



ARC RESOURCES LTD.

ENTERING
A NEW ERA
FOR **ORGANIC**
GROWTH

2010

ANNUAL
REPORT



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INFORMATION REGARDING DISCLOSURE ON OIL AND GAS RESERVES, AND OPERATIONAL INFORMATION

This Annual Report describes certain information set forth in our news release dated February 10, 2011: ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per Cent and readers should refer to that news release, which news release other than (i) the discussion in such release under the heading "Montney Economic Contingent Resource Evaluation"; and (ii) the discussion in such release under the headings "Headings", "Reserves and Resources Overview" and "Information Regarding Disclosure on Oil and Gas Reserves, Resources and Other Operational Information" in respect of "Economic Contingent Resource Evaluation", "Discovered Gas Initially in Place", "DGIIIP", "Economic Contingent Resource", "Contingent Resource", "resources" and "possible reserves", is hereby incorporated by reference. This news release can be found at SEDAR at www.sedar.com.

All amounts in this Annual Report are stated in Canadian dollars unless otherwise specified. Where applicable, natural gas has been converted to barrels of oil equivalent ("BOE") based on 6 mcf:1 boe. The boe rate is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalent at the wellhead. Use of boe in isolation may be misleading. In accordance with Canadian practice, production volumes and revenues are reported on a company gross basis, before deduction of Crown and other royalties, unless otherwise stated. Unless otherwise specified, all reserves volumes in this Annual Report (and all information derived therefrom) are based on "company interest reserves" using forecast prices and costs. "Company interest reserves" consist of "company gross reserves" (as defined in National Instrument 51-101 adopted by the Canadian securities regulators ("NI 51-101") plus ARC's royalty interests in reserves. "Company interest reserves" are not a measure defined in NI 51-101 and does not have a standardized meaning under NI 51-101. Accordingly, our company interest reserves may not be comparable to reserves presented or disclosed by other issuers. Our oil and gas reserves statement for the year ended December 31, 2010, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form that will be available on SEDAR at www.sedar.com. In relation to the disclosure of estimates for any individual properties, such estimates for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

NOTICE TO U.S. READERS

The oil and natural gas reserves contained in this press release have generally been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects of United States or other foreign disclosure standards. For example, the United States Securities and Exchange Commission (the "SEC") generally permits oil and gas issuers, in their filings with the SEC, to disclose only proved reserves (as defined in SEC rules). Canadian securities laws require oil and gas issuers, in their filings with Canadian securities regulators, to disclose not only proved reserves (which are defined differently from the SEC rules) but also probable and possible reserves, each as defined in NI 51-101 and allow the disclosure of possible reserves. Accordingly, proved reserves disclosed in this Annual Report may not be comparable to U.S. standards, and in this Annual Report, ARC has disclosed reserves designated as "probable reserves" and "proved plus probable reserves". Probable reserves are higher risk and are generally believed to be less likely to be accurately estimated or recovered than proved reserves. The SEC's guidelines strictly prohibit reserves in these categories from being included in filings with the SEC that are required to be prepared in accordance with