding our drilling program; oil and natural gas prices and differentials and expectations regarding the market environment and our commodity risk management program in 2023; 2023 Bakken and Marcellus differential guidance; expectations regarding realized oil and natural gas prices; and expected operating, transportation and cash G&A expenses and production taxes and 2023 guidance with respect thereto.

The forward-looking information contained in this news release reflects several material factors and expectations and assumptions of Enerplus including, without limitation: the ability to fund our return of capital plans, including both dividends at the current level and the share repurchase program, from free cash flow as expected; that our common share trading price will be at levels, and that there will be no other alternatives, that, in each case, make share repurchases an appropriate and best strategic use of our free cash flows; our ability to achieve, in a timely manner, all necessary regulatory approvals for the renewal of the Company's NCIB; that we will conduct our operations and achieve results of operations as anticipated; the continued operation of the Dakota Access Pipeline; that our development plans will achieve the expected results; that lack of adequate infrastructure will not result in curtailment of production and/or reduced realized prices beyond our current expectations; current and anticipated commodity prices, differentials and cost assumptions; the general continuance of current or, where applicable, assumed industry conditions, the impact of inflation, weather conditions and storage fundamentals; the continuation of assumed tax, royalty and regulatory regimes; the accuracy of the estimates of our reserve and contingent resource volumes; the continued availability of adequate debt and/or equity financing and adjusted funds flow to fund our capital, operating and working capital requirements, and dividend payments as needed; our ability to comply with our debt covenants; our ability to meet the targets associated with our credit facilities; the availability of third party services; expected transportation expenses; the extent of our liabilities; and the availability of technology and process to achieve environmental targets.

In addition, our 2023 guidance described in this news release is based on: a WTI price of $80.00/bbl, a NYMEX price of $3.00/Mcf, a Bakken crude oil price differential of $0.50/bbl above WTI, a Marcellus natural gas price differential of $0.75/Mcf below NYMEX and a CDN/USD exchange rate of 0.74. Enerplus believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty.

The forward-looking information included in this news release is not a guarantee of future performance and should not be unduly relied upon. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information including, without limitation: continued instability, or further deterioration, in global economic and market environment, including from inflation and/or the Ukraine/Russia conflict and heightened geopolitical risks; decreases in commodity prices or volatility in commodity prices; changes in realized prices of Enerplus' products from those currently anticipated; changes in the demand for or supply of our products, including global energy demand; volatility in our common share trading price and free cash flow that could impact our planned share repurchases and dividend levels; unanticipated operating results, results from our capital spending activities or production declines; legal proceedings or other events inhibiting or preventing operation of the Dakota Access Pipeline; curtailment of our production due to low realized prices or lack of adequate infrastructure; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in our capital plans or by third party operators of our properties; increased debt levels or debt service requirements; inability to comply with debt covenants under our credit facilities and/or outstanding senior notes; inaccurate estimation of our oil and gas reserve and contingent resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; reliance on industry partners and third party service providers; changes in law or government programs or policies in Canada or the United States; and certain other risks detailed from time to time in our public disclosure documents (including, without limitation, those risks identified in our first quarter 2023 MD&A, our annual information form for the year ended December 31, 2022, our 2022 annual MD&A and Form 40-F as at December 31, 2022).

The forward-looking information contained in this news release speaks only as of the date of this news release. Enerplus does not undertake any obligation to publicly update or revise any forward-looking information contained herein, except as required by applicable laws. Any forward-looking information contained herein are expressly qualified by this cautionary statement.

NON-GAAP AND OTHER FINANCIAL MEASURES

Readers are referred to “Non-GAAP and Other Financial Measures” in Enerplus’ first quarter 2023 MD&A for supplementary financial measures, which information is incorporated by reference to this new release.

Non-GAAP Financial Measures

This news release includes references to certain non-GAAP financial measures and non-GAAP ratios used by the Company to evaluate its financial performance, financial position or cash flow. Non-GAAP financial measures are financial measures disclosed by a company that (a) depict historical or expected future financial performance, financial position or cash flow of a company, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the company, (c) are not disclosed in the financial statements of the company and (d) are not a ratio, fraction, percentage or similar representation. Non-GAAP ratios are financial measures disclosed by a company that are in the form of a ratio, fraction, percentage or similar representation that has a non-GAAP financial measure as one or more of its components, and that are not disclosed in the financial statements of the company.

These non-GAAP financial measures and non-GAAP ratios do not have standardized meanings or definitions as prescribed by U.S. GAAP and may not be comparable with the calculation of similar financial measures by other entities.

For each measure, we have: (a) indicated the composition of the measure; (b) identified the most directly comparable GAAP financial measure and provided comparative detail where appropriate; (c) indicated the reconciliation of the measure to the most directly comparable GAAP financial measure to the extent one exists; and (d) provided details on the usefulness of the measure for the reader. These non-GAAP financial measures and non-GAAP ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

“Adjusted net income” is used by Enerplus and is useful to investors and securities analysts in evaluating the financial performance of the company by adjusting for certain unrealized items and other items that the company considers appropriate to adjust given their irregular nature. The most directly comparable GAAP measure is net income/(loss).

	Three months ended March 31,	
($ millions)	2023	2022
Net income/(loss)	**$ 137.5**	**$ 33.2**
Unrealized derivative instrument, foreign exchange and marketable securities (gain)/loss	4.6	134.5
Other expense related to investing activities	—	13.1
Tax effect	(1.4)	(35.0)
Adjusted net income/(loss)	**$ 140.7**	**$ 145.8**

“Free cash flow” is used by Enerplus and is useful to investors and securities analysts in analyzing operating and financial performance, leverage and liquidity. Free cash flow is calculated as adjusted funds flow minus capital spending. The most directly comparable GAAP measure is cash flow from operating activities.

	Three months ended March 31,	
($ millions)	2023	2022
Cash flow from/(used in) operating activities	$ 241.4	$ 196.0
Asset retirement obligation settlements	6.8	8.8
Changes in non-cash operating working capital	12.2	57.1
Adjusted funds flow	**$ 260.4**	**$ 261.9**
Capital spending	(138.6)	(99.0)
Free cash flow	**$ 121.8**	**$ 162.9**

Other Financial Measures

CAPITAL MANAGEMENT MEASURES

Capital management measures are financial measures disclosed by a company that (a) are intended to enable an individual to evaluate a company’s objectives, policies and processes for managing the company's capital, (b) are not a component of a line item disclosed in the primary financial statements of the company, (c) are disclosed in the notes to the financial statements of the company, and (d) are not disclosed in the primary financial statements of the company. The following section provides an explanation of the composition of those capital management measures if not previously provided:

“Adjusted funds flow” is used by Enerplus and is useful to investors and securities analysts, in analyzing operating and financial performance, leverage and liquidity. The most directly comparable GAAP measure is cash flow from operating activities. Adjusted funds flow is calculated as cash flow from operating activities before asset retirement obligation expenditures and changes in non-cash operating working capital.

“Net debt” is calculated as current and long-term debt associated with senior notes plus any outstanding bank credit facilities balances, less cash and cash equivalents. “Net debt” is useful to investors and securities analysts in analyzing financial liquidity and Enerplus considers net debt to be a key measure of capital management. For further details, see Note 5 to the Interim Financial Statements.

“Net debt to adjusted funds flow ratio” is used by Enerplus and is useful to investors and securities analysts in analyzing leverage and liquidity. The net debt to adjusted funds flow ratio is calculated as net debt divided by a trailing twelve months of adjusted funds flow. There is no directly comparable GAAP equivalent for this measure, and it is not equivalent to any of our debt covenants.

SUPPLEMENTARY FINANCIAL MEASURES

Supplementary financial measures are financial measures disclosed by a company that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of a company, (b) are not disclosed in the financial statements of the company, (c) are not non-GAAP financial measures, and (d) are not non-GAAP ratios. The following section provides an explanation of the composition of those supplementary financial measures if not previously provided:

“Capital spending” Capital and office expenditures, excluding other capital assets/office capital and property and land acquisitions and divestments.

“Cash general and administrative expenses” or “Cash G&A expenses” General and administrative expenses that are settled through cash payout, as opposed to expenses that relate to accretion or other non-cash allocations that are recorded as part of general and administrative expenses.

Electronic copies of Enerplus’ first quarter 2023 and annual 2022 Financial Statements and associated MD&As, along with other public information including investor presentations, are or will be available on the Company’s website at www.enerplus.com. For further information, please contact Investor Relations at 1-800-319-6462 or email investorrelations@enerplus.com.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

The following discussion and analysis of financial results is dated May 4, 2023 and is to be read in conjunction with:

- the unaudited interim condensed consolidated financial statements of Enerplus Corporation ("Enerplus" or the "Company") at and for the three months ended March 31, 2023 and 2022 (the "Interim Financial Statements") and notes thereto;
- the audited consolidated financial statements of Enerplus at December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020; and
- the MD&A for the year ended December 31, 2022 (the "Annual MD&A").

The following MD&A contains forward-looking information and statements. We refer you to the end of the MD&A under "Forward-Looking Information and Statements" for further information. The following MD&A also contains financial measures that do not have a standardized meaning as prescribed by accounting principles generally accepted in the United States of America ("U.S. GAAP"). See "Non-GAAP Measures" at the end of the MD&A for further information. In addition, the following MD&A contains disclosure regarding certain risks and uncertainties associated with Enerplus' business. See "Risk Factors and Risk Management" in the Annual MD&A and "Risk Factors" in Enerplus' Annual Information Form for the year ended December 31, 2022 (the "Annual Information Form").

BASIS OF PRESENTATION

The Interim Financial Statements and notes thereto have been prepared in accordance with U.S. GAAP. Unless otherwise stated, all dollar amounts are presented in U.S. dollars. Certain prior period amounts have been restated to conform with current period presentation as a result of the voluntary and retroactively applied change in the presentation currency from Canadian to U.S. dollars adopted by the Company in the fourth quarter of 2021.

The functional currency of the parent company changed from Canadian dollars to U.S. dollars effective January 1, 2023. This was the result of a gradual change in the primary economic environment in which the entity operates, culminating in the sale of Enerplus' remaining Canadian operating assets at the end of 2022. This has triggered a prospective change as of January 1, 2023 in functional currency of the parent entity to U.S. dollars, consistent with the functional currency of its U.S. subsidiaries. All assets and liabilities held by the parent company were translated at the exchange rate at December 31, 2022 to determine opening balances in U.S. dollars. Amounts that are part of Shareholders' Equity of the parent company were translated at historical exchange rates. Monetary assets and liabilities denominated in Canadian dollars will be revalued at current exchange rates at each reporting period. Upon settlement and/or realization of Canadian dollar denominated assets and liabilities, there may be realized foreign exchange gains and losses depending on the change in the foreign exchange rate when the transaction was originally recorded and the final settlement date.

Where applicable, natural gas has been converted to barrels of oil equivalent ("BOE") based on 6 Mcf:1 BOE and crude oil and natural gas liquids ("NGL") have been converted to thousand cubic feet of gas equivalent ("Mcfe") based on 0.167 bbl:1 Mcfe. The BOE and Mcfe rates are based on an energy equivalent conversion method primarily applicable at the burner tip and do not represent a value equivalent at the wellhead. Given that the value ratio based on the current price of natural gas as compared to crude oil is significantly different from the energy equivalency of 6:1 or 0.167:1, as applicable, utilizing a conversion on this basis may be misleading as an indication of value. Use of BOE and Mcfe in isolation may be misleading.

In accordance with U.S. GAAP, crude oil and natural gas sales are presented net of royalties in the Financial Statements. In addition, unless otherwise noted, all production volumes are presented on a "net" basis (after deduction of royalty obligations plus the Company's royalty interests) consistent with U.S. oil and gas reporting standards.

All references to "liquids" in this MD&A include light and medium oil, heavy oil and tight oil (all together referred to as "crude oil") and natural gas liquids on a combined basis. All references to "natural gas" in this MD&A include conventional natural gas and shale gas.

OVERVIEW

Production during the first quarter of 2023 averaged 97,652 BOE/day, a decrease of 9% compared to average production of 106,915 BOE/day in the fourth quarter of 2022, with crude oil and natural gas liquids production decreasing by 13% over the same period. The decrease in production was due to the sale of substantially all of our Canadian assets in the fourth quarter of 2022 with associated production of 6,400 BOE/day (78% liquids), and the planned sequencing of the Company's completions program in North Dakota with no operated wells brought online between mid-October 2022 and mid-February 2023. We are maintaining our average annual production guidance for 2023 of 93,000 BOE/day - 98,000 BOE/day, including 57,000 bbls/day - 61,000 bbls/day of crude oil and natural gas liquids production.

