Condensed Interim Consolidated Financial Statements (unaudited)

Q2 2020

ATHABASCA OIL CORPORATION

FOCUSED | EXECUTING | DELIVERING

CONSOLIDATED BALANCE SHEETS
(unaudited)

As at ($ Thousands)	June 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 167,442	$ 254,389
Current portion of restricted cash (Note 8)	32,173	—
Accounts receivable	46,527	97,633
Capital-carry receivable (Note 3)	—	22,602
Prepaid expenses and deposits	51,344	45,013
Inventory (Note 4)	24,141	42,432
Risk management contracts (Note 5)	12,240	—
	333,867	462,069
Restricted cash (Note 8)	119,952	110,609
Long-term deposit (Note 18)	12,577	12,577
Property, plant and equipment (Note 7)	1,001,795	1,505,720
Exploration and evaluation assets (Note 6)	57	2,490
	$ 1,468,248	$ 2,093,465
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 90,848	$ 154,795
Risk management contracts (Note 5)	11,110	14,140
Current portion of provisions and other liabilities (Note 9)	9,360	8,809
	111,318	177,744
Long-term debt (Note 8)	594,488	559,687
Provisions and other liabilities (Note 9)	121,927	135,972
	827,733	873,403
SHAREHOLDERS' EQUITY		
Common shares (Note 10)	2,241,880	2,233,396
Contributed surplus	123,264	129,479
Accumulated deficit	(1,724,629)	(1,142,813)
	640,515	1,220,062
	$ 1,468,248	$ 2,093,465

Commitments and contingencies (Note 20).

See accompanying notes to the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(unaudited)

($ Thousands, except per share amounts)	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
REVENUE				
Petroleum and natural gas sales (Note 14)	$ 51,677	$ 218,229	$ 182,831	$ 444,356
Interest income	560	2,082	2,183	4,066
Royalties	(1,010)	(4,769)	(2,929)	(8,674)
	51,227	215,542	182,085	439,748
Unrealized gain (loss) on commodity risk mgmt contracts (Note 5)	(52,841)	33,634	15,270	9,649
Realized gain (loss) on commodity risk mgmt contracts (Note 5)	24,435	(15,037)	45,861	(32,843)
	22,821	234,139	243,216	416,554
EXPENSES				
Cost of diluent	18,606	64,912	106,824	143,455
Operating expenses	19,196	41,532	68,808	85,091
Transportation and marketing	15,670	24,857	42,867	48,569
General and administrative	5,329	5,529	10,726	10,478
Restructuring expenses (Note 15)	5,703	—	5,703	—
Stock-based compensation (Note 11)	1,406	2,551	847	4,302
Financing and interest (Note 16)	22,351	20,797	43,904	41,531
Depletion and depreciation (Note 7)	25,338	32,433	56,630	67,840
Impairment loss (Note 7)	—	—	471,839	—
Exploration and non-producing asset expenses (Note 17)	11,855	171	12,125	797
Total expenses	125,454	192,782	820,273	402,063
Revenue less Expenses	(102,633)	41,357	(577,057)	14,491
OTHER INCOME (EXPENSES)				
Foreign exchange gain (loss), net (Note 19)	19,819	12,078	(25,970)	25,688
Gain (loss) on foreign exchange risk management contracts, net	—	(527)	—	(1,252)
Gain (loss) on revaluation of provisions and other	(3,529)	3,734	9	2,905
Gain (loss) on sale of assets (Note 6)	21,008	449	21,202	222,055
Net income (loss) and comprehensive income (loss)	$ (65,335)	$ 57,091	$ (581,816)	$ 263,887
BASIC NET INCOME (LOSS) PER SHARE (Note 12)	$ (0.12)	$ 0.11	$ (1.10)	$ 0.51
DILUTED NET INCOME (LOSS) PER SHARE (Note 12)	$ (0.12)	$ 0.11	$ (1.10)	$ 0.50

See accompanying notes to the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

($ Thousands)	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
OPERATING ACTIVITIES				
Net income (loss) and comprehensive income (loss)	$ (65,335)	$ 57,091	$ (581,816)	$ 263,887
Items not affecting cash				
Stock-based compensation (Note 11)	1,406	2,551	847	4,302
Net non-cash financing and interest	5,617	5,076	11,001	10,063
Depletion and depreciation (Note 7)	25,338	32,433	56,630	67,840
Impairment loss (Note 7)	—	—	471,839	—
Non-cash foreign exchange (gain) loss (Note 19)	(24,305)	(12,105)	28,180	(24,975)
Non-cash (gain) loss on risk management contracts (Note 5)	52,841	(33,106)	(15,270)	(6,781)
Non-cash (gain) loss on revaluation of provisions and other	3,529	(3,734)	(9)	(2,905)
(Gain) loss on sale of assets (Note 6)	(21,008)	(449)	(21,202)	(222,055)
Settlement of provisions and other liabilities (Note 9)	(121)	(190)	(6,116)	(2,981)
Changes in non-cash working capital (Note 21)	(9,148)	13,921	21,709	(43,479)
	(31,186)	61,488	(34,207)	42,916
FINANCING ACTIVITIES				
Payments of lease liabilities (Note 9)	(640)	(578)	(1,264)	(1,143)
Proceeds from exercised equity incentives	—	30	16	76
	(640)	(548)	(1,248)	(1,067)
INVESTING ACTIVITIES				
Additions to property, plant and equipment (Note 7)	(5,758)	(33,683)	(81,908)	(86,574)
Additions to exploration and evaluation assets	(53)	(34)	(149)	(107)
Recovery of capital-carry proceeds (Note 3)	—	6,829	22,740	28,037
Proceeds from sale of assets (Note 6)	70,008	451	70,202	262,690
(Increase) decrease in restricted cash (Note 8)	(41,491)	(4,707)	(41,516)	(36)
Changes in non-cash working capital (Note 21)	(22,955)	(9,185)	(20,861)	(26,906)
	(249)	(40,329)	(51,492)	177,104
CHANGE IN CASH AND CASH EQUIVALENTS	(32,075)	20,611	(86,947)	218,953
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	199,517	272,240	254,389	73,898
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 167,442	$ 292,851	$ 167,442	$ 292,851

See accompanying notes to the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(unaudited)

($ Thousands)	Six months ended June 30, 2020	2019
COMMON SHARES (Note 10)		
Balance, beginning of period	$ 2,233,396	$ 2,217,963
Exercise of stock options, RSUs and PSUs (Note 11)	8,484	13,786
Balance, end of period	2,241,880	2,231,749
CONTRIBUTED SURPLUS		
Balance, beginning of period	129,479	134,704
Stock-based compensation (Note 11)	2,253	5,960
Exercise of stock options, RSUs and PSUs (Note 11)	(8,468)	(13,710)
Balance, end of period	123,264	126,954
ACCUMULATED DEFICIT		
Balance, beginning of period	(1,142,813)	(1,386,718)
Net income (loss)	(581,816)	263,887
Impact of change in accounting policy	—	(2,960)
Balance, end of period	(1,724,629)	(1,125,791)
TOTAL SHAREHOLDERS' EQUITY	$ 640,515	$ 1,232,912

See accompanying notes to the condensed interim consolidated financial statements.

