Harvest OPERATIONS CORP.

Press Release

HARVEST OPERATIONS CORP. REPORTS Q2 2019 RESULTS

Calgary, Alberta – August 2, 2019: Harvest Operations Corp. ("Harvest" or the "Company") announced its financial and operating results for the second quarter ended June 30, 2019.

This press release is an overview of the second quarter results for 2019 and should be read with the unaudited condensed interim financial statements and Management's Discussion and Analysis (MD&A) for the second quarter ended June 30, 2019 available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

All financial data has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board except where otherwise noted. All figures reported herein are in Canadian dollars unless otherwise stated.

Q2 2019 HIGHLIGHTS:

Conventional

- Total sales volumes for the quarter was 26,073 barrels of oil equivalent ("boe/d"), including Harvest's share of Deep Basin Partnership ("DBP") of 3,777 boe/d (4,525 boe/d gross). Sales volumes for the three and six months ended June 30, 2019 decreased by 2,731 boe/d and 2,062 boe/d, respectively, as compared to the same periods in 2018. The decrease during the three months ended June 30, 2019 is primarily due to natural declines, third party turnarounds and forest fires in Northern Alberta during May and June 2019 resulting in shut-ins, which were partially offset by production resulting from new wells drilled in the fourth quarter of 2018.
- Operating loss for the three months ended June 30, 2019 was $25.3 million (Q2 2018: $22.8 million operating loss).
- Capital expenditures totaled $4.7 million and $12.5 million for the three and six months ended June 30, 2019. Capital expenditures during the three months ended June 30, 2019 were primarily related to drilling and completions for partner wells drilled during the first quarter of 2019. During the three and six months ended June 30, 2019, nil wells and two gross (0.6 net) wells were rig-released, respectively.
- Cash contributions from Harvest's Conventional operations for the three and six months ended June 30, 2019 were $11.5 million and $31.7 million, respectively (2018: $25.1 million and $49.4 million). The decrease in cash contributions for the three and six months ended June 30, 2019 was mainly due to a decrease in revenues, partially offset by lower royalties, operating, transportation and general and administrative expenses.

Oil Sands

- Sales volumes of blended bitumen for the three and six months ended June 30, 2019 were 8,902 boe/d and 8,375 boe/d, respectively (2018: nil), with 12 well pairs converted to SAGD operations by June 30, 2019. On May 1, 2019 BlackGold produced 10,000 boe/d, achieving its original design capacity for Phase one.
- Operating netback per boe prior to hedging for the three and six months ended June 30, 2019 were $28.68/boe (2018: nil) and $20.31/boe (2018: nil), respectively.
- Cash contributions from the Oil Sands segment for the three and six months ended June 30, 2019 were $14.5 million and $21.7 million, respectively (2018 - $1.9 million and $1.8 million deficiency). Up until the

fourth quarter of 2018, oil sands operations were capitalized. With the project now operating as intended by management, 2019 results now reflect operating revenue and expenses in the current period, while in 2018 there were pre-operating losses.

- Capital expenditures for the three and six months ended June 30, 2019 were $0.9 million (2018: $36.9 million) and $1.5 million (2018: $59.7 million), respectively. The decrease in capital expenditures over the comparative periods is the result of completing facility construction and commissioning during the first half of 2018.
- Operating income for the three and six months ended June 30, 2019 were $4.9 million (2018: $1.9 million loss) and $0.4 million (2018: $3.6 million loss). The operating income increased from prior periods as a result of the project now operating as intended by management.

Corporate

- On July 29, 2019, Harvest closed the extension of the $500 million credit facility from the original maturity date of February 24, 2020 to July 29, 2022.
- At June 30, 2019, Harvest had $443.8 million drawn under the credit facility (December 31, 2018: $386.8 million) excluding letters of credit totaling $14.6 million (December 31, 2018: $15.1 million).
- The Alberta Government's mandatory oil production curtailment came into effect in January 2019. Harvest's physical oil production was not impacted by the mandated production curtailment during the six months ended June 30, 2019. Currently, the Company does not believe the production curtailment order will have a material impact for the remainder of 2019. Harvest is fully cooperating with the Alberta Government and will be prepared to adjust its 2019 work plan and budget program, if and as required.

HARVEST CORPORATE PROFILE

Harvest is a wholly-owned, subsidiary of Korea National Oil Corporation ("KNOC"). Harvest is a significant operator in Canada's energy industry offering stakeholders exposure to exploration, development and production of crude oil and natural gas (Upstream) and an oil sands project in northern Alberta (BlackGold).

KNOC is a state owned oil and gas company engaged in the exploration and production of oil and gas along with storing petroleum resources. KNOC will fully establish itself as a global government-run petroleum company by applying ethical, sustainable and environment-friendly management and by taking corporate social responsibility seriously at all times. For more information on KNOC, please visit their website at www.knoc.co.kr/ENG/main.jsp.

ADVISORY

Certain information in this press release contains forward-looking information that involves risk and uncertainty. For this purpose, any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Such risks and uncertainties in respect of such forward-looking information include, but are not limited to, risks associated with: imprecision of reserve estimates; conventional oil and natural gas operations; volatility in commodity prices and currency exchange rates; risks associated with realizing the value of acquisitions; general economic, market and business conditions; changes in environmental legislation and regulations; the availability of sufficient capital from internal and external sources; and, such other risks and uncertainties described from time to time in Harvest's regulatory reports and filings made with securities regulators.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Harvest assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

FOR FURTHER INFORMATION PLEASE CONTACT:

Harvest Operations Corp.

INVESTOR & MEDIA CONTACT:

Greg Foofat
Manager, Investor Relations & Corporate Communications
Harvest Operations Corp.
Toll Free Investor Mailbox: (866) 666-1178
Email: investor.relations@harvestenergy.ca

Harvest Operations Corp.
1500, 700 – 2nd Street S.W.
Calgary, AB Canada T2P 2W1
Website: www.harvestoperations.com