During the first quarter of 2023, a total of $66.6 million was returned to shareholders through share repurchases and dividends. As previously announced, we plan to return at least 60% of free cash flow[1] to our shareholders in 2023 through share repurchases and dividends, based on current market conditions. In connection with this plan, the Board of Directors approved a second quarter dividend of $0.055 per share to be paid in June 2023. Based on current market conditions, the Company expects to continue to prioritize share repurchases for the majority of its return of capital plan and intends to complete its remaining Normal Course Issuer Bid ("NCIB") authorization by the end of July 2023. We expect to fund the dividend and share repurchases through the free cash flow generated by the business.

Capital spending during the first quarter of 2023 was $138.6 million, compared to $85.6 million during the fourth quarter of 2022, with the majority of the spending focused on our U.S. crude oil properties. The increase in capital spending was due to increased drilling and completions activity on our North Dakota properties, offset by reduced capital activity on our Marcellus natural gas assets. We continue to expect capital spending for 2023 to range between $500 - $550 million.

Our realized Bakken crude oil price differential averaged $0.06/bbl above WTI during the first quarter of 2023, compared to $1.05/bbl above WTI during the fourth quarter of 2022. The weaker realized differential was due to lower prices for crude oil delivered to the U.S. Gulf Coast and a decrease in U.S. refinery demand due to seasonal maintenance. Given the slightly weaker than expected pricing in the first quarter of 2023, we expect our 2023 realized Bakken crude oil price differential to average $0.50/bbl above WTI, compared to previous guidance of $0.75/bbl above WTI.

Our realized Marcellus sales price differential averaged $0.64/Mcf below NYMEX in the first quarter of 2023 compared to $1.18/Mcf below NYMEX in the fourth quarter of 2022. The narrower differential was due to strong regional prices in January 2023, particularly in the Transco Zone 6 Non-New York market. A significant portion of our production receives prices reflecting market conditions south of New York at Transco Zone 6 Non-New York, which averaged $3.35/Mcf above NYMEX in the first quarter of 2023 compared to a discount to NYMEX in the fourth quarter of 2022. We continue to expect our annual realized Marcellus differential to average $0.75/Mcf below NYMEX.

Operating expenses for the first quarter of 2023 decreased to $92.8 million, or $10.56/BOE, compared to $95.2 million, or $9.68/BOE during the fourth quarter of 2022. On a per BOE basis, the increase was due to lower production during the first quarter of 2023, inflation adjusted contract pricing and higher planned well service activity. We continue to expect our operating expenses for 2023 to range between $10.75/BOE – $11.75/BOE.

We reported net income of $137.5 million in the first quarter of 2023, compared to net income of $330.7 million in the fourth quarter of 2022. Net income decreased primarily due to a $151.9 million gain on the sale of substantially all of our Canadian assets recorded in the fourth quarter of 2022, and lower production and commodity prices in the first quarter of 2023.

In the first quarter of 2023, cash flow from operating activities and adjusted funds flow decreased to $241.4 million and $260.4 million, respectively, compared to $316.6 million and $315.4 million in the fourth quarter of 2022. The decrease was primarily due to lower production and commodity prices, offset by higher realized commodity derivative instrument gains.

At March 31, 2023 net debt decreased to $150.6 million, compared to $221.5 million at December 31, 2022. Net debt was calculated as total debt, which was comprised of our senior notes, less cash on hand of $52.6 million. We were undrawn on our $900 million sustainability linked lending ("SLL") bank credit facility and our $365 million SLL bank credit facility (together referred to as the "Bank Credit Facilities"), at March 31, 2023. Our net debt to adjusted funds flow ratio decreased to 0.1x from 0.2x in the fourth quarter of 2022.

[1] This financial measure is a non-GAAP measure. See "Non-GAAP Measures" section in this MD&A.

RESULTS OF OPERATIONS

Production

Production during the first quarter of 2023 averaged 97,652 BOE/day, a decrease of 9% compared to average production of 106,915 BOE/day in the fourth quarter of 2022, with crude oil and natural gas liquids production decreasing by 13% over the same period. The decrease in production was due to the sale of substantially all of our Canadian assets in the fourth quarter of 2022 with associated production of 6,400 BOE/day (78% liquids), and the planned sequencing of the Company's completions program in North Dakota with no operated wells brought online between mid-October 2022 and mid-February 2023.

For the three months ended March 31, 2023, total production increased by 6% when compared to the same period in 2022. The increase in production was due to strong well performance on new wells brought online and increased drilling and completions activity in both North Dakota and the Marcellus during 2022, offset by the sale of substantially all of our Canadian assets in the fourth quarter of 2022.

Our crude oil and natural gas liquids weighting in the first quarter of 2023 decreased to 58% from 61%, compared to the same period in 2022, primarily due to the Canadian asset divestments in the fourth quarter of 2022.

We are maintaining our annual average production guidance for 2023 of 93,000 BOE/day - 98,000 BOE/day, including 57,000 bbls/day - 61,000 bbls/day of crude oil and natural gas liquids production.

Average daily production volumes for the three months ended March 31, 2023 and 2022 are outlined below:

	Three months ended March 31,		
Average Daily Production Volumes	**2023**	**2022**	**% Change**
Light and medium oil (bbls/day)	—	2,172	(100%)
Heavy oil (bbls/day)	—	3,034	(100%)
Tight oil (bbls/day)	47,369	42,428	12%
Total crude oil (bbls/day)	47,369	47,634	(1%)
Natural gas liquids (bbls/day)	9,365	8,377	12%
Conventional natural gas (Mcf/day)	—	7,193	(100%)
Shale gas (Mcf/day)	245,509	209,918	17%
Total natural gas (Mcf/day)	245,509	217,111	13%
Total daily sales (BOE/day)	97,652	92,196	6%

Pricing

The prices received for crude oil, natural gas liquids and natural gas production directly impact our earnings, cash flow from operating activities, adjusted funds flow and financial condition. The following table compares quarterly average benchmark prices, selling prices and differentials:

Pricing (average for the period)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Benchmarks					
WTI crude oil ($/bbl)	$ 76.13	$ 82.65	$ 91.56	$ 108.41	$ 94.29
Brent (ICE) crude oil ($/bbl)	82.22	88.60	97.81	111.78	97.38
Propane – Conway ($/bbl)	32.99	34.21	44.73	51.16	54.05
NYMEX natural gas – last day ($/Mcf)	3.42	6.26	8.20	7.17	4.95
CDN/US average exchange rate	0.74	0.74	0.77	0.78	0.79
CDN/US period end exchange rate	0.74	0.74	0.72	0.78	0.80
Enerplus selling price(1)					
Crude oil ($/bbl)	$ 76.34	$ 83.06	$ 92.48	$ 108.77	$ 91.95
Natural gas liquids ($/bbl)	20.55	21.88	32.04	33.31	37.78
Natural gas ($/Mcf)	3.08	4.76	6.53	6.11	4.62
Average differentials					
Bakken DAPL – WTI ($/bbl)	$ 1.32	$ 3.19	$ 3.60	$ 2.99	$ 0.71
Brent (ICE) – WTI ($/bbl)	6.09	5.95	6.25	3.37	3.09
Transco Leidy monthly – NYMEX ($/Mcf)	(0.54)	(1.51)	(1.06)	(0.90)	(0.71)
Transco Z6 Non-New York monthly – NYMEX ($/Mcf)	3.35	(0.20)	(0.85)	(0.87)	1.42
Enerplus realized differentials(1)(2)					
Bakken crude oil – WTI ($/bbl)	$ 0.06	$ 1.05	$ 2.41	$ 0.85	$ (0.35)
Marcellus natural gas – NYMEX ($/Mcf)	(0.64)	(1.18)	(0.99)	(0.59)	0.01

(1) Excluding transportation costs, and the effects of commodity derivative instruments.
(2) Based on a weighted average differential for the period.

CRUDE OIL AND NATURAL GAS LIQUIDS

During the first quarter of 2023, our realized crude oil sales price averaged $76.34/bbl, a decrease of 8% compared to the fourth quarter of 2022, and in line with the decrease in the underlying benchmark WTI price over the same period. WTI crude oil declined during the first quarter of 2023 primarily due to demand-related concerns resulting from rising interest rates as well as concerns over a global recession. Additionally, crude oil inventories built up during the quarter due to seasonal declines in demand with scheduled refinery maintenance. In response to the decline in global oil prices in late March 2023, the Organization of the Petroleum Exporting Countries (“OPEC”) voluntarily reduced production targets for the remainder of the year beginning May 2023, in an effort to stabilize crude oil prices.

Our realized Bakken crude oil price differential averaged $0.06/bbl above WTI during the first quarter of 2023, compared to $1.05/bbl above WTI during the fourth quarter of 2022. The weaker realized differential was due to lower prices for crude oil delivered to the U.S. Gulf Coast and a decrease in U.S. refinery demand due to seasonal maintenance. Given slightly weaker than expected pricing, we expect our 2023 realized Bakken crude oil price differential to average $0.50/bbl above WTI, compared to previous guidance of $0.75/bbl above WTI.

Our realized sales price for natural gas liquids averaged $20.55/bbl during the first quarter of 2023 compared to $21.88/bbl during the fourth quarter of 2022, which was largely in line with changes to benchmark liquids prices during the quarter.

NATURAL GAS

Our realized natural gas sales price averaged $3.08/Mcf during the first quarter of 2023, a decrease of 35% compared to the fourth quarter of 2022, while the NYMEX benchmark price decreased by 45% over the same period. The difference in price realization versus the benchmark was due to seasonally stronger gas prices in the Marcellus, resulting in a narrower differential in the first quarter of 2023.

In the Marcellus, our sales price differential averaged $0.64/Mcf below NYMEX in the first quarter of 2023 compared to $1.18/Mcf below NYMEX in the fourth quarter of 2022. The narrower differential was due to stronger regional prices in January 2023, particularly in the Transco Zone 6 Non-New York market. We expect our Marcellus differential to remain supported during spring and into summer due to a flat outlook on natural gas supply growth, despite weaker NYMEX pricing. As a result, we are maintaining our annual guidance of $0.75/Mcf below NYMEX.

FOREIGN EXCHANGE

Fluctuations in the CDN/US dollar exchange rate impacts our Canadian dollar denominated amounts such as general and administrative ("G&A") expenses and dividends paid to shareholders who have elected to receive dividends in Canadian dollars. The period end exchange rate was consistent at March 31, 2023, compared to December 31, 2022, at $0.74 CDN/US. The average Canadian dollar exchange rate of $0.74 CDN/US for the first quarter of 2023 was weaker than the same period in 2022 when it averaged $0.79 CDN/US.

Price Risk Management

We have a price risk management program that considers our overall financial position and the economics of our capital program.

We expect our commodity derivative contracts to continue to protect a portion of our cash flow from operating activities and adjusted funds flow. As of May 3, 2023, we have hedged 15,000 bbls/day of WTI exposure for the second quarter of 2023, and 5,000 bbls/day for the second half of 2023. We have also hedged 50,000 Mcf/day of NYMEX exposure for the period from April 1, 2023 to October 31, 2023. Our crude oil contracts include three-way collars, which limits upward price participation to the call strike level; additionally, the sold put limits the amount of downside protection we have to the difference between the strike price of the purchased and sold puts.

The following is a summary of our financial contracts in place at May 3, 2023:

	WTI Crude Oil ($/bbl)(1)(2)		NYMEX Natural Gas ($/Mcf)(2)
	Apr 1, 2023 – Jun 30, 2023	**Jul 1, 2023 – Dec 31, 2023**	**Apr 1, 2023 – Oct 31, 2023**
Swaps			
Volume (bbls/day)	10,000	10,000	–
Brent - WTI Spread	$ 5.47	$ 5.47	–
3 Way Collars			
Volume (bbls/day)	15,000	5,000	–
Sold Puts	$ 61.67	$ 65.00	–
Purchased Puts	$ 79.33	$ 85.00	–
Sold Calls	$ 114.31	$ 128.16	–
Collars			
Volume (Mcf/day)	–	–	50,000
Volume (bbls/day)(3)	2,000	2,000	–
Purchased Puts	$ 5.00	$ 5.00	$ 4.05
Sold Calls	$ 75.00	$ 75.00	$ 7.00

(1) The total average deferred premium spent on our outstanding crude oil contracts is $1.32/bbl from April 1, 2023 – June 30, 2023 and $1.07/bbl from July 1, 2023 – December 31, 2023.
(2) Transactions with a common term have been aggregated and presented at weighted average prices and volumes.
(3) Outstanding commodity derivative instruments acquired as part of the Bruin Acquisition completed in 2021.