As at and for the three and six months ended June 30, 2020.

(Tabular amounts expressed in thousands of Canadian dollars, except where otherwise noted)

1. NATURE OF BUSINESS

Athabasca Oil Corporation ("Athabasca" or the "Company") is an exploration and production company developing Light and Thermal Oil resource plays in the Western Canadian Sedimentary Basin in Alberta, Canada. Athabasca was incorporated on August 23, 2006, under the laws governing the Province of Alberta. The domicile of the Company is 1200, 215 - 9th Avenue SW, Calgary, Alberta. The Company is publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "ATH". These unaudited condensed interim consolidated financial statements ("consolidated financial statements") were authorized for issue by the Board of Directors on July 29, 2020.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using International Accounting Standard ("IAS") 34: *Interim Financial Reporting*. These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at their estimated fair value. They do not contain all disclosures required by IFRS for annual financial statements and, accordingly, should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2019. The consolidated financial statements have been prepared using the same accounting policies and methods as the consolidated financial statements for the year ended December 31, 2019. There were no changes to the Company's operating segments during the period.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Global commodity prices declined significantly due to a reduction in oil demand as countries around the world, including Canada, enacted emergency measures to combat the spread of the virus. In the second quarter of 2020, economies have started to reopen leading to a partial recovery and stabilization in oil prices. The significant impacts of the COVID-19 pandemic on Athabasca include:

- declines in revenue and cash flows as a result of the collapse in commodity prices and resulting reductions in production levels;
- reduced capital program for 2020 which is not expected to impact production capability levels this year however further reductions to capital programs could have negative effects on future production levels;
- declines in commodity prices, revenue and cash flows leading to impairment charges (Note 7) and increased risk of onerous contracts related to committed fixed cost contracts;
- increased risk of non-payment of accounts receivable and customer defaults; and
- non-producing asset expenses and restructuring charges related to the suspension of the Hangingstone operations (Notes 15 and 17).

Estimates and judgements made by management in the preparation of the consolidated financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

3. CAPITAL-CARRY RECEIVABLE

In 2016, Athabasca entered into a joint venture to advance development of its Light Oil assets. The joint venture resulted in Athabasca holding an operated 70% working interest in its Greater Placid assets and a non-operated 30% working interest in its Greater Kaybob assets. As part of the transaction consideration, Athabasca recognized $219.0 million (undiscounted) in the form of a capital-carry receivable in Greater Kaybob, whereby the joint venture partner committed to funding 75% of Athabasca's share of development capital for a five year period.

The capital-carry receivable was based on management's best estimate of the present value of the expected timing of the recovery of the remaining receivable. The timing of the recovery was dependent on the amount of capital expenditures in the Greater Kaybob area, which is governed by the joint development agreement between the parties.

The following table reconciles the change in the capital-carry receivable:

As at		June 30, 2020		December 31, 2019
CAPITAL-CARRY RECEIVABLE, BEGINNING OF PERIOD	$	22,602	$	79,116
Recovery of capital-carry through capital expenditures		(22,740)		(58,934)
Revisions in expected timing of future capital expenditures		—		(529)
Time value of money accretion		138		2,949
CAPITAL-CARRY RECEIVABLE, END OF PERIOD - DISCOUNTED	$	—	$	22,602
CAPITAL-CARRY RECEIVABLE, END OF PERIOD - UNDISCOUNTED	$	—	$	22,740

4. INVENTORY

As at		June 30, 2020		December 31, 2019
Product inventory	$	14,188	$	32,524
Warehouse inventory		9,953		9,908
TOTAL	$	24,141	$	42,432

5. RISK MANAGEMENT CONTRACTS

Under the Company's commodity risk management program, Athabasca may utilize financial and/or physical delivery contracts to fix the commodity price associated with a portion of its future production in order to manage its exposure to fluctuations in commodity prices.

Financial commodity risk management contracts are valued on the consolidated balance sheet by multiplying the contractual volumes by the differential between the anticipated market price (i.e. forecasted strip price) and the contractual fixed price at each future settlement date. The corresponding change in the asset or liability is recognized as an unrealized gain or loss in net income (loss). As the commodity derivatives are unwound (i.e. settled in cash), Athabasca recognizes a corresponding realized gain or loss in net income (loss). Physical delivery contracts are not considered financial instruments and therefore, no asset or liability is recognized on the consolidated balance sheet.

Athabasca is also exposed to foreign exchange risk on the principal and interest components of its US dollar denominated 2022 Notes and may utilize financial contracts to reduce its exposure to foreign currency risk. As at June 30, 2020, no foreign exchange risk management contracts were in place.

Financial commodity risk management contracts

As at June 30, 2020, the following financial commodity risk management contracts were in place:

Instrument	Period	Volume		C$ Average Price/bbl(1)		US$ Average Price/bbl(1)
Sales contracts						
WTI fixed price swaps	July - September 2020	3,000 bbl/d	$	74.99	$	55.03
WTI/WCS differential swaps	July - September 2020	16,000 bbl/d	$	(24.23)	$	(17.78)
WTI three way collar	July - September 2020	6,000 bbl/d	$	67.57|76.09|82.90	$	49.58|55.83|60.83
WTI fixed price swaps	October - December 2020	3,000 bbl/d	$	74.99	$	55.03
WTI/WCS differential swaps	October - December 2020	11,000 bbl/d	$	(25.38)	$	(18.62)
WTI three way collar	October - December 2020	6,000 bbl/d	$	67.57|76.09|82.90	$	49.58|55.83|60.83
Purchase contracts						
C5+ fixed price swaps	October - December 2020	1,000 bbl/d	$	55.87	$	41.00

(1) The implied C$ or US$ Average Price/bbl, as applicable, was calculated using the June 30, 2020 exchange rate of US$1.00 = C$1.3628.