ACCOUNTING FOR PRICE RISK MANAGEMENT

Commodity Risk Management Gains/(Losses) ($ millions)	**Three months ended March 31,** **2023**	**2022**
Realized gains/(losses):		
Crude oil	$ 3.4	$ (72.7)
Natural gas	30.9	(0.4)
Total realized gains/(losses)	$ 34.3	$ (73.1)
Unrealized gains/(losses):		
Crude oil	$ 3.8	$ (95.7)
Natural gas	(10.1)	(38.0)
Total unrealized gains/(losses)	$ (6.3)	$ (133.7)
Total commodity derivative instruments gains/(losses)	$ 28.0	$ (206.8)

(Per BOE)	**Three months ended March 31,** **2023**	**2022**
Total realized gains/(losses)	$ 3.90	$ (8.81)
Total unrealized gains/(losses)	(0.72)	(16.11)
Total commodity derivative instruments gains/(losses)	$ 3.18	$ (24.92)

During the three months ended March 31, 2023, Enerplus realized gains of $3.4 million on our crude oil contracts, compared to realized losses of $72.7 million for the same period in 2022. For the three months ended March 31, 2023, realized gains of $30.9 million were recorded on our natural gas contracts, compared to realized losses of $0.4 million for the same period in 2022. Realized gains recorded during the three months ended March 31, 2023 were due to commodity prices falling below the purchased put values on our commodity derivative contracts.

As the forward markets for crude oil and natural gas fluctuate, as new contracts are executed, and as existing contracts are realized, changes in fair value are reflected as either a non-cash charge or gain to earnings. At March 31, 2023, the fair value of our crude oil and natural gas contracts was in a net asset position of $20.5 million (December 31, 2022 – net asset position of $26.1 million). For the three months ended March 31, 2023, the change in the fair value of our crude oil contracts resulted in an unrealized gain of $3.8 million, compared to an unrealized loss of $95.7 million during the same period in 2022. For the three months ended March 31, 2023, we recorded an unrealized loss on our natural gas contracts of $10.1 million, compared to an unrealized loss of $38.0 million during the same period in 2022.

Crude Oil and Natural Gas Sales

($ millions, except per BOE amounts)	**Three months ended March 31,** **2023**	**2022**
Crude oil and natural gas sales	$ 413.2	$ 513.2
Per BOE	$ 47.02	$ 61.84

Crude oil and natural gas sales for the three months ended March 31, 2023 were $413.2 million or $47.02/BOE, compared to $513.2 million or $61.84/BOE for the same period in 2022. The decrease in revenue was primarily due to lower commodity prices.

Operating Expenses

($ millions, except per BOE amounts)	**Three months ended March 31,** **2023**	**2022**
Operating expenses	$ 92.8	$ 83.2
Per BOE	$ 10.56	$ 10.03

For three months ended March 31, 2023, operating expenses were $92.8 million, or $10.56/BOE, compared to $83.2 million, or $10.03/BOE, for the same period in 2022. The increase was due to inflation adjusted contract pricing, increased gas processing volumes due to improved capture rates, and higher planned well service activity.

We continue to expect our operating expenses for 2023 to range between $10.75/BOE – $11.75/BOE.

Transportation Costs

($ millions, except per BOE amounts)	Three months ended March 31, 2023	2022
Transportation costs	$ 37.8	$ 35.8
Per BOE	$ 4.30	$ 4.32

For three months ended March 31, 2023, transportation costs were $37.8 million, or $4.30/BOE, consistent with $35.8 million, or $4.32/BOE, for the same period in 2022.

We are revising our transportation costs guidance for 2023 to $4.20/BOE from $4.35/BOE.

Production Taxes

($ millions, except per BOE amounts)	Three months ended March 31, 2023	2022
Production taxes	$ 30.1	$ 35.4
Per BOE	$ 3.43	$ 4.26
Production taxes (% of crude oil and natural gas sales)	7.3%	6.9%

Production taxes for three months ended March 31, 2023 were $30.1 million, or 7.3%, compared to $35.4 million, or 6.9%, for the same period in 2022. The decrease in total production taxes was due to lower realized prices and the effect of the Canadian divestments in the fourth quarter of 2022, partially offset by increased U.S. crude oil production which has higher rates of production tax.

We are revising our production taxes guidance for 2023 to range between 7% - 8% from an average of 7%.

Netbacks

The crude oil and natural gas classifications below contain properties according to their dominant production category. These properties may include associated crude oil, natural gas or natural gas liquids volumes which have been converted to the equivalent BOE/day or Mcfe/day and, as such, the revenue per BOE or per Mcfe may not correspond with the average selling price under the “Pricing” section of this MD&A.

	Three months ended March 31, 2023		
Netbacks by Property Type	**Crude Oil**	**Natural Gas**	**Total**
Average Daily Production	67,552 BOE/day	180,599 Mcfe/day	97,652 BOE/day
Netback $ per BOE or Mcfe	(per BOE)	(per Mcfe)	(per BOE)
Crude oil and natural gas sales	$ 60.42	$ 2.82	$ 47.02
Operating expenses	(14.84)	(0.16)	(10.56)
Transportation costs	(3.89)	(0.87)	(4.30)
Production taxes	(4.89)	(0.02)	(3.43)
Netback before impact of commodity derivative contracts	$ 36.80	$ 1.77	$ 28.73
Realized hedging gains/(losses)	0.55	1.90	3.90
Netback after impact of commodity derivative contracts	$ 37.35	$ 3.67	$ 32.63
Netback before impact of commodity derivative contracts(1) ($ millions)	$ 223.7	$ 28.8	$ 252.5
Netback after impact of commodity derivative contracts(1) ($ millions)	$ 227.1	$ 59.7	$ 286.8

(1) This financial measure is a non-GAAP financial measure. See “Non-GAAP Measures” section in this MD&A.

Netbacks by Property Type	Three months ended March 31, 2022 Crude Oil	Natural Gas	Total
Average Daily Production	64,036 BOE/day	168,959 Mcfe/day	92,196 BOE/day
Netback $ per BOE or Mcfe	(per BOE)	(per Mcfe)	(per BOE)
Crude oil and natural gas sales	$ 76.05	$ 4.92	$ 61.84
Operating expenses	(13.78)	(0.25)	(10.03)
Transportation costs	(3.86)	(0.89)	(4.32)
Production taxes	(6.01)	(0.05)	(4.26)
Netback before impact of commodity derivative contracts	$ 52.40	$ 3.73	$ 43.23
Realized hedging gains/(losses)	(12.61)	(0.03)	(8.81)
Netback after impact of commodity derivative contracts	$ 39.79	$ 3.70	$ 34.42
Netback before impact of commodity derivative contracts(1) ($ millions)	$ 302.0	$ 56.8	$ 358.8
Netback after impact of commodity derivative contracts(1) ($ millions)	$ 229.3	$ 56.4	$ 285.7

(1) This financial measure is a non-GAAP financial measure. See “Non-GAAP Measures” section in this MD&A.

Total netbacks before hedging were lower for the three months ended March 31, 2023, compared to the same period in 2022, primarily due to lower realized prices. Total netbacks after hedging for the three months ended March 31, 2023 were consistent with the same period in 2022.

For the three months ended March 31, 2023, crude oil properties accounted for 89% of total netback before hedging, compared to 84% during the same period in 2022.

G&A Expenses

Total G&A expenses include G&A expenses and share-based compensation (“SBC”) charges related to our long-term incentive plans (“LTI plans”).

($ millions)	Three months ended March 31, 2023	2022
Cash:		
G&A expenses	$ 13.0	$ 11.2
Share-based compensation expense/(recovery)	(0.9)	2.1
Non-Cash:		
Share-based compensation expense	7.5	4.8
Equity swap gain	—	(0.4)
G&A recovery	(0.1)	(0.1)
Total G&A expenses	$ 19.5	$ 17.6

(Per BOE)	Three months ended March 31, 2023	2022
Cash:		
G&A expenses	$ 1.48	$ 1.35
Share-based compensation expense/(recovery)	(0.10)	0.25
Non-Cash:		
Share-based compensation expense	0.85	0.58
Equity swap gain	—	(0.05)
G&A recovery	(0.01)	(0.01)
Total G&A expenses	$ 2.22	$ 2.12

Cash G&A expenses for three months ended March 31, 2023 were $13.0 million, or $1.48/BOE, compared to $11.2 million, or $1.35/BOE for the same period in 2022. Total cash G&A expenses increased due to inflationary pressure on labour and services.

SBC can be equity-settled or cash-settled, depending on the underlying plan to which it relates. Cash-settled SBC recovery was $0.9 million or $0.10/BOE for the three months ended March 31, 2023, compared to an expense of $2.1 million or $0.25/BOE for the same period in 2022, and relates to our director plans. The recovery was due to a decrease in Enerplus' share price in 2023 compared to an increase in share price in the same period in 2022.

Equity-settled non-cash SBC was $7.5 million or $0.85/BOE for the three months ended March 31, 2023, compared to $4.8 million or $0.58/BOE, for the same period in 2022. Performance Share Units ("PSUs"), as one of the equity-settled LTI plans, are impacted by performance multipliers. For the three months ended March 31, 2023, the applicable multiplier was higher, resulting in an increase in expense compared to the same period in 2022.

Enerplus previously had hedged a portion of the outstanding cash-settled units under our LTI plans. In the first quarter of 2022, we recorded a market-to-market gain of $0.4 million, as a result of the higher share price. Enerplus settled its equity derivative contracts during 2022 and did not have any equity derivatives outstanding at March 31, 2023.

We continue to expect our cash G&A expenses guidance for 2023 to be $1.35/BOE.

Interest Expense

For the three months ended March 31, 2023, we recorded a total interest expense of $4.3 million compared to $6.1 million for the same period in 2022. The decrease was primarily due to lower debt levels in the first quarter of 2023, compared to the first quarter of 2022, as free cash flow was used to repay debt.

At March 31, 2023, our Bank Credit Facilities were undrawn and all of Enerplus' debt was based on fixed interest rates (December 31, 2022 – 78% fixed and 22% floating), with a weighted average interest rate of 4.1% (December 31, 2022 – 4.1% fixed and 5.7% floating).

Foreign Exchange

	Three months ended March 31,	
($ millions)	2023	2022
Realized:		
Foreign exchange (gain)/loss	$ 0.1	$ (0.3)
Unrealized:		
Foreign exchange (gain)/loss on Canadian dollar working capital in parent company	(0.2)	—
Foreign exchange (gain)/loss on U.S. dollar working capital in parent company	—	1.2
Total foreign exchange (gain)/loss	$ (0.1)	$ 0.9
CDN/US average exchange rate	0.74	0.79
CDN/US period end exchange rate	0.74	0.80

For three months ended March 31, 2023, Enerplus recorded a foreign exchange gain of $0.1 million compared to a loss of $0.9 million for the same period in 2022.

Enerplus is exposed to foreign exchange risk as it relates to certain activities transacted in Canadian dollars. The parent company and its subsidiaries have a U.S. dollar functional currency, and the parent company has both U.S. and Canadian dollar transactions. Canadian denominated monetary assets and liabilities are subject to revaluation from the source currency of Canadian dollars to the functional currency of U.S. dollars, generating realized and unrealized foreign exchange (gains)/losses in the Condensed Consolidated Statements of Income/(Loss).

Following the change in functional currency of the parent company to U.S. dollars on January 1, 2023, the net investment hedge on the U.S. dollar denominated debt held in the parent entity for the U.S. subsidiaries was no longer required. Previously, the unrealized foreign exchange gains and losses arising from the translation of the debt were recorded in Other Comprehensive Income/(Loss), net of tax, and were limited by the cumulative translation gain or loss on the net investment in the U.S. subsidiaries. For the three months ended March 31, 2023, there was no unrealized foreign exchange gain or loss recorded in Other Comprehensive Income/(Loss) compared to an unrealized gain of $5.4 million on Enerplus' U.S. denominated senior notes and Bank Credit Facilities for the three months ended March 31, 2022.

Property, Plant and Equipment ("PP&E")

($ millions)	Three months ended March 31, 2023	2022
Capital spending[1]	$ 138.6	$ 99.0
Office capital	(0.2)	0.3
Sub-total	138.4	99.3
Property and land acquisitions	1.7	1.9
Property divestments[1]	(0.2)	(6.6)
Sub-total	1.5	(4.7)
Total	$ 139.9	$ 94.6

(1) Excludes changes in non-cash investing working capital.

Capital spending for the three months ended March 31, 2023 totaled $138.6 million, compared to $99.0 million for the same period in 2022. The increase was mainly due to increased capital activity on our North Dakota properties. Capital spending during the first quarter of 2023 included $134.6 million on our U.S. crude oil properties and $4.0 million on our Marcellus natural gas properties.

We continue to expect capital spending for 2023 to range between $500 - $550 million.

Depletion, Depreciation and Accretion ("DD&A")

($ millions, except per BOE amounts)	Three months ended March 31, 2023	2022
DD&A expense	$ 87.1	$ 66.7
Per BOE	$ 9.91	$ 8.04

DD&A related to PP&E is recognized using the unit of production method based on proved reserves. Enerplus recorded DD&A expense of $87.1 million, or $9.91/BOE, for the three months ended March 31, 2023 compared to $66.7 million, or $8.04/BOE, in the same period in 2022. The increase in per BOE for the three months ended March 31, 2023 is primarily a result of reserve additions and revisions at December 31, 2022.

Asset Retirement Obligation ("ARO")

In connection with our operations, we incur abandonment, reclamation and remediation costs related to assets, such as surface leases, wells, facilities and pipelines. Total ARO included on the Condensed Consolidated Balance Sheet is based on management's estimate of our net ownership interest, costs to abandon, reclaim and remediate, the timing of the costs to be incurred in future periods and estimates for inflation. We have estimated the net present value of our asset retirement obligation to be $116.1 million at March 31, 2023, compared to $114.7 million at December 31, 2022.

For the three months ended March 31, 2023, ARO settlements were $6.8 million, compared to $8.8 million during the same period in 2022.

During 2022, Enerplus benefited from provincial government assistance to support the clean-up of inactive or abandoned crude oil and natural gas wells. These programs provided direct funding to oil field service contractors engaged by Enerplus to perform abandonment, remediation, and reclamation work. The funding received by the contractor is reflected as a reduction to ARO. During the first quarter of 2022, Enerplus benefited from $0.4 million in government assistance.

Income Taxes

($ millions)	Three months ended March 31, 2023	2022
Current tax expense/(recovery)	$ 11.0	$ 5.0
Deferred tax expense/(recovery)	23.9	9.8
Total tax expense/(recovery)	$ 34.9	$ 14.8

For the three months ended March 31, 2023, we recorded a current tax expense of $11.0 million compared to $5.0 million for the same period in 2022. Current tax expense in 2023 was higher compared to 2022 as a result of utilizing all of our net operating losses in 2022. Many factors influence taxable income including future commodity prices, production levels, development activities, capital spending, and overall profitability. We continue to expect current tax expense of 5.0% – 6.0% of adjusted funds flow before tax based on guidance pricing.

For the three months ended March 31, 2023, we recorded a deferred income tax expense of $23.9 million, compared to an expense of $9.8 million for the same period in 2022 due to higher income during the first quarter of 2023.

We assess the recoverability of our deferred income tax assets each period to determine whether it is more likely than not all or a portion of our deferred income tax assets will not be realized. We have considered available positive and negative evidence including future taxable income and reversing existing temporary differences in making this assessment. This assessment is primarily the result of projecting future taxable income using total proved and probable forecast average prices and costs. There is risk of a valuation allowance in future periods if commodity prices weaken or other evidence indicates that some of our deferred income tax assets will not be realized. See "Risk Factors and Risk Management – Risk of Impairment of Oil and Gas Properties and Deferred Tax Assets" in the Annual MD&A. For the three months ended March 31, 2023, no valuation allowance was recorded against our Canadian income related deferred tax asset, however, a full valuation allowance has been recorded against our deferred income tax assets related to capital items. Our deferred income tax asset recorded in Canada was $150.3 million offset by a deferred income tax liability in the U.S of $74.5 million at March 31, 2023 (December 31, 2022 - $155.0 million deferred income tax asset in Canada offset by a $55.4 million deferred income tax liability in the U.S.).

LIQUIDITY AND CAPITAL RESOURCES

There are numerous factors that influence how we assess liquidity and leverage, including commodity price cycles, capital spending levels, acquisition and divestment plans, commodity derivative contracts, share repurchases and dividend levels. We also assess our leverage relative to our most restrictive debt covenant, which is a maximum senior debt to earnings before interest, taxes, depreciation, amortization, impairment and other non-cash charges ("adjusted EBITDA") ratio of 3.5x for a period of up to six months, after which it drops to 3.0x. At March 31, 2023, our senior debt to adjusted EBITDA ratio was 0.2x and our net debt to adjusted funds flow ratio was 0.1x. Although a capital management measure that is not included in our debt covenants, the net debt to adjusted funds flow ratio is often used by investors and analysts to evaluate liquidity.

Net debt at March 31, 2023 decreased to $150.6 million, compared to $221.5 million at December 31, 2022. Net debt was comprised of our senior notes totaling $203.2 million, less cash on hand of $52.6 million.

At March 31, 2023, through our Bank Credit Facilities, we had total credit capacity of $1.3 billion. We expect to finance our working capital requirements through cash, adjusted funds flow and our credit capacity. We have sufficient liquidity to meet our financial commitments for the near term.

Our reinvestment rate[1] was 53% for the three months ended March 31, 2023, compared to 38% for the same period in 2022.

During the first quarter of 2023, a total of $66.6 million was returned to shareholders through share repurchases and dividends, compared to $45.1 million for the same period in 2022. During the three months ended March 31, 2023, a total of 3.5 million common shares were repurchased and cancelled under the NCIB at an average price of $15.37 per share, for total consideration of $54.6 million. During the three months ended March 31, 2022, 3.1 million common shares were repurchased and cancelled under the NCIB at an average price of $11.87 per share, for total consideration of $37.2 million. Subsequent to March 31, 2023 and up to and including May 3, 2023, we repurchased 1.1 million common shares under the NCIB at an average price of $14.81 per share, for total consideration of $16.0 million.

We plan to continue to return at least 60% of free cash flow[2] to our shareholders in 2023 through share repurchases and dividends, based on current market conditions. Remaining free cash flow not allocated to return of capital is expected to be directed to reinforcing the balance sheet. We intend to complete the current NCIB authorization by the end of July 2023 and subsequently renew the NCIB in August 2023. Subsequent to March 31, 2023, the Board of Directors approved a second quarter dividend of $0.055 per share to be paid in June 2023. We expect to fund the dividend through the free cash flow generated by the business.

At March 31, 2023, we were in compliance with all covenants under the Bank Credit Facilities and outstanding senior notes. If we exceed or anticipate exceeding our covenants, we may be required to repay, refinance or renegotiate the terms of the debt. See "Risk Factors – Debt covenants of the Corporation may be exceeded with no ability to negotiate covenant relief" in the Annual Information Form. Agreements relating to our Bank Credit Facilities and the senior note purchase agreements have been filed under our SEDAR profile at www.sedar.com.

[1] This financial measure is a supplementary financial measure. See "Non-GAAP and Other Financial Measures" section in this MD&A.
[2] This financial measure is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" section in this MD&A.

The following table lists our financial covenants at March 31, 2023:

Covenant Description		March 31, 2023
Bank Credit Facilities:	**Maximum Ratio**	
Senior debt to adjusted EBITDA	3.5x	0.2x
Total debt to adjusted EBITDA	4.0x	0.2x
Total debt to capitalization	55%	10%
Senior Notes:	**Maximum Ratio**	
Senior debt to adjusted EBITDA[1]	3.0x - 3.5x	0.2x
Senior debt to consolidated present value of total proved reserves[2]	60%	4%
	Minimum Ratio	
Adjusted EBITDA to interest	4.0x	59.8x

Definitions

"Senior debt" is calculated as the sum of drawn amounts on our bank credit facilities, outstanding letters of credit and the principal amount of senior notes.

"Adjusted EBITDA" is calculated as net income less interest, taxes, depletion, depreciation, amortization, accretion, impairment and other non-cash gains and losses. Adjusted EBITDA is calculated on a trailing twelve-month basis and is adjusted for material acquisitions and divestments. Adjusted EBITDA for the three months and the trailing twelve months ended March 31, 2023 was $275.7 million and $1,364.5 million, respectively.

"Total debt" is calculated as the sum of senior debt plus subordinated debt. Enerplus currently does not have any subordinated debt.

"Capitalization" is calculated as the sum of total debt and shareholder's equity plus a $823.7 million adjustment related to our adoption of U.S. GAAP.

Footnotes

(1) Senior debt to adjusted EBITDA for the senior notes may increase to 3.5x for a period of 6 months, after which the ratio decreases to 3.0x.

(2) Senior debt to consolidated present value of total proved reserves is calculated annually on December 31 based on before tax reserves at forecast prices discounted at 10%.

Dividends

	Three months ended March 31,	
($ millions, except per share amounts)	2023	2022
Dividends	$ 12.0	$ 7.9
Per weighted average share (Basic)	$ 0.055	$ 0.033

During the three months ended March 31, 2023, we declared total dividends of $12.0 million, or $0.055 per share, compared to $7.9 million, or $0.033 per share, for the same period in 2022. The total amount of dividends paid to shareholders has increased compared to the same period in 2023 due to the increased sustainability of the business and as a result of our return of capital plan.

Subsequent to March 31, 2023, the Board of Directors approved a second quarter dividend of $0.055 per share to be paid in June 2023. We expect to fund the dividend through the free cash flow generated by the business.

Shareholders' Capital

	Three months ended March 31,	
	2023	2022
Share capital ($ millions)	$ 2,811.7	$ 3,070.7
Common shares outstanding (thousands)	215,036	241,957
Weighted average shares outstanding – basic (thousands)	216,806	242,787
Weighted average shares outstanding – diluted (thousands)	222,927	249,337

For the three months ended March 31, 2023, a total of 2.3 million units vested pursuant to our treasury-settled LTI plans, including the impact of performance multipliers (2022 – 2.2 million). In total, 1.3 million shares were issued from treasury and $7.2 million was transferred from paid-in capital to share capital (2022 – 1.2 million shares; $8.0 million). We elected to cash-settle the remaining units related to the required tax withholdings for the total amount of $16.4 million (2022 – $11.6 million).

On August 16, 2022, Enerplus renewed its NCIB to purchase up to 10% of the public float (within the meaning under Toronto Stock Exchange rules) during the following 12-month period.

During the three months ended March 31, 2023, 3.5 million common shares were repurchased and cancelled under the NCIB at an average price of $15.37 per share, for total consideration of $54.6 million. Of the amount paid, $32.9 million was charged to share capital and $21.7 million was added to accumulated deficit. At March 31, 2023, 4,334,652 common shares remain available for repurchase under the current NCIB.

During the three months ended March 31, 2022, 3.1 million common shares were repurchased and cancelled under the NCIB at an average price of $11.87 per share, for total consideration of $37.2 million. Of the amount paid, $31.3 million was charged to share capital and $5.9 million was added to accumulated deficit.

Subsequent to March 31, 2023 and up to May 3, 2023, we repurchased 1.1 million common shares under the NCIB at an average price of $14.81 per common share, for total consideration of $16.0 million.

At May 3, 2023, we had 213,957,617 common shares outstanding. In addition, an aggregate of 7,933,093 common shares may be issued to settle outstanding grants under the PSUs and Restricted Share Unit plans assuming the maximum performance multiplier of 2.0 times for the PSUs.

QUARTERLY FINANCIAL INFORMATION

($ millions, except per share amounts)	Crude Oil and Natural Gas Sales	Net Income/(Loss)	Net Income/(Loss) Per Share Basic	Net Income/(Loss) Per Share Diluted
2023				
First Quarter	$ 413.2	$ 137.5	$ 0.63	$ 0.62
Total 2023	$ 413.2	$ 137.5	$ 0.63	$ 0.62
2022				
Fourth Quarter	$ 548.7	$ 330.7	$ 1.49	$ 1.43
Third Quarter	663.5	305.9	1.32	1.28
Second Quarter	628.0	244.4	1.01	0.99
First Quarter	513.2	33.2	0.14	0.13
Total 2022	$ 2,353.4	$ 914.3	$ 3.91	$ 3.77
2021				
Fourth Quarter	$ 499.7	$ 176.9	$ 0.71	$ 0.68
Third Quarter	421.1	98.1	0.38	0.38
Second Quarter	333.4	(50.9)	(0.20)	(0.20)
First Quarter	228.4	10.3	0.04	0.04
Total 2021	$ 1,482.6	$ 234.4	$ 0.93	$ 0.90

Crude oil and natural gas sales decreased to $413.2 million during the first quarter of 2023, compared to $548.7 million during the fourth quarter of 2022. The decrease in crude oil and natural gas sales was a result of lower production, including the impact of the Canadian asset divestments during the fourth quarter of 2022, and lower commodity prices during the first quarter of 2023 compared to the fourth quarter of 2022. We reported net income of $137.5 million during the first quarter of 2023 compared to net income of $330.7 million during the fourth quarter of 2022. The decrease in net income was primarily due to the gain on the Canadian asset divestments in the fourth quarter of 2022, partially offset by a commodity derivative instrument gain of $28.0 million during the first quarter of 2023, compared to a $0.3 million loss in the fourth quarter of 2022.