As at June 30, 2020, Athabasca had a commodity risk management asset of $12.2 million and a liability of $11.1 million resulting in a net asset of $1.1 million in respect of the commodity risk management contracts (December 31, 2019 - $14.1 million liability).

The following table summarizes the sensitivity to price changes for Athabasca's commodity risk management contracts:

As at June 30, 2020	Change in WTI Increase of US$5.00/bbl	Change in WTI Decrease of US$5.00/bbl	Change in WCS differential Increase of US$1.00/bbl	Change in WCS differential Decrease of US$1.00/bbl
Increase (decrease) to fair value of commodity risk management contracts	$ (3,134)	$ 3,134	$ 3,286	$ (3,286)

Additional financial commodity risk management activity related to 2020 and 2021 has taken place subsequent to June 30, 2020, as noted in the table below:

Instrument	Period	Volume	C$ Average Price/bbl(1)	US$ Average Price/bbl(1)
Sales contracts				
WTI/WCS differential swaps	October - December 2020	8,900 bbl/d	$ (20.20)	$ (14.82)
WTI costless collar	October - December 2020	8,900 bbl/d	$ 54.27- 62.15	$ 39.82 - 45.61
WTI/WCS differential swaps	January - March 2021	11,000 bbl/d	$ (20.13)	$ (14.77)
WTI costless collar	January - March 2021	11,000 bbl/d	$ 54.38 - 62.19	$ 39.90 - 45.63
WTI call options(2)	April - June 2021	8,900 bbl/d	$ 74.95	$ 55.00
WTI call options(2)	July - September 2021	8,900 bbl/d	$ 74.95	$ 55.00
WTI call options(2)	October - December 2021	8,900 bbl/d	$ 74.95	$ 55.00

(1) The implied C$ or US$ Average Price/bbl, as applicable, was calculated using the June 30, 2020 exchange rate of US$1.00 = C$1.3628.
(2) These WTI call options were sold to a counterparty in order to enter into the October 2020 to March 2021 WTI costless collars at the price detailed in the above table.

6. SALE OF ASSETS

Thermal Oil Contingent Bitumen Royalty Transaction

In 2016 and 2017, Athabasca granted a Contingent Bitumen Royalty (the “Royalty”) on its Thermal Oil assets to Burgess Energy Holdings L.L.C. (“Burgess”) for gross cash proceeds of $397.0 million. On April 28, 2020, Athabasca upsized the Royalty for cash consideration of $70.0 million, bringing the total gross proceeds received by the Company from the sale of the Royalty to $467.0 million.

The upsized Royalty included amending the royalty rate scale and oil price thresholds at Leismer, Hangingstone and Corner (“Amended Royalty”) with the royalty scale and oil price thresholds for the other Thermal Oil assets remaining the same. The Amended Royalty at Leismer, Hangingstone and Corner follows the same structure as the existing contingent bitumen royalties and ensures the Thermal Oil assets are not encumbered at low commodity prices. The Amended Royalty is based on a scale from 0% – 15% with a Western Canadian Select (“WCS”) heavy benchmark. At prices below US$60 WCS the rate is 0% (US$75 implied WTI assuming a US$15 WCS differential), the minimum 2.5% rate is triggered at US$60 WCS with a sliding scale up to 15% at US$100 WCS (previously US$140 WCS). The Royalty is applied to Athabasca’s realized bitumen price (C$), which is determined net of diluent, transportation and storage costs. The Royalty has no associated commitments to develop future expansions or projects. No amounts have been paid or are currently payable in respect of the Royalty to Burgess.

The upsizing of the Royalty resulted in the derecognition of $46.4 million of property, plant and equipment (“PP&E”) and $2.6 million of exploration and evaluation (“E&E”) assets related to the Leismer/Corner CGU, and a gain of $21.0 million for the other Thermal Oil CGUs.

Leismer Infrastructure Transaction

On December 10, 2018, Athabasca entered into an agreement to sell its Leismer pipelines and Cheecham storage terminal ("Leismer Infrastructure Transaction") for $265.0 million. The Leismer Infrastructure Transaction was completed on January 15, 2019 and provides Athabasca with priority service on the pipelines and access to the dilbit/diluent tanks at Cheecham for an annual toll of approximately $26.0 million, with a discounted toll for any excess volumes.

Upon close of the transaction, Athabasca received $265.0 million of cash consideration and incurred $2.8 million of transaction costs, resulting in net proceeds of $262.2 million. Athabasca de-recognized $39.9 million of PP&E and $0.4 million in decommissioning obligations resulting in a gain of $222.8 million on the Leismer Infrastructure Transaction.

7. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

BALANCE, DECEMBER 31, 2018	$	1,469,583
PP&E expenditures		198,820
Leased asset		12,570
Non-cash capitalized costs and other(1)		(1,320)
Depletion and depreciation(2)		(132,850)
Disposals (Note 6)		(41,083)
BALANCE, DECEMBER 31, 2019	$	1,505,720
PP&E expenditures		81,908
Non-cash capitalized costs and other(1)		(10,952)
Depletion and depreciation(2)		(56,630)
Impairment loss		(471,839)
Disposals (Note 6)		(46,412)
BALANCE, JUNE 30, 2020	$	1,001,795

(1) Non-cash capitalized costs relate to capitalized stock-based compensation and decommissioning obligation assets.
(2) For the six months ended June 30, 2020 and for the year ended December 31, 2019, depletion and depreciation includes $1.0 million and $2.1 million relating to the Leased asset, respectively.

PP&E consists of the following:

Net book value (As at)		June 30, 2020		December 31, 2019
PP&E at cost(1)	$	3,031,783	$	3,007,239
Accumulated depletion and depreciation(1)		(646,775)		(590,145)
Accumulated impairment losses		(1,383,213)		(911,374)
TOTAL PP&E	$	1,001,795	$	1,505,720

(1) As at June 30, 2020, the PP&E cost includes $12.6 million of Leased asset cost and accumulated depletion and depreciation includes $3.1 million of accumulated depreciation relating to the Leased asset (as at December 31, 2019 – Leased asset cost of $12.6 million and accumulated depreciation relating to the Leased asset of $2.1 million).