Crude oil and natural gas sales increased in 2022, compared to 2021, due to higher production and improved realized pricing. Net income increased in 2022, compared to 2021, due to higher production and commodity prices as well as the gain on the Canadian asset divestments recorded in the fourth quarter of 2022.

RECENT ACCOUNTING STANDARDS

We have not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. Our significant accounting policies remain unchanged from December 31, 2022.

2023 GUIDANCE(1)

Summary of 2023 Annual Expectations	Target
Capital spending ($ millions)	$500 - $550
Average annual production (BOE/day)	93,000 - 98,000
Average annual crude oil and natural gas liquids production (bbls/day)	57,000 - 61,000
Average production tax rate (% of gross sales, before transportation)	7% - 8% (from 7%)
Operating expenses (per BOE)	$10.75 - $11.75
Transportation costs (per BOE)	$4.20 (from $4.35)
Cash G&A expenses (per BOE)	$1.35
Current tax expense (% of adjusted funds flow before tax)	5% - 6%

Differential/Basis Outlook(2)	Target
Average U.S. Bakken crude oil differential (compared to WTI crude oil)	$0.50/bbl (from $0.75/bbl)
Average Marcellus natural gas differential (compared to NYMEX natural gas)	($0.75)/Mcf

(1) This constitutes forward-looking information. Refer to “Forward-Looking information and Statements” section in this MD&A.
(2) Excludes transportation costs.

NON-GAAP MEASURES

This MD&A includes references to certain non-GAAP financial measures and non-GAAP ratios used by the Company to evaluate its financial performance, financial position or cash flow. Non-GAAP financial measures are financial measures disclosed by a company that (a) depict historical or expected future financial performance, financial position or cash flow of a company, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the company, (c) are not disclosed in the financial statements of the company and (d) are not a ratio, fraction, percentage or similar representation. Non-GAAP ratios are financial measures disclosed by a company that are in the form of a ratio, fraction, percentage or similar representation that has a non-GAAP financial measure as one or more of its components, and that are not disclosed in the financial statements of the company.

These non-GAAP financial measures and non-GAAP ratios do not have standardized meanings or definitions as prescribed by U.S. GAAP and may not be comparable with the calculation of similar financial measures by other entities.

For each measure, we have: (a) indicated the composition of the measure; (b) identified the most directly comparable GAAP financial measure and provided comparative detail where appropriate; (c) indicated the reconciliation of the measure to the most directly comparable GAAP financial measure to the extent one exists; and (d) provided details on the usefulness of the measure for the reader. These non-GAAP financial measures and non-GAAP ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

“Adjusted net income/(loss)” is used by Enerplus and is useful to investors and securities analysts in evaluating the financial performance of the company by adjusting for certain unrealized items and other items that the company considers appropriate to adjust given their irregular nature. The most directly comparable GAAP measure is net income/(loss).

	Three months ended March 31,	
($ millions)	2023	2022
Net income/(loss)	**$ 137.5**	**$ 33.2**
Unrealized derivative instrument, foreign exchange and marketable securities (gain)/loss	4.6	134.5
Other expense related to investing activities	—	13.1
Tax effect	(1.4)	(35.0)
Adjusted net income/(loss)	**$ 140.7**	**$ 145.8**

“Free cash flow” is used by Enerplus and is useful to investors and securities analysts in analyzing operating and financial performance, leverage and liquidity. Free cash flow is calculated as adjusted funds flow minus capital spending. The most directly comparable GAAP measure is cash flow from operating activities.

	Three months ended March 31,	
($ millions)	2023	2022
Cash flow from/(used in) operating activities	$ 241.4	$ 196.0
Asset retirement obligation settlements	6.8	8.8
Changes in non-cash operating working capital	12.2	57.1
Adjusted funds flow	**$ 260.4**	**$ 261.9**
Capital spending	(138.6)	(99.0)
Free cash flow	**$ 121.8**	**$ 162.9**

“Netback before impact of commodity derivative contracts” and **“Netback after impact of commodity derivative contracts”** is used by Enerplus and is useful to investors and securities analysts, in evaluating operating performance of our crude oil and natural gas assets, both before and after consideration of our realized gain/(loss) on commodity derivative instruments. A direct GAAP equivalent does not exist for these measures, although a reconciliation is provided below:

	Three months ended March 31,	
($ millions)	2023	2022
Crude oil and natural gas sales	$ 413.2	$ 513.2
Less:		
Operating expenses	(92.8)	(83.2)
Transportation expenses	(37.8)	(35.8)
Production taxes	(30.1)	(35.4)
Netback before impact of commodity derivative contracts	**$ 252.5**	**$ 358.8**
Net realized gain/(loss) on derivative instruments	34.3	(73.1)
Netback after impact of commodity derivative contracts	**$ 286.8**	**$ 285.7**

Other Financial Measures

CAPITAL MANAGEMENT MEASURES

Capital management measures are financial measures disclosed by a company that (a) are intended to enable an individual to evaluate a company’s objectives, policies and processes for managing the company’s capital, (b) are not a component of a line item disclosed in the primary financial statements of the company, (c) are disclosed in the notes to the financial statements of the company, and (d) are not disclosed in the primary financial statements of the company. The following section provides an explanation of the composition of those capital management measures if not previously provided:

“Adjusted funds flow” is used by Enerplus and is useful to investors and securities analysts, in analyzing operating and financial performance, leverage and liquidity. The most directly comparable GAAP measure is cash flow from operating activities. Adjusted funds flow is calculated as cash flow from operating activities before asset retirement obligation expenditures and changes in non-cash operating working capital.

“Net debt” is calculated as current and long-term debt associated with senior notes plus any outstanding Bank Credit Facilities balances, less cash and cash equivalents. “Net debt” is useful to investors and securities analysts in analyzing financial liquidity and Enerplus considers net debt to be a key measure of capital management.

“Net debt to adjusted funds flow ratio” is used by Enerplus and is useful to investors and securities analysts in analyzing leverage and liquidity. The net debt to adjusted funds flow ratio is calculated as net debt divided by a trailing twelve months of adjusted funds flow. There is no directly comparable GAAP equivalent for this measure, and it is not equivalent to any of our debt covenants.

SUPPLEMENTARY FINANCIAL MEASURES

Supplementary financial measures are financial measures disclosed by a company that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of a company, (b) are not disclosed in the financial statements of the company, (c) are not non-GAAP financial measures, and (d) are not non-GAAP ratios. The following section provides an explanation of the composition of those supplementary financial measures if not previously provided:

“Capital spending” Capital and office expenditures, excluding other capital assets/office capital and property and land acquisitions and divestments.

“Cash general and administrative expenses” or **“Cash G&A expenses”** General and administrative expenses that are settled through cash payout, as opposed to expenses that relate to accretion or other non-cash allocations that are recorded as part of general and administrative expenses.

“Cash share-based compensation” or **“Cash SBC expenses”** Share-based compensation that is settled by way of cash payout, as opposed to equity settled.

“Reinvestment rate” Comparing the amount of our capital spending to adjusted funds flow (as a percentage).

INTERNAL CONTROLS AND PROCEDURES

We are required to comply with National Instrument 52-109 - Certification of Disclosure in Issuers’ Annual and Interim Filings. This instrument requires us to disclose in our interim MD&A any weaknesses in or changes to Enerplus’ internal control over financial reporting during the period that may have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. We confirm that no such weaknesses were identified in, or changes were made to, internal controls over financial reporting during the three months ended March 31, 2023.

ADDITIONAL INFORMATION

Additional information relating to Enerplus, including our Annual Information Form, is available under our profile on the SEDAR website at www.sedar.com, on the EDGAR website at www.sec.gov and at www.enerplus.com.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain forward-looking information and statements (“forward-looking information”) within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “guidance”, “ongoing”, “may”, “will”, “project”, “plans”, “budget”, “strategy” and similar expressions are intended to identify forward-looking information. In particular, but without limiting the foregoing, this MD&A contains forward-looking information pertaining to the following: expectations regarding Enerplus’ business, operations and financial condition in 2023 and beyond; Enerplus’ return of capital plans, including expectations regarding payment of dividends and the source of funds related thereto; expectations regarding Enerplus’ share repurchase program, including timing and amounts thereof, the anticipated renewal of the Company’s NCIB and timing thereof and the funding of the share repurchase program from free cash flow; expected production volumes in 2023, including the production mix, and 2023 production guidance; 2023 capital spending guidance; expectations regarding free cash flow generation and long-term capital spending reinvestment rates; expected operating strategy in 2023; the proportion of our anticipated crude oil and natural gas liquids production that is hedged and the expected effectiveness of such hedges in protecting our cash flow from operating activities and adjusted funds flow; oil and natural gas prices and differentials and expectations regarding the market environment and our commodity risk management program in 2023; 2023 Bakken and Marcellus differential guidance; expectations regarding realized oil and natural gas prices; expected operating, transportation and cash G&A expenses and production taxes and 2023 guidance with respect thereto; potential future non-cash PP&E impairments, as well as relevant factors that may affect such impairment; the amount of our future abandonment and reclamation costs and asset retirement obligations; deferred income taxes and the time at which cash taxes may be paid; expected 2023 cash tax as a percentage of adjusted funds flow before tax; future debt and working capital levels, financial capacity, liquidity and capital resources to fund capital spending, working capital requirements and deficits and senior note repayments; expectations regarding our ability to comply with or renegotiate debt covenants under the Bank Credit Facilities and outstanding senior notes; and our future acquisitions and dispositions.

The forward-looking information contained in this MD&A reflects several material factors and expectations and assumptions of Enerplus including, without limitation: the ability to fund our return of capital plans, including both dividends at the current level and the share repurchase program, from free cash flow as expected; that our common share trading price will be at levels, and that there will be no other alternatives, that, in each case, make share repurchases an appropriate and best strategic use of our free cash flows; that we will conduct our operations and achieve results of operations as anticipated; the continued operation of DAPL; that our development plans will achieve the expected results; that lack of adequate infrastructure will not result in curtailment of production and/or reduced realized prices beyond our current expectations; current and anticipated commodity prices, differentials and cost assumptions; the general continuance of current or, where applicable, assumed industry conditions, the impact of inflation, weather conditions, storage fundamentals; the continuation of assumed tax, royalty and regulatory regimes; the accuracy of the estimates of our reserve and contingent resource volumes; the continued availability of adequate debt and/or equity financing and adjusted funds flow to fund our capital, operating and working capital requirements, and dividend payments as needed; our ability to comply with our debt covenants; our ability to meet the targets associated with the Bank Credit Facilities; the availability of third party services; expected transportation costs; the extent of our liabilities; the rates used to calculate the amount of our future abandonment and reclamation costs and asset retirement obligations; factors used to assess the realizability of our deferred income tax assets; and the availability of technology and process to achieve environmental targets.

In addition, our 2023 guidance described in this MD&A is based on: a WTI price of $80.00/bbl, a NYMEX price of $3.00/Mcf, a Bakken crude oil price differential of $0.50/bbl above WTI, a Marcellus natural gas price differential of $0.75/Mcf below NYMEX and a CDN/USD exchange rate of $0.74. Enerplus believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to increased uncertainty.

The forward-looking information included in this MD&A is not a guarantee of future performance and should not be unduly relied upon. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information including, without limitation: failure by Enerplus to achieve or realize anticipated proceeds or benefits, of the sale of Enerplus' assets in Canada; continued instability, or further deterioration, in global economic and market environment, inflation and/or the Ukraine/Russia conflict and heightened geopolitical risks; decreases in commodity prices or volatility in commodity prices; changes in realized prices of Enerplus' products from those currently anticipated; changes in the demand for or supply of our products, including global energy demand; volatility in our common share trading price and free cash flow that could impact our planned share repurchases and dividend levels; unanticipated operating results, results from our capital spending activities or production declines; legal proceedings or other events inhibiting or preventing operation of DAPL; curtailment of our production due to low realized prices or lack of adequate infrastructure; changes in tax or environmental laws, royalty rates or other regulatory matters; risks associated with the realization of our deferred income tax assets; changes in our capital plans or by third party operators of our properties; increased debt levels or debt service requirements; inability to comply with debt covenants under our Bank Credit Facilities and/or outstanding senior notes; inaccurate estimation of our oil and gas reserve and contingent resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; reliance on industry partners and third party service providers; changes in law or government programs or policies in Canada or the United States; and certain other risks detailed from time to time in our public disclosure documents (including, without limitation, those risks identified in this MD&A, our Annual Information Form, our Annual MD&A and Form 40-F at December 31, 2022), which are available at www.sedar.com, www.sec.gov *and through Enerplus' website at* www.enerplus.com.