As at June 30, 2020, $68.1 million (December 31, 2019 - $80.4 million) of PP&E was not subject to depletion or depreciation as the underlying oil and gas assets were not ready for use in the manner intended by management.

Impairment summary

At each financial reporting date, the Company considers potential indicators of impairment or reversal of previous impairments for both its Light Oil and Thermal Oil CGUs. This assessment includes an analysis of current market and regulatory conditions as well as a review of the Company's assets, future development plans and pending land expiries.

During the second quarter of 2020, no indicators of impairment or reversal of previous impairment were identified. In the three months ended March 31, 2020, Athabasca identified indicators of impairment for all its CGUs. The COVID-19 outbreak declared a pandemic by the World Health Organization in March 2020 caused a significant reduction in oil demand, and an oil price war was initiated in March 2020 whereby oil supply was increased by Saudi Arabia and Russia, causing global commodity prices to decline significantly.

In 2019, no indicators of impairment or reversal of previous impairment were identified.

Impairment at March 31, 2020

Light Oil

The Light Oil Division consists of the Greater Kaybob and Greater Placid areas (collectively the "Light Oil CGU"). At March 31, 2020, the Company completed an impairment test on its Light Oil CGU which resulted in an estimated recoverable value of $502 million (based on Value-In-Use ("VIU")), which was below the CGU's carrying value of $766.0 million resulting in an impairment loss of $264.0 million.

Thermal Oil

The Thermal Oil Division consists of the Leismer/Corner, Hangingstone, Dover West, Birch and Grosmont CGUs. At March 31, 2020, the Hangingstone CGU impairment test (based on VIU) resulted in full impairment of the CGU's net book value of $207.9 million. The Leismer/Corner CGU impairment test (based on VIU) resulted in the carrying value of the CGU being fully supported. No indicators of impairment reversals were identified for Athabasca's fully impaired Dover West, Birch and Grosmont CGUs.

Impairment Test Assumptions

Future cash flows utilized within the Company's March 31, 2020 impairment tests were estimated using a 2% inflation rate and discount rates ranging from 11% - 15% based on the nature of the properties included in the CGU and the extent of future funding and development risk. The following table summarizes the price forecasts used in the Company's impairment tests as at March 31, 2020:

	Remaining 2020	2021	2022	2023	2024	2025	2026	2027	2028	Thereafter
WTI (US$/bbl)	$ 29.17	$ 40.45	$ 49.17	$ 53.28	$ 55.66	$ 56.87	$ 58.01	$ 59.17	$ 60.35	+2.0%/yr
WCS (C$/bbl)	$ 19.21	$ 34.65	$ 46.34	$ 51.25	$ 54.28	$ 55.72	$ 56.96	$ 58.22	$ 59.51	+2.0%/yr
Edm Par (C$/bbl)	$ 29.22	$ 46.85	$ 59.27	$ 65.02	$ 68.43	$ 69.81	$ 71.24	$ 72.70	$ 74.19	+2.0%/yr
AECO (C$/Mcf)	$ 1.67	$ 2.12	$ 2.30	$ 2.37	$ 2.45	$ 2.52	$ 2.58	$ 2.64	$ 2.71	+2.0%/yr
FX (CAD:USD)	0.71	0.73	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

8. INDEBTEDNESS

As at	June 30, 2020	December 31, 2019
Senior Secured Second Lien Notes ("2022 Notes")(1)	$ 613,260	$ 583,425
Debt issuance costs	(47,081)	(47,081)
Amortization of debt issuance costs	28,309	23,343
TOTAL LONG-TERM DEBT	$ 594,488	$ 559,687

(1) As at June 30, 2020, the 2022 Notes (as defined below) were translated into Canadian dollars at the period end exchange rate of US$1.00 = C$1.3628.

Senior Secured Second Lien Notes

On February 24, 2017, Athabasca issued US$450.0 million of Senior Secured Second Lien Notes (the "2022 Notes"). The 2022 Notes bear interest at a rate of 9.875% per annum, payable semi-annually, and mature on February 24, 2022.

The 2022 Notes are not subject to any maintenance or financial covenants and are secured by a second priority lien on substantially all of the assets of the Company. Subject to certain exceptions and qualifications, the 2022 Notes contain certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, and make certain restricted payments, dispositions and transfers of assets. The 2022 Notes also contain maximum hedging restrictions. As at June 30, 2020, the Company is in compliance with all covenants.

Athabasca may redeem the 2022 Notes at the following specified redemption prices:
- February 24, 2020 to February 23, 2021 - 102.5% of principal
- February 24, 2021 to maturity - 100% of principal

Debt issuance costs associated with the 2022 Notes were initially capitalized and are being amortized to net income (loss) over the life of the 2022 Notes using the effective interest rate method. As at June 30, 2020, the fair value of the 2022 Notes was $249.9 million (US$183.3 million), based on observable market quoted prices (Level 1).

Senior Extendible Revolving Term Credit Facility

In the second quarter of 2020, the Company's banking syndicate has renewed the reserve-based credit facility (the "Credit Facility") until November 30, 2020. The credit facility has been reduced to $40.7 million which reflects the currently outstanding letters of credit for transportation commitments. If the revolving period is not extended in November 2020 any outstanding letters of credit would be cancelled at the end of the non-revolving term, being May 31, 2021. The borrowing base is determined based on the lender's evaluation of the Company's petroleum and natural gas reserves and their commodity price outlook at the time of each renewal.

Under the terms of the Credit Facility, Athabasca is required to contribute cash to a cash-collateral account equivalent to 101% of the value of all letters of credit issued under the Credit Facility. As at June 30, 2020, $41.1 million of restricted cash was held in the cash-collateral account (December 31, 2019 - $nil) of which $31.2 million was current and $9.9 million included in non-current restricted cash. The Credit Facility is secured by a first priority security interest on all present and after acquired property of the Company and is senior in priority to the 2022 Notes. The Credit Facility contains certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, make certain restricted payments, and dispose of or transfer assets. The Credit Facility also contains certain maximum hedging limitations. The Company is in compliance with all covenants.

As at June 30, 2020, the Company had no amounts drawn and had $40.7 million letters of credit issued under the Credit Facility which bear interest at 0.5%. As at December 31, 2019, the Company had no amounts drawn and had $39.4 million of letters of credit issued under the Credit Facility.

Cash-Collateralized Letter of Credit Facility

Athabasca maintains a $120.0 million cash-collateralized letter of credit facility (the "Letter of Credit Facility") with a Canadian bank for issuing letters of credit to counterparties. The facility is available on a demand basis and letters of credit issued under the Letter of Credit Facility incur an issuance fee of 0.25%. As at June 30, 2020, Athabasca had $109.7 million (December 31, 2019 - $109.5 million) in letters of credit issued under the Letter of Credit Facility.

Under the terms of the Letter of Credit Facility, Athabasca is required to contribute cash to a cash-collateral account equivalent to 101% of the value of all letters of credit issued under the facility. As at June 30, 2020, $111.0 million of restricted cash was held in the cash-collateral account (December 31, 2019 - $110.6 million) all of which is included in non-current restricted cash.

Unsecured Letter of Credit Facility

Athabasca maintains a $30.0 million unsecured letter of credit facility (the "Unsecured Letter of Credit Facility") with a Canadian bank which is supported by a performance security guarantee from Export Development Canada. The facility is available on a demand basis and letters of credit issued under this facility incur an issuance and performance guarantee fee of 2.7%. As at June 30, 2020, the Company had $27.4 million of letters of credit issued and drawn under the Unsecured Letter of Credit Facility (December 31, 2019 - $24.8 million).

9. PROVISIONS AND OTHER LIABILITIES

As at		June 30, 2020		December 31, 2019
Decommissioning obligations	$	111,164	$	121,832
Lease liability		15,047		16,311
Contingent payment obligation		—		1,028
Other obligations		5,076		5,610
TOTAL PROVISIONS AND OTHER LIABILITIES	$	131,287	$	144,781
Presented as:				
Current portion of provisions and other liabilities	$	9,360	$	8,809
Provisions and other liabilities	$	121,927	$	135,972

Decommissioning obligations

The total future costs to reclaim the Company's oil and gas assets are estimated by management based on Athabasca's ownership interest in wells and facilities, estimated costs to abandon and reclaim the wells and facilities and the estimated timing of the costs to be incurred in future periods.

The following table reconciles the change in decommissioning obligations:

As at	June 30, 2020	December 31, 2019
DECOMMISSIONING OBLIGATIONS, BEGINNING OF PERIOD	$ 121,832	$ 118,468
Liabilities incurred	615	1,071
Liabilities settled	(1,866)	(3,675)
Liabilities disposed (Note 6)	—	(448)
Change in discount rate	(15,452)	—
Change in estimates	—	(5,192)
Accretion expense	6,035	11,608
DECOMMISSIONING OBLIGATIONS, END OF PERIOD	$ 111,164	$ 121,832

At June 30, 2020, the Company has calculated the net present value of its decommissioning obligations using an inflation rate of 2.0% (December 31, 2019 - 2.0%) and a credit-adjusted discount rate of 12.0% per annum (December 31, 2019 - 10.0%). The payments to settle these obligations are expected to occur during a period of up to 50 years due to the long-term nature of the Company’s oil and gas assets. The undiscounted amount of estimated inflated future cash flows required to settle the obligations is $424.4 million (December 31, 2019 - $422.2 million). A 1.0% change in the credit-adjusted discount rate would impact the discounted value of the decommissioning obligations by approximately $6.7 million with a corresponding adjustment to PP&E, E&E or net income (loss) if the adjustment is related to fully impaired assets.

Lease liability

On January 1, 2019, upon adoption of IFRS 16, the Company recognized a lease liability relating to its head office lease. The liability was measured at the present value of the remaining lease payments as at January 1, 2019 discounted at 10.0%. The following table reconciles the change in the lease liability:

As at	June 30, 2020	December 31, 2019
LEASE LIABILITY, BEGINNING OF PERIOD	$ 16,311	$ —
Initial recognition of lease liability	—	18,657
Interest expense	772	1,726
Liability settled[1]	(2,036)	(4,072)
LEASE LIABILITY, END OF PERIOD	$ 15,047	$ 16,311

(1) In the consolidated statements of cash flows, the liability settled is reported as $1.3 million of financing activities and $0.7 million of operating activities for the six months ended June 30, 2020 (year ended December 31, 2019 - $2.3 million of financing activities and $1.7 million of operating activities).

Short-term leases and low value leases have not been included in the measurement of the lease liability. For the three and six months ended June 30, 2020, Athabasca incurred $1.3 million and $3.1 million, respectively, of expenditures related to short-term and low value leases which have been recognized as incurred (three and six months ended June 30, 2019 - $2.2 million and $4.1 million).

10. SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of first and second preferred shares. There are no first or second preferred shares outstanding at the reporting date and none of the Company's share capital has a par value. The following table summarizes changes to the Company's common share capital:

As at	Six months ended June 30, 2020 Number of Shares		Six months ended June 30, 2020 Amount	Year ended December 31, 2019 Number of Shares		Year ended December 31, 2019 Amount
Balance, beginning of period	523,452,277	$	2,233,396	515,889,687	$	2,217,963
Exercise of stock options, RSUs and PSUs (Note 11)	7,223,114		8,484	7,562,590		15,433
BALANCE, END OF PERIOD	530,675,391	$	2,241,880	523,452,277	$	2,233,396

11. STOCK-BASED COMPENSATION

The Company's stock-based compensation plans for employees, directors and consultants currently consist of stock options, restricted share units ("RSUs"), performance share units ("PSUs"), phantom share units ("PUPs") and deferred share units ("DSUs"). The following table summarizes the Company's outstanding stock-based compensation units:

As at	June 30, 2020	December 31, 2019
Stock options[(1)]	7,116,933	8,432,067
RSUs (2010 RSU Plan)	—	156,667
RSUs (2015 RSU Plan)	11,397,970	14,956,090
PSUs	8,340,300	5,134,200
PUPs[(2)]	8,675,100	—
DSUs[(2)]	6,502,832	3,577,464
TOTAL OUTSTANDING EQUITY COMPENSATION UNITS	42,033,135	32,256,488

(1) The weighted average exercise price of the Company's outstanding stock options as at June 30, 2020 was $1.91 per share with a range of $0.41 - $7.31 per share.

(2) The PUP and DSU plans are cash-settled stock-based compensation plans and are recognized as liabilities on the consolidated balance sheet.

As at June 30, 2020, total outstanding stock-based compensation units increased by 9.8 million compared to December 31, 2019. The increase was primarily due to 21.1 million units granted, partially offset by 7.2 million units that were exercised, and forfeitures and expires of 4.1 million units.