The forward-looking information contained in this MD&A speaks only as of the date of this MD&A. Enerplus does not undertake any obligation to publicly update or revise any forward-looking information contained herein, except as required by applicable laws. Any forward-looking information contained herein are expressly qualified by this cautionary statement.

Condensed Consolidated Balance Sheets

(US$ thousands) unaudited	Note	March 31, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		$ 52,578	$ 38,000
Accounts receivable, net of allowance for doubtful accounts	12	231,735	276,590
Other current assets	4, 5	56,987	56,552
Derivative financial assets	12	23,647	36,542
		364,947	407,684
Property, plant and equipment:			
Crude oil and natural gas properties (full cost method)	3	1,384,953	1,322,904
Other capital assets	3	9,678	10,685
Property, plant and equipment		1,394,631	1,333,589
Other long-term assets	4	14,632	21,154
Right-of-use assets		17,469	20,556
Deferred income tax asset	10	150,280	154,998
Total Assets		$ 1,941,959	$ 1,937,981
Liabilities			
Current liabilities			
Accounts payable		$ 386,590	$ 398,482
Current portion of long-term debt	5	80,600	80,600
Derivative financial liabilities	12	3,191	10,421
Current portion of lease liabilities		12,750	13,664
		483,131	503,167
Long-term debt	5	122,600	178,916
Asset retirement obligation	6	116,094	114,662
Lease liabilities		7,008	9,262
Deferred income tax liability	10	74,513	55,361
Total Liabilities		803,346	861,368
Shareholders' Equity			
Share capital – authorized unlimited common shares, no par value			
Issued and outstanding: March 31, 2023 – 215 million shares			
December 31, 2022 – 217 million shares	11	2,811,708	2,837,329
Paid-in capital		34,295	50,457
Accumulated deficit		(1,406,049)	(1,509,832)
Accumulated other comprehensive loss		(301,341)	(301,341)
		1,138,613	1,076,613
Total Liabilities & Shareholders' Equity		$ 1,941,959	$ 1,937,981

Subsequent Event 11

The accompanying notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Condensed Consolidated Statements of Income/(Loss) and Comprehensive Income/(Loss)

(US$ thousands, except per share amounts) unaudited	Note	Three months ended March 31, 2023	2022
Revenues			
Crude oil and natural gas sales	7	$ 413,182	$ 513,152
Commodity derivative instruments gain/(loss)	12	27,965	(206,810)
		441,147	306,342
Expenses			
Operating		92,804	83,244
Transportation		37,768	35,807
Production taxes		30,123	35,355
General and administrative	8	19,432	17,581
Depletion, depreciation and accretion		87,109	66,691
Interest		4,318	6,055
Foreign exchange (gain)/loss	9	(97)	887
Other expense/(income)	4, 6	(2,666)	12,697
		268,791	258,317
Income/(Loss) Before Taxes		172,356	48,025
Current income tax expense/(recovery)	10	11,000	5,000
Deferred income tax expense/(recovery)	10	23,870	9,782
Net Income/(Loss)		$ 137,486	$ 33,243
Other Comprehensive Income/(Loss)			
Unrealized gain/(loss) on foreign currency translation	12	—	(620)
Foreign exchange gain/(loss) on net investment hedge, net of tax	12	—	5,375
Total Comprehensive Income/(Loss)		$ 137,486	$ 37,998
Net Income/(Loss) per Share			
Basic	11	$ 0.63	$ 0.14
Diluted	11	$ 0.62	$ 0.13

The accompanying notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Condensed Consolidated Statements of Changes in Shareholders' Equity

(US$ thousands) unaudited	Three months ended March 31, 2023	2022
Share Capital		
Balance, beginning of period	$ 2,837,329	$ 3,094,061
Purchase of common shares under Normal Course Issuer Bid	(32,850)	(31,342)
Share-based compensation – treasury settled	7,229	7,959
Balance, end of period	$ 2,811,708	$ 3,070,678
Paid-in Capital		
Balance, beginning of period	$ 50,457	$ 50,881
Share-based compensation – tax withholdings settled in cash	(16,392)	(11,567)
Share-based compensation – treasury settled	(7,229)	(7,959)
Share-based compensation – non-cash	7,459	4,755
Balance, end of period	$ 34,295	$ 36,110
Accumulated Deficit		
Balance, beginning of period	$ (1,509,832)	$ (2,238,325)
Purchase of common shares under Normal Course Issuer Bid	(21,710)	(5,865)
Net income/(loss)	137,486	33,243
Dividends declared(1)	(11,993)	(7,918)
Balance, end of period	$ (1,406,049)	$ (2,218,865)
Accumulated Other Comprehensive Income/(Loss)		
Balance, beginning of period	$ (301,341)	$ (297,307)
Unrealized gain/(loss) on foreign currency translation	—	(620)
Foreign exchange gain/(loss) on net investment hedge, net of tax	—	5,375
Balance, end of period	$ (301,341)	$ (292,552)
Total Shareholders' Equity	$ 1,138,613	$ 595,371

(1) For the three months ended March 31, 2023, dividends declared were $0.055 per share (2022 – $0.033 per share).

The accompanying notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Condensed Consolidated Statements of Cash Flows

(US$ thousands) unaudited	Note	Three months ended March 31, 2023	Three months ended March 31, 2022
Operating Activities			
Net income/(loss)		$ 137,486	$ 33,243
Non-cash items add/(deduct):			
Depletion, depreciation and accretion		87,109	66,691
Changes in fair value of derivative instruments	12	6,344	133,332
Deferred income tax expense/(recovery)	10	23,870	9,782
Unrealized foreign exchange (gain)/loss on working capital	9	(185)	1,171
Share-based compensation and general and administrative	8,11	7,363	4,660
Other expense/(income)	4	(1,650)	12,653
Amortization of debt issuance costs	5	394	353
Translation of U.S. dollar cash held in parent company	9	—	10
Investing activities in Other income		(322)	—
Asset retirement obligation settlements	6	(6,782)	(8,795)
Changes in non-cash operating working capital	13	(12,226)	(57,108)
Cash flow from/(used in) operating activities		241,401	195,992
Financing Activities			
Drawings from/(repayment of) bank credit facilities	5	(56,316)	(104,409)
Purchase of common shares under Normal Course Issuer Bid	11	(54,560)	(37,207)
Share-based compensation – tax withholdings settled in cash	11	(16,392)	(11,567)
Dividends	11	(11,993)	(7,918)
Cash flow from/(used in) financing activities		(139,261)	(161,101)
Investing Activities			
Capital and office expenditures	13	(93,923)	(75,027)
Canadian divestments	4, 13	5,191	—
Property and land acquisitions		(1,748)	(1,941)
Property and land divestments		2,733	6,581
Cash flow from/(used in) investing activities		(87,747)	(70,387)
Effect of exchange rate changes on cash and cash equivalents		185	(3,121)
Change in cash and cash equivalents		14,578	(38,617)
Cash and cash equivalents, beginning of period		38,000	61,348
Cash and cash equivalents, end of period		$ 52,578	$ 22,731

The accompanying notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Notes to Condensed Consolidated Financial Statements
(unaudited)

1) REPORTING ENTITY

These interim Condensed Consolidated Financial Statements ("interim Consolidated Financial Statements") and notes present the financial position and results of Enerplus Corporation (the "Company" or "Enerplus") including its Canadian and United States ("U.S.") subsidiaries. Enerplus is a North American crude oil and natural gas exploration and production company. Enerplus is publicly traded on the Toronto and New York stock exchanges under the ticker symbol ERF. Enerplus' corporate offices are located in Calgary, Alberta, Canada and Denver, Colorado, United States.

2) BASIS OF PREPARATION

Enerplus' interim Consolidated Financial Statements present its results of operations and financial position under accounting principles generally accepted in the United States of America ("U.S. GAAP") for the three months ended March 31, 2023 and the 2022 comparative period. Certain prior period amounts have been reclassified to conform with current period presentation. Certain information and notes normally included with the annual audited Consolidated Financial Statements have been condensed or have been disclosed on an annual basis only. Accordingly, these interim Consolidated Financial Statements should be read in conjunction with Enerplus' annual audited Consolidated Financial Statements as of December 31, 2022.

The functional currency of the parent company changed from Canadian dollars to U.S. dollars effective January 1, 2023. This was the result of a gradual change in the primary economic environment in which the entity operates, culminating in the sale of Enerplus' remaining Canadian operating assets at the end of 2022. This has triggered a prospective change as of January 1, 2023 in functional currency of the parent entity to U.S. dollars, consistent with the functional currency of its U.S. subsidiaries. All assets and liabilities held by the parent company were translated at the exchange rate at December 31, 2022 to determine opening balances in U.S. dollars. Amounts that are part of Shareholders' Equity of the parent company are translated at historical exchange rates. Monetary assets and liabilities denominated in Canadian dollars will be revalued at current exchange rates at each reporting period. Upon settlement and/or realization of Canadian dollar denominated assets and liabilities, there may be realized foreign exchange gains and losses depending on the change in the foreign exchange rate when the transaction was originally recorded and the final settlement date.

These unaudited interim Consolidated Financial Statements reflect, in the opinion of Management, all normal and recurring adjustments necessary to present fairly the financial position and results of the Company as at and for the periods presented.

In preparing these financial statements, Enerplus is required to make estimates and assumptions and use judgement. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Significant estimates and judgement used in the preparation of the financial statements are described in the Company's annual audited Consolidated Financial Statements as of December 31, 2022.

3) PROPERTY, PLANT AND EQUIPMENT ("PP&E")

At March 31, 2023 ($ thousands)	**Cost**	**Accumulated Depletion, Depreciation, and Impairment**	**Net Book Value**
Crude oil and natural gas properties[(1)]	$ 7,355,835	$ (5,970,882)	$ 1,384,953
Other capital assets	99,331	(89,653)	9,678
Total PP&E	$ 7,455,166	$ (6,060,535)	$ 1,394,631

At December 31, 2022 ($ thousands)	**Cost**	**Accumulated Depletion, Depreciation, and Impairment**	**Net Book Value**
Crude oil and natural gas properties[(1)]	$ 7,214,993	$ (5,892,089)	$ 1,322,904
Other capital assets	99,283	(88,598)	10,685
Total PP&E	$ 7,314,276	$ (5,980,687)	$ 1,333,589

(1) All of the Company's unproved properties are included in the full cost pool.

4) DIVESTMENTS

In the fourth quarter of 2022, the Company divested substantially all of its Canadian assets in two transactions for total adjusted proceeds of $213.0 million after purchase price adjustments and transaction costs. These transactions resulted in a $151.9 million gain on asset divestments on the Consolidated Statements of Income/(Loss) in the fourth quarter of 2022.

At March 31, 2023, the current and long-term portion of the outstanding loan receivable from one of the purchasers of $15.8 million and $10.4 million, respectively (December 31, 2022 – $17.7 million and $13.4 million, respectively), have been recorded as part of Other current assets and Other long-term assets on the Condensed Consolidated Balance Sheets.

At March 31, 2023, the common shares of one of the purchasers had a fair value of $24.6 million (December 31, 2022 – $23.1 million) resulting in an unrealized gain of $1.5 million, recognized in Other expense/(income) on the Condensed Consolidated Statements of Income/(Loss). The fair value of the marketable securities has been recorded as part of Other current assets on the Condensed Consolidated Balance Sheets.

5) DEBT

($ thousands)	March 31, 2023	December 31, 2022
Current:		
Senior notes	$ 80,600	$ 80,600
Long-term:		
Bank credit facilities	—	56,316
Senior notes	122,600	122,600
Total debt	$ 203,200	$ 259,516

Bank Credit Facilities

Enerplus has two senior unsecured, covenant-based, sustainability linked lending ("SLL") bank credit facilities. The first is a $900 million facility with $50 million maturing on October 31, 2025 and $850 million maturing on October 31, 2026. The second facility for $365 million matures on October 31, 2025. Debt issuance costs of $2.8 million in relation to the SLL bank credit facilities were included in Other current assets at March 31, 2023 and were netted against the bank credit facilities at December 31, 2022. For the three months ended March 31, 2023, total amortization of debt issuance costs amounted to $0.4 million (2022 – $0.4 million).

Senior Notes

The terms and rates of the Company's outstanding senior notes are provided below:

Issue Date	Interest Payment Dates	Principal Repayment	Coupon Rate	Original Principal ($ thousands)	Remaining Principal ($ thousands)
September 3, 2014	March 3 and Sept 3	4 equal annual installments beginning September 3, 2023	3.79%	$200,000	$84,000
May 15, 2012	May 15 and Nov 15	2 equal annual installments beginning May 15, 2023	4.40%	$355,000	$119,200
				Total carrying value at March 31, 2023	$ 203,200

Capital Management

Enerplus' capital consists of cash and cash equivalents, debt and shareholders' equity. The Company's objective for managing capital is to prioritize balance sheet strength while maintaining flexibility to repay debt, fund sustaining capital, return capital to shareholders or fund future production growth. Capital management measures are useful to investors and securities analysts in analyzing operating and financial performance, leverage, and liquidity. Enerplus' key capital management measures are as follows:

a) Net debt

Enerplus calculates net debt as current and long-term debt associated with senior notes plus any outstanding bank credit facility balances, minus cash and cash equivalents.