In April 2020, 8.7 million units were granted under a new "Phantom Share Unit" plan. The units granted under this new plan will generally vest evenly over three years, have no exercise price and automatically settle in cash on each vesting date at an amount equivalent to the share price at that date. Accordingly, the "Phantom Share Unit" plan is a cash-settled stock-based compensation plan. As at June 30, 2020, Athabasca recognized a PUPs liability within Provisions and other liabilities of $0.2 million which has a current portion of $0.1 million. Refer to the December 31, 2019 audited consolidated financial statements of the Company for further information on the Company's other stock-based compensation plans.

12. PER SHARE AMOUNTS

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Weighted average shares outstanding - basic	530,363,434	522,459,443	526,979,706	519,253,275
Dilutive effect of stock options, RSUs and PSUs	—	5,202,012	—	6,163,741
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	530,363,434	527,661,455	526,979,706	525,417,016

Dilutive securities will have a dilutive effect on the weighted average shares outstanding when the average market price of the common shares during the period exceeds the sum of the exercise price of the securities and the unamortized stock-based compensation expense. For the three and six months ended June 30, 2020, anti-dilutive securities of 26,855,203 were excluded from the diluted net income (loss) per share calculation as their effect is anti-dilutive (three and six months ended June 30, 2019 - 9,593,545 and 21,483,645).

13. SEGMENTED INFORMATION

Segmented operating results

	Light Oil		Thermal Oil		Eliminations[1]		Consolidated	
Three months ended June 30,	2020	2019	2020	2019	2020	2019	2020	2019
SEGMENT REVENUES								
Petroleum & natural gas sales	$ 16,806	$ 36,836	$ 39,231	$ 187,695	$ (4,360)	$ (6,302)	$ 51,677	$ 218,229
Royalties	(844)	(603)	(166)	(4,166)	—	—	(1,010)	(4,769)
	15,962	36,233	39,065	183,529	(4,360)	(6,302)	50,667	213,460
SEGMENT EXPENSES & OTHER								
Cost of diluent	—	—	22,966	71,214	(4,360)	(6,302)	18,606	64,912
Operating expenses	5,472	5,320	13,724	36,212	—	—	19,196	41,532
Transportation and marketing	4,140	5,276	11,530	19,581	—	—	15,670	24,857
Depletion and depreciation	14,814	17,676	9,771	13,832	—	—	24,585	31,508
Exploration and non-producing asset expenses	—	—	11,855	171	—	—	11,855	171
(Gain) loss on sale of assets	—	—	(21,008)	(449)	—	—	(21,008)	(449)
	24,426	28,272	48,838	140,561	(4,360)	(6,302)	68,904	162,531
Gain (loss) on commodity risk management contracts, net							(28,406)	18,597
Segment income (loss)	$ (8,464)	$ 7,961	$ (9,773)	$ 42,968	$ —	$ —	$ (46,643)	$ 69,526
CORPORATE								
Interest income							560	2,082
Financing and interest							(22,351)	(20,797)
General and administrative							(5,329)	(5,529)
Restructuring expenses							(5,703)	—
Stock-based compensation							(1,406)	(2,551)
Depreciation							(753)	(925)
Foreign exchange gain (loss), net							19,819	12,078
Gain (loss) on foreign exchange risk management contracts, net							—	(527)
Gain (loss) on revaluation of provisions and other							(3,529)	3,734
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)							$ (65,335)	$ 57,091

(1) Eliminations include adjustments for condensate produced by the Light Oil segment used for internal consumption (i.e. diluent) by the Thermal Oil segment. Sales between segments are made at prices that approximate market prices.

Six months ended June 30,	Light Oil 2020	Light Oil 2019	Thermal Oil 2020	Thermal Oil 2019	Eliminations[1] 2020	Eliminations[1] 2019	Consolidated 2020	Consolidated 2019
SEGMENT REVENUES								
Petroleum & natural gas sales	$ 41,153	$ 80,614	$ 153,384	$ 370,044	$ (11,706)	$ (6,302)	$ 182,831	$ 444,356
Royalties	(1,828)	(2,498)	(1,101)	(6,176)	—	—	(2,929)	(8,674)
	39,325	78,116	152,283	363,868	(11,706)	(6,302)	179,902	435,682
SEGMENT EXPENSES & OTHER								
Cost of diluent	—	—	118,530	149,757	(11,706)	(6,302)	106,824	143,455
Operating expenses	12,463	11,131	56,345	73,960	—	—	68,808	85,091
Transportation and marketing	7,729	10,068	35,138	38,501	—	—	42,867	48,569
Depletion and depreciation	30,140	37,592	24,890	28,391	—	—	55,030	65,983
Impairment loss	263,955	—	207,884	—	—	—	471,839	—
Exploration and non-producing asset expenses	—	—	12,125	797	—	—	12,125	797
(Gain) loss on sale of assets	—	1,205	(21,202)	(223,260)	—	—	(21,202)	(222,055)
	314,287	59,996	433,710	68,146	(11,706)	(6,302)	736,291	121,840
Gain (loss) on commodity risk management contracts, net							61,131	(23,194)
Segment income (loss)	$(274,962)	$ 18,120	$(281,427)	$ 295,722	$ —	$ —	$(495,258)	$ 290,648
CORPORATE								
Interest income							2,183	4,066
Financing and interest							(43,904)	(41,531)
General and administrative							(10,726)	(10,478)
Restructuring expenses							(5,703)	—
Stock-based compensation							(847)	(4,302)
Depreciation							(1,600)	(1,857)
Foreign exchange gain (loss), net							(25,970)	25,688
Gain (loss) on foreign exchange risk management contracts, net							—	(1,252)
Gain (loss) on revaluation of provisions and other							9	2,905
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)							$(581,816)	$ 263,887

(1) Eliminations include adjustments for condensate produced by the Light Oil segment used for internal consumption (i.e. diluent) by the Thermal Oil segment. Sales between segments are made at prices that approximate market prices.

Segmented capital expenditures

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
LIGHT OIL[1]				
Property, plant and equipment	$ 1,089	$ 11,858	$ 59,617	$ 41,713
THERMAL OIL				
Property, plant and equipment	4,669	21,825	22,269	44,861
Exploration and evaluation	53	34	149	107
	4,722	21,859	22,418	44,968
CORPORATE				
Corporate assets	—	—	22	—
TOTAL CAPITAL SPENDING[1][2][3]	$ 5,811	$ 33,717	$ 82,057	$ 86,681

(1) Including the recovery of the capital-carry, Athabasca's net cash outflow from capital expenditures during the three and six months ended June 30, 2020 was $5.8 million and $59.3 million (three and six months ended June 30, 2019 - $26.9 million and $58.6 million) and in the Light Oil Division were $1.1 million and $36.9 million (three and six months ended June 30, 2019 - $5.0 million and $13.7 million).

(2) Excludes non-cash capitalized costs consisting of capitalized stock-based compensation and decommissioning obligation assets.

(3) For the three and six months ended June 30, 2020, expenditures include cash capitalized staff costs of $1.0 million and $3.3 million (three and six months ended June 30, 2019 - $2.2 million and $4.4 million).

Segmented assets

Net book value (As at)	June 30, 2020	December 31, 2019
LIGHT OIL		
Capital-carry receivable (Note 3)	$ —	$ 22,602
Property, plant and equipment	498,227	734,448
	498,227	757,050
THERMAL OIL		
Inventory	24,141	42,432
Property, plant and equipment	490,774	756,901
Exploration and evaluation	57	2,490
	514,972	801,823
CORPORATE		
Current assets[1]	277,553	397,035
Restricted cash (current and long-term)	152,125	110,609
Long-term deposit (Note 18)	12,577	12,577
Property, plant and equipment	12,794	14,371
	455,049	534,592
TOTAL ASSETS	$ 1,468,248	$ 2,093,465

(1) Current assets under Corporate exclude the capital-carry receivable and inventory which have been included under the Light Oil and Thermal Oil segments, as appropriate.

14. REVENUE

The following table summarizes Athabasca's revenue by product:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Blended bitumen	$ 39,231	$ 187,695	$ 153,384	$ 370,044
Oil and condensate	11,738	28,439	31,506	58,410
Natural gas	4,151	6,006	7,875	15,961
Natural gas liquids	917	2,391	1,772	6,243
Eliminations - inter-segment sales	(4,360)	(6,302)	(11,706)	(6,302)
TOTAL REVENUE	$ 51,677	$ 218,229	$ 182,831	$ 444,356

15. RESTRUCTURING EXPENSES

On April 2, 2020, the Company decided to suspend its Hangingstone operations due to the significant decline in oil prices combined with the economic uncertainty associated with the ongoing COVID-19 crisis. This suspension involved shutting in the well pairs, halting steam injection to the reservoir, and taking measures to preserve the processing facility and pipelines in a safe manner so that it could be re-started at a future date. As a result, the Company incurred $5.7 million of restructuring expenses comprised of shut-in costs and severances.

16. FINANCING AND INTEREST

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Financing and interest expense on indebtedness (Note 8)	$ 15,989	$ 15,252	$ 31,728	$ 30,447
Amortization of debt issuance costs (Note 8)	2,887	2,253	5,369	4,493
Accretion of provisions (Note 9)	3,097	2,853	6,035	5,699
Interest expense on lease liability (Note 9)	378	439	772	892
TOTAL FINANCING AND INTEREST	$ 22,351	$ 20,797	$ 43,904	$ 41,531

17. EXPLORATION AND NON-PRODUCING ASSET EXPENSES

Exploration expenses relate to Athabasca's fully impaired Dover West, Birch and Grosmont CGUs. Non-producing asset expenses relate to Hangingstone costs incurred after the suspension and are mainly comprised of committed transportation and utilities distribution costs excluding costs directly associated with the suspension which are recognized in restructuring expenses (Note 15).

The following table provides a breakdown of exploration and non-producing asset expenses for the three and six months ended June 30, 2020:

	Three months ended June 30,				Six months ended June 30,			
		2020		2019		2020		2019
Exploration expenses	$	158	$	171	$	428	$	797
Non-producing asset expenses (Note 15)		11,697		—		11,697		—
TOTAL EXPLORATION AND NON-PRODUCING ASSET EXPENSES	$	11,855	$	171	$	12,125	$	797

18. INCOME TAXES

From time to time, Athabasca undergoes income tax audits in the normal course of business. The Company has received notice of reassessments from the Canada Revenue Agency ("CRA") and Alberta Finance. While the final outcome of such reassessments cannot be predicted with certainty, Athabasca has received legal advice that confirms its position as filed and believes it is likely to be successful in appealing the reassessments. As such, the Company has not recognized any provision in its consolidated financial statements with respect to the reassessments and has posted a $12.6 million deposit with the CRA while objecting the reassessments.

As at June 30, 2020, the Company has approximately $3.2 billion in tax pools, including approximately $2.2 billion in non-capital losses and exploration tax pools available for immediate deduction against future income.

19. FINANCIAL INSTRUMENTS RISK

As at June 30, 2020, the Company's consolidated financial assets and liabilities are comprised of cash and cash equivalents, restricted cash, accounts receivable, long-term deposit, risk management contracts, accounts payable and long-term debt. The risk management contracts have been classified as Level 2 on the fair value hierarchy.

Credit risk

Credit risk is the risk of financial loss to Athabasca if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Athabasca's cash balances, accounts receivables from petroleum and natural gas marketers and joint interest partners and risk management contract counterparties.

Athabasca's cash, cash equivalents and restricted cash are held with five counterparties, all of which were large reputable financial institutions, and management concluded that credit risk associated with these investments is low. Management concluded that collection risk of the outstanding accounts receivables is low given the high credit quality of the Company's material counterparties. No material receivables were past due as at June 30, 2020. Athabasca's risk management contracts are held with four counterparties, all of which were large reputable financial institutions, and management concluded that credit risk associated with these risk management contracts is low.

Liquidity Risk

The Company's objective in managing liquidity risk is to maintain sufficient available reserves to meet its liquidity requirements at any point in time. The Company expects to achieve this objective through prudent capital spending, an active commodity risk management program (Note 5) and by maintaining sufficient liquidity to manage periods of volatility within its cash, cash equivalent and short-term investment accounts as well as through available credit facilities.

For the balance of 2020, it is anticipated that Athabasca's Light Oil and Thermal Oil capital and operating activities will be funded through cash flow from operating activities, existing cash and cash equivalents and available credit facilities. Beyond 2020, depending on the Company's level of capital spend and the commodity price environment, the Company may require additional funding which could include debt, equity, joint ventures, asset sales or other external financing. The availability of any additional future funding will depend on, among other things, the current commodity price environment, operating performance, the Company's credit rating and its ability to access the equity and debt capital markets.