($ thousands)		March 31, 2023		December 31, 2022
Current portion of long-term debt	$	80,600	$	80,600
Long-term debt		122,600		178,916
Total debt	$	203,200	$	259,516
Less: Cash and cash equivalents		(52,578)		(38,000)
Net debt	$	150,622	$	221,516

b) Adjusted funds flow

Adjusted funds flow is calculated as cash flow from operating activities before asset retirement obligation expenditures and changes in non-cash operating working capital.

	Three months ended March 31,			
($ thousands)		2023		2022
Cash flow from/(used in) operating activities	$	241,401	$	195,992
Asset retirement obligation settlements		6,782		8,795
Changes in non-cash operating working capital		12,226		57,108
Adjusted funds flow	$	260,409	$	261,895

c) Net debt to adjusted funds flow ratio

The net debt to adjusted funds flow ratio is calculated as net debt divided by a trailing twelve months of adjusted funds flow.

($ thousands)		March 31, 2023		December 31, 2022
Net debt	$	150,622	$	221,516
Trailing adjusted funds flow		1,228,803		1,230,289
Net debt to adjusted funds flow ratio		0.1x		0.2x

6) ASSET RETIREMENT OBLIGATION (“ARO”)

($ thousands)		March 31, 2023		December 31, 2022
Balance, beginning of year	$	114,662	$	132,814
Change in estimates		5,635		48,419
Property acquisition and development activity		1,264		3,985
Divestments		—		(58,284)
Settlements		(6,782)		(17,401)
Government assistance		—		(1,744)
Accretion expense		1,315		6,873
Balance, end of period	$	116,094	$	114,662

Enerplus has estimated the present value of its ARO to be $116.1 million at March 31, 2023 based on a total undiscounted uninflated liability of $266.0 million (December 31, 2022 – $114.7 million and $262.4 million, respectively).

During 2022, Enerplus benefited from provincial government assistance to support the clean-up of inactive or abandoned crude oil and natural gas wells. These programs provided direct funding to oil field service contractors engaged by Enerplus to perform abandonment, remediation, and reclamation work. The funding received by the contractor is reflected as a reduction to ARO. During the first quarter of 2022, Enerplus benefited from $0.4 million, in government assistance, which has been recorded as part of Other expense/(income) in the Condensed Consolidated Statements of Income/(Loss).

For the three months ended March 31, 2022, Enerplus recognized $13.1 million as part of Other expense/(income) in the Condensed Consolidated Statements of Income/(Loss) to fund abandonment and reclamation obligation requirements on previously disposed of assets.

7) CRUDE OIL AND NATURAL GAS SALES

Crude oil and natural gas sales by country and by product for the three months ended March 31, 2023 and 2022 are as follows:

Three months ended March 31, 2023 ($ thousands)	**Total revenue**	**Crude oil**[1]	**Natural gas**[1]	**Natural gas liquids and other**[1][2]
United States	$ 413,182	$ 325,461	$ 70,361	$ 17,360

Three months ended March 31, 2022 ($ thousands)	**Total revenue**	**Crude oil**[1]	**Natural gas**[1]	**Natural gas liquids and other**[1][2]
United States	$ 472,247	$ 357,657	$ 87,496	$ 27,094
Canada	40,905	36,547	2,781	1,577
Total	$ 513,152	$ 394,204	$ 90,277	$ 28,671

(1) U.S. sales of crude oil, natural gas and natural gas liquids relate primarily to the Company's North Dakota and Marcellus properties. Canadian crude oil sales relate primarily to the Company's waterflood properties in 2022. Substantially all of the Canadian assets were disposed of in the fourth quarter of 2022.
(2) Includes third party processing income of nil for the three months ended March 31, 2023 (2022 - $0.2 million).

8) GENERAL AND ADMINISTRATIVE EXPENSE

($ thousands)	Three months ended March 31, 2023	2022
General and administrative expense excluding share-based compensation[1]	$ 12,861	$ 11,103
Share-based compensation expense	6,571	6,478
General and administrative expense	$ 19,432	$ 17,581

(1) Includes a non-cash lease credit of $96 for the three months ended March 31, 2023 (2022 – credit of $95).

9) FOREIGN EXCHANGE

($ thousands)	Three months ended March 31, 2023	2022
Realized:		
Foreign exchange (gain)/loss	$ 88	$ (294)
Foreign exchange (gain)/loss on U.S. dollar cash held in parent company	—	10
Unrealized:		
Foreign exchange (gain)/loss on Canadian dollar working capital in parent company	(185)	—
Foreign exchange (gain)/loss on U.S. dollar working capital in parent company	—	1,171
Foreign exchange (gain)/loss	$ (97)	$ 887

10) INCOME TAXES

($ thousands)	Three months ended March 31, 2023	2022
Current tax		
United States	$ 11,000	$ 5,000
Canada	—	—
Current tax expense/(recovery)	11,000	5,000
Deferred tax		
United States	$ 19,152	$ 56,468
Canada	4,718	(46,686)
Deferred tax expense/(recovery)	23,870	9,782
Income tax expense/(recovery)	$ 34,870	$ 14,782

The difference between the expected income taxes based on the statutory income tax rate and the effective income taxes for the current and prior period is impacted by expected annual earnings, recognition or reversal of valuation allowance, foreign rate differentials for foreign operations, statutory and other rate differentials, non-taxable portions of capital gain and losses, and share-based compensation.

The Company's deferred income tax asset recorded in Canada is $150.3 million offset by a deferred income tax liability in the U.S of $74.5 million at March 31, 2023 (December 31, 2022 – $155.0 million deferred income tax asset in Canada offset by a $55.4 million deferred income tax liability in the U.S.).

11) SHAREHOLDERS' EQUITY

a) Share Capital

Authorized unlimited number of common shares issued: (thousands)	**Three months ended March 31, 2023** Shares	Amount	**Year ended December 31, 2022** Shares	Amount
Balance, beginning of year	217,285	$ 2,837,329	243,852	$ 3,094,061
Issued/(Purchased) for cash:				
Purchase of common shares under Normal Course Issuer Bid	(3,549)	(32,850)	(27,925)	(266,694)
Non-cash:				
Share-based compensation – treasury settled(1)	1,300	7,229	1,358	9,962
Balance, end of period	215,036	$ 2,811,708	217,285	$ 2,837,329

(1) The amount of shares issued on long-term incentive settlement is net of employee withholding taxes.

Dividends declared to shareholders for the three months ended March 31, 2023 were $12.0 million (2022 – $7.9 million).

On August 16, 2022, Enerplus renewed its Normal Course Issuer Bid ("NCIB") to purchase up to 10% of the public float (within the meaning under Toronto Stock Exchange rules) during a 12-month period. During the three months ended March 31, 2023, 3.5 million common shares were repurchased and cancelled under the NCIB at an average price of $15.37 per share, for total consideration of $54.6 million. Of the amount paid, $32.9 million was charged to share capital and $21.7 million was added to accumulated deficit.

During the three months ended March 31, 2022, 3.1 million common shares were repurchased and cancelled under the NCIB at an average price of $11.87 per share, for total consideration of $37.2 million. Of the amount paid, $31.3 million was charged to share capital and $5.9 million was added to accumulated deficit.

Subsequent to March 31, 2023 and up to and including May 3, 2023, the Company repurchased 1.1 million common shares under the NCIB at an average price of $14.81 per share, for total consideration of $16.0 million.

b) Share-based Compensation

The following table summarizes Enerplus' share-based compensation expense, which is included in General and administrative expense on the Condensed Consolidated Statements of Income/(Loss):

($ thousands)	**Three months ended March 31,** 2023	2022
Cash:		
Long-term incentive plans (recovery)/expense	$ (888)	$ 2,098
Non-Cash:		
Long-term incentive plans expense	7,459	4,755
Equity swap (gain)/loss	—	(375)
Share-based compensation expense	$ 6,571	$ 6,478

Long-term Incentive ("LTI") Plans

The following table summarizes the Performance Share Unit ("PSU"), Restricted Share Unit ("RSU"), Director Deferred Share Unit ("DSU") and Director RSU ("DRSU") activity for the three months ended March 31, 2023:

	Cash-settled LTI plans	Equity-settled LTI plans		Total
(thousands of units)	DSU/DRSU	PSU[1]	RSU	
Balance, beginning of year	633	3,689	2,321	6,643
Granted	70	474	470	1,014
Vested	(54)	(996)	(1,184)	(2,234)
Forfeited	—	—	(7)	(7)
Balance, end of period	649	3,167	1,600	5,416

(1) Based on underlying awards before any effect of the performance multiplier.

Cash-settled LTI Plans

For the three months ended March 31, 2023, the Company recorded a cash share-based compensation recovery of $0.9 million (2022 – $2.1 million expense).

At March 31, 2023, a liability of $9.4 million (December 31, 2022 – $11.1 million) with respect to the Director DSU and DRSU Plans has been recorded to Accounts payable on the Condensed Consolidated Balance Sheets.

Equity-settled LTI Plans

The following table summarizes the cumulative share-based compensation expense recognized to-date, which is recorded as Paid-in capital on the Condensed Consolidated Balance Sheets. Unrecognized amounts will be recorded to non-cash share-based compensation expense over the remaining vesting terms.

At March 31, 2023 ($ thousands, except for years)	PSU[1]	RSU	Total
Cumulative recognized share-based compensation expense	$ 19,505	$ 11,012	$ 30,517
Unrecognized share-based compensation expense	14,357	9,919	24,276
Fair value	$ 33,862	$ 20,931	$ 54,793
Weighted-average remaining contractual term (years)	1.6	1.5	

(1) Includes estimated performance multipliers.

The Company directly withholds shares on PSU and RSU settlements for tax-withholding purposes. For the three months ended March 31, 2023, $16.4 million (2022 – $11.6 million) in cash withholding taxes were paid.

c) Basic and Diluted Net Income/(Loss) Per Share

Net income/(loss) per share has been determined as follows:

	Three months ended March 31,	
(thousands, except per share amounts)	2023	2022
Net income/(loss)	$ 137,486	$ 33,243
Weighted average shares outstanding – Basic	216,806	242,787
Dilutive impact of share-based compensation	6,121	6,550
Weighted average shares outstanding – Diluted	222,927	249,337
Net income/(loss) per share		
Basic	$ 0.63	$ 0.14
Diluted	$ 0.62	$ 0.13

12) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair Value Measurements

At March 31, 2023, the carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximated their fair value due to the short-term nature of these instruments.

At March 31, 2023, the senior notes had a carrying value of $203.2 million and a fair value of $192.3 million (December 31, 2022 – $203.2 million and $189.5 million, respectively). The fair value of the senior notes is estimated based on the amount that Enerplus would have to pay a third party to assume the debt, including the credit spread for the difference between the issue rate and the period end market rate. The period end market rate is estimated by comparing the debt to new issuances (secured or unsecured) and secondary trades of similar size and credit statistics for both public and private debt.

At March 31, 2023, the loan receivable had a carrying value of $26.2 million and a fair value of $24.3 million (December 31, 2022 – $31.1 million and $31.6 million, respectively). The fair value of the loan receivable is estimated based on the amount that Enerplus would receive from a third party to assume the loan, including the difference between the coupon rate and the period end market rate for loan receivables of similar terms and credit risk.

The fair value of marketable securities are considered level 1 fair value measurements, while the derivative contracts, senior notes and loan receivable are considered level 2 fair value measurements. There were no transfers between fair value hierarchy levels during the period.

b) Derivative Financial Instruments

The derivative financial assets and liabilities on the Condensed Consolidated Balance Sheets result from recording derivative financial instruments at fair value.