The Company's significant outstanding financial liabilities consist of the 2022 Notes which mature on February 24, 2022. All other material financial liabilities mature within one year. In addition, the Company has lease liabilities and decommissioning liabilities as disclosed in Note 9. The Company's future unrecognized commitments are disclosed in Note 20.

Foreign exchange risk

Athabasca is exposed to foreign currency risk on the principal and interest components of its US dollar denominated 2022 Notes (Note 8), the financial assurance amount in Prepaid expenses and deposits related to the firm service transportation agreement entered into during the third quarter of 2019, US dollar denominated cash, cash equivalents, receivables and payables. During the three and six months ended June 30, 2020, Athabasca recognized a $19.8 million foreign exchange gain and a $26.0 million foreign exchange loss, respectively (three and six months ended June 30, 2019 – gain of $12.1 million and $25.7 million). As at June 30, 2020, Athabasca's net foreign exchange risk exposure was US$350.8 million and a 5.0% change in the foreign exchange rate (USD:CAD) would result in a $23.9 million change in the foreign exchange gain/loss.

The Company is also exposed to foreign currency risk on crude oil and bitumen sales based on US dollar benchmark prices.

Commodity price risk

Athabasca is exposed to commodity price risk on its petroleum and natural gas sales due to fluctuations in market commodity prices. Athabasca manages this exposure through an active commodity risk management program as well as managing capital programs and production levels to maximize the value of recoverable resources. Refer to Note 5 for further details.

Interest Rate Risk

The Company's exposure to interest rate fluctuations on interest earned on its floating rate cash, cash equivalents and restricted cash balance of $319.6 million (December 31, 2019 - $365.0 million), from a 1.0% change in interest rates, would be approximately $3.2 million for a 12 month period (year ended December 31, 2019 - $3.7 million). The 2022 Notes and letters of credit issued are subject to fixed interest rates and are not exposed to changes in interest rates.

20. COMMITMENTS AND CONTINGENCIES

The following table summarizes Athabasca's estimated future unrecognized minimum commitments as at June 30, 2020 for the following five years and thereafter:

	Remaining 2020	2021	2022	2023	2024	Thereafter	Total
Transportation and processing[1]	$ 59,035	$132,067	$128,576	$184,487	$195,843	$3,221,738	$3,921,746
Interest expense on long-term debt (Note 8)[1]	9,084	60,559	30,280	—	—	—	99,923
Purchase commitments	9,462	4,649	—	—	—	—	14,111
TOTAL COMMITMENTS	$ 77,581	$197,275	$158,856	$184,487	$195,843	$3,221,738	$4,035,780

(1) Commitments which are denominated in US dollars were converted into Canadian dollars at the June 30, 2020 exchange rate of US$1.00 = C$1.3628.

In April 2020, Athabasca reassigned 15,000 bbl/d of its Keystone XL pipeline transportation commitment to a third party and accordingly $849.5 million of total related transportation commitments were removed from the above disclosure. The Company retains 10,000 bbl/d of capacity commitments on Keystone XL.

As disclosed previously, during the third quarter of 2019 Athabasca entered into a 20 year firm service transportation agreement for approximately 7,200 bbl/d of blended bitumen capacity on the existing Keystone pipeline and a development cost agreement in relation to the Keystone XL pipeline. This agreement provides for a US$48.0 million ($65.4 million) conditional payment, which is only payable if shipper agreements on the Keystone XL pipeline were terminated on or before January 31, 2020. In connection with such agreements, Athabasca provided $85.6 million in financial assurances, consisting of $34.1 million (US$25 million) of cash and $51.5 million of letters of credit. TC Energy and the Alberta Government announced on March 31, 2020 that the Alberta Government would provide financial support in the form of a $1.5 billion equity investment in 2020 and $6 billion of loan guarantees in 2021, enabling completion of the Keystone XL pipeline. As a result, the project resumed construction on April 1, 2020. The Keystone XL project has clearly not been cancelled however certain regulatory and technical matters have resulted in the extension of shipper agreements to no later than March 31, 2021.

The Company is, from time to time, involved in claims arising in the normal course of business. The Company is also currently undergoing income tax and partner related audits in the normal course of business. The final outcome of such claims and audits cannot be predicted with certainty, however, management concluded that it has appropriately assessed any impact to the consolidated financial statements.

21. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital

The following table reconciles the net changes in non-cash working capital from the consolidated balance sheet to the consolidated statement of cash flows:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Change in accounts receivable	$ 30,099	$ 29,809	$ 51,106	$ (40,837)
Change in prepaid expenses and deposits	(4,531)	(4,598)	(6,331)	(5,982)
Change in inventory	(3,977)	(2,631)	18,291	(10,400)
Change in accounts payable and accrued liabilities	(52,844)	(17,844)	(63,947)	(13,166)
Unrealized foreign exchange gain (loss) related to working capital	(850)	—	1,729	—
	$ (32,103)	$ 4,736	$ 848	$ (70,385)
RELATED TO:				
Operating activities	$ (9,148)	$ 13,921	$ 21,709	$ (43,479)
Investing activities	(22,955)	(9,185)	(20,861)	(26,906)
NET CHANGE IN NON-CASH WORKING CAPITAL	$ (32,103)	$ 4,736	$ 848	$ (70,385)
Cash interest paid	$ 1,001	$ 1,162	$ 31,432	$ 31,021
Cash interest received	$ 627	$ 2,089	$ 2,458	$ 3,908

CORPORATE INFORMATION

MANAGEMENT

Robert Broen
President & Chief Executive Officer

Matthew Taylor
Chief Financial Officer

Karla Ingoldsby
Vice President, Thermal Oil

Mike Wojcichowsky
Vice President, Light Oil

DIRECTORS

Ronald Eckhardt(2)
Chair

Bryan Begley(1)(3)

Robert Broen

Anne Downey(2)

Thomas Ebbern(1)(3)

John Festival(2)

Carlos Fierro(1)(3)

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Detailed biographies of Athabasca's Board of Directors and Management are available on the Company's website.

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BANKS

The Toronto-Dominion Bank
Royal Bank of Canada

AUDITORS

Ernst & Young LLP

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP

INDEPENDENT EVALUATORS

McDaniel & Associates Consultants Ltd.

STOCK SYMBOL

ATH
Toronto Stock Exchange

Member of:

(1) Audit Committee
(2) Reserves and Health, Safety & Environment Committee
(3) Compensation and Governance Committee