The following table summarizes the change in fair value associated with equity and commodity contracts for the three months ended March 31, 2023 and 2022:

	Three months ended March 31,		Income Statement
Gain/(Loss) ($ thousands)	**2023**	**2022**	**Presentation**
Equity Swaps	$ —	$ 375	G&A expense
Commodity Contracts:			
Crude oil	3,743	(95,706)	Commodity derivative
Natural gas	(10,087)	(38,001)	instruments
Total Unrealized Gain/(Loss)	$ (6,344)	$ (133,332)	

The following table summarizes the effect of Enerplus' commodity contracts on the Condensed Consolidated Statements of Income/(Loss):

	Three months ended March 31,	
($ thousands)	**2023**	**2022**
Unrealized change in fair value gain/(loss)	$ (6,344)	$ (133,707)
Net realized cash gain/(loss)	34,309	(73,103)
Commodity contracts gain/(loss)	$ 27,965	$ (206,810)

The following table summarizes the presentation of fair values on the Condensed Consolidated Balance Sheets:

	March 31, 2023		December 31, 2022	
	Assets	**Liabilities**	**Assets**	**Liabilities**
($ thousands)	**Current**	**Current**	**Current**	**Current**
Commodity Contracts:				
Crude oil	$ 7,026	$ 3,191	$ 9,834	$ 10,421
Natural gas	16,621	—	26,708	—
Total	$ 23,647	$ 3,191	$ 36,542	$ 10,421

The fair value of commodity contracts is estimated based on commodity and option pricing models that incorporate various factors including forecasted commodity prices, volatility and the credit risk of the entities party to the contract. Changes and variability in commodity prices over the term of the contracts can result in material differences between the estimated fair value at a point in time and the actual settlement amounts.

At March 31, 2023, the fair value of Enerplus' commodity contracts totaled a net asset of $20.5 million (December 31, 2022 – net asset of $26.1 million).

c) Risk Management

In the normal course of operations, Enerplus is exposed to various market risks, including commodity prices, foreign exchange, interest rates, equity prices, credit risk, liquidity risk, and the risks associated with environmental/climate change risk, social and governance regulation, and compliance.

i) Market Risk

Market risk is comprised of commodity price, foreign exchange, interest rate and equity price risk.

Commodity Price Risk:

Enerplus manages a portion of commodity price risk through a combination of financial derivative and physical delivery sales contracts. Enerplus' policy is to enter into commodity contracts subject to a maximum of 80% of forecasted production volumes.

The following tables summarize Enerplus' price risk management positions at May 3, 2023:

Crude Oil Instruments:

Instrument Type(1)(2)	Apr 1, 2023 - Jun 30, 2023		Jul 1, 2023 - Oct 31, 2023		Nov 1, 2023 - Dec 31, 2023	
	bbls/day	$/bbl	bbls/day	$/bbl	bbls/day	$/bbl
WTI Purchased Put	15,000	79.33	5,000	85.00	5,000	85.00
WTI Sold Put	15,000	61.67	5,000	65.00	5,000	65.00
WTI Sold Call	15,000	114.31	5,000	128.16	5,000	128.16
Brent – WTI Spread	10,000	5.47	10,000	5.47	10,000	5.47
WTI Purchased Swap	250	64.85	250	64.85	—	—
WTI Sold Swap(3)	250	42.10	250	42.10	—	—
WTI Purchased Put(3)	2,000	5.00	2,000	5.00	2,000	5.00
WTI Sold Call(3)	2,000	75.00	2,000	75.00	2,000	75.00

(1) The total average deferred premium spent on the Company's outstanding crude oil contracts is $1.32/bbl from April 1, 2023 – June 30, 2023 and $1.07/bbl from July 1, 2023 – December 31, 2023.
(2) Transactions with a common term have been aggregated and presented at weighted average prices and volumes.
(3) Outstanding commodity derivative instruments acquired as part of the Bruin Acquisition completed in 2021.

Natural Gas Instruments:

Instrument Type(1)	Apr 1, 2023 – Oct 31, 2023	
	MMcf/day	$/Mcf
NYMEX Purchased Put	50.0	4.05
NYMEX Sold Call	50.0	7.00

(1) Transactions with a common term have been aggregated and presented at weighted average prices/Mcf.

Foreign Exchange Risk:

Enerplus is exposed to foreign exchange risk as it relates to certain activities transacted in Canadian dollars. The parent company and its subsidiaries have a U.S. dollar functional currency, and the parent company has both U.S. and Canadian dollar transactions. Canadian denominated monetary assets and liabilities are subject to revaluation from the source currency of Canadian dollars to the functional currency of U.S. dollars, generating realized and unrealized foreign exchange (gains)/losses in the Condensed Consolidated Statements of Income/(Loss).

Following the change in functional currency of the parent company to U.S. dollars on January 1, 2023, the net investment hedge on the U.S. dollar denominated debt held in the parent entity for the U.S. subsidiaries was no longer required. Previously, the unrealized foreign exchange gains and losses arising from the translation of the debt were recorded in Other Comprehensive Income/(Loss), net of tax, and were limited by the cumulative translation gain or loss on the net investment in the U.S. subsidiaries. For the three months ended March 31, 2023, there was no unrealized foreign exchange gain or loss recorded in Other Comprehensive Income/(Loss) compared to an unrealized gain of $5.4 million on Enerplus' U.S. denominated senior notes and bank credit facilities for the three months ended March 31, 2022.

Interest Rate Risk:

The Company's senior notes bear interest at fixed rates while the bank credit facilities bear interest at floating rates. At March 31, 2023, Enerplus was undrawn on its bank credit facilities and all of Enerplus' debt was based on fixed interest rates (December 31, 2022 – 78% fixed and 22% floating), with a weighted average interest rate of 4.1% (December 31, 2022 – 4.1% fixed and 5.7% floating). At March 31, 2023 and December 31, 2022, Enerplus did not have any interest rate derivatives outstanding.

Equity Price Risk:

Enerplus is exposed to equity price risk in relation to its long-term incentive plans detailed in Note 11. The Company may enter into various equity swaps to fix the future settlement cost on a portion of its cash settled LTI plans. At March 31, 2023 and December 31, 2022, Enerplus did not have any equity swaps outstanding.

ii) Credit Risk

Credit risk represents the financial loss Enerplus would experience due to the potential non-performance of counterparties to its financial instruments. Enerplus is exposed to credit risk mainly through its joint venture, marketing, divestments and financial counterparty receivables. Enerplus has appropriate policies and procedures in place to manage its credit risk; however, given the volatility in commodity prices, Enerplus is subject to an increased risk of financial loss due to non-performance or insolvency of its counterparties.

Enerplus mitigates credit risk through credit management techniques, including conducting financial assessments to establish and monitor counterparties' credit worthiness, setting exposure limits, monitoring exposures against these limits and obtaining financial assurances such as letters of credit, parental guarantees, or third party credit insurance where warranted. Enerplus monitors and manages its concentration of counterparty credit risk on an ongoing basis.

The Company's maximum credit exposure consists of the carrying amount of its non-derivative financial assets and the fair value of its derivative financial assets. At March 31, 2023, approximately 90% of Enerplus' marketing receivables were with companies considered investment grade (December 31, 2022 – 90%).

Enerplus actively monitors past due accounts and takes the necessary actions to expedite collection, which can include withholding production, netting amounts off future payments or seeking other remedies including legal action. Should Enerplus determine that the ultimate collection of a receivable is in doubt, it will provide the necessary provision in its allowance for doubtful accounts with a corresponding charge to earnings. If Enerplus subsequently determines an account is uncollectible the account is written off with a corresponding charge to the allowance account. Enerplus' allowance for doubtful accounts balance at March 31, 2023 was $2.9 million (December 31, 2022 – $2.9 million).

iii) Liquidity Risk & Capital Management

Liquidity risk represents the risk that Enerplus will be unable to meet its financial obligations as they become due. Enerplus mitigates liquidity risk through actively managing its capital, which it defines as debt (net of cash and cash equivalents) and shareholders' capital. Enerplus' objective is to provide adequate short and longer term liquidity while maintaining a flexible capital structure to sustain the future development of its business. Enerplus strives to balance the portion of debt and equity in its capital structure given its current crude oil and natural gas assets and planned investment opportunities.

Management monitors a number of key variables with respect to its capital structure, including debt levels, capital spending plans, dividends, share repurchases, access to capital markets, as well as acquisition and divestment activity.

At March 31, 2023, Enerplus was in full compliance with all covenants under the bank credit facilities and outstanding senior notes. If the Company breaches or anticipates breaching its covenants, the Company may be required to repay, refinance, or renegotiate the terms of the debt.

iv) Climate Change Risk

Enerplus is exposed to climate change risks through changing regulation, potential access to capital, capital spending plans and the impact of climate related events on the Company's financial position. There have been no material changes since management's risk assessment at December 31, 2022.

13) SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in Non-Cash Operating Working Capital

	Three months ended March 31,	
($ thousands)	2023	2022
Accounts receivable	$ 44,886	$ (54,591)
Other assets – operating	5,741	4,305
Accounts payable – operating	(62,853)	(6,822)
Non-cash operating activities	$ (12,226)	$ (57,108)

b) Changes in Non-Cash Investing Working Capital

	Three months ended March 31,	
($ thousands)	2023	2022
Accounts payable – investing(1)	$ 50,179	$ 24,306
Other current assets – investing(1)	(5,615)	—
Non-cash investing activities	$ 44,564	$ 24,306

(1) Relates to changes in Accounts payable and Other current assets for capital and office expenditures and included in Capital and office expenditures on the Condensed Consolidated Statements of Cash Flows.

	Three months ended March 31,	
($ thousands)	2023	2022
Loan receivable	$ 4,869	$ —
Non-cash working capital – Canadian divestments(1)	$ 4,869	$ —

(1) Refer to Note 4.

c) Cash Income Taxes and Interest Payments

	Three months ended March 31,	
($ thousands)	2023	2022
Income taxes paid/(received)	$ 2	$ 7
Interest paid	$ 2,953	$ 5,206

BOARD OF DIRECTORS

Hilary A. Foulkes(1)(2)
Corporate Director
Calgary, Alberta

Sherri A. Brillon(5)(9)
Corporate Director
Calgary, Alberta

Judith D. Buie(3)(5)(7)
Corporate Director
Houston, Texas

Karen E. Clarke-Whistler(3)(7)(9)
Corporate Director
Toronto, Ontario

Ian C. Dundas
President & Chief Executive Officer
Enerplus Corporation
Calgary, Alberta

Robert B. Hodgins(4)(9)
Corporate Director
Calgary, Alberta

Mark A. Houser(5)(7)(9)
Corporate Director
Houston, Texas

Susan M. MacKenzie(7)(10)
Corporate Director
Calgary, Alberta

Jeffrey W. Sheets(6)(9)
Corporate Director
Houston, Texas

Sheldon B. Steeves(5)(8)
Corporate Director
Calgary, Alberta

(1) Chair of the Board
(2) *Ex-Officio* member of all Committees of the Board
(3) Member of the Corporate Governance & Nominating Committee
(4) Chair of the Corporate Governance & Nominating Committee
(5) Member of the Audit & Risk Management Committee
(6) Chair of the Audit & Risk Management Committee
(7) Member of the Reserves, Safety & Social Responsibility Committee
(8) Chair of the Reserves, Safety & Social Responsibility Committee
(9) Member of the Compensation & Human Resources Committee
(10) Chair of the Compensation & Human Resources Committee

OFFICERS

ENERPLUS CORPORATION

Ian C. Dundas
President & Chief Executive Officer

Wade D. Hutchings
Senior Vice President & Chief Operating Officer

Jodine J. Jenson Labrie
Senior Vice President & Chief Financial Officer

Garth R. Doll
Vice President, Marketing & Midstrean

Terry S. Eichinger
Vice President, Drilling, Completions & Operations Support

Nathan D. Fisher
Vice President, United States Business Unit

Daniel J. Fitzgerald
Vice President, Business Development

David A. McCoy
Vice President, General Counsel & Corporate Secretary

Shaina B. Morihira
Vice President, Finance

Pamela A. Ramotowski
Vice President, People & Culture

CORPORATE INFORMATION

OPERATING COMPANIES OWNED BY ENERPLUS CORPORATION
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ABBREVIATIONS

bbl(s)/day	barrel(s) per day, with each barrel representing 34.972 Imperial gallons or 42 U.S. gallons
Bcf	billion cubic feet
BOE	barrels of oil equivalent
Mbbls	thousand barrels
MBOE	thousand barrels of oil equivalent
Mcf	thousand cubic feet
NGL	natural gas liquids
NYMEX	New York Mercantile Exchange, the benchmark for North American natural gas pricing
Transco Leidy	Price benchmark for Marcellus natural gas delivered into the Transco pipeline system between Hunterdon County, New Jersey and connections east of the Leidy storage facility in Clinton and Potter Counties in Pennsylvania
Transco Z6 Non-New York	Price benchmark for Marcellus natural gas delivered into the Transco pipeline system from the start of zone 6 at the Virginia-Maryland border to the Linden, New Jersey, compressor station and on the 24-inch pipeline to the Wharton, Pennsylvania, station
U.S. GAAP	accounting principles generally accepted in the United States of America
WTI	West Texas Intermediate oil at Cushing, Oklahoma, the benchmark for North American crude oil pricing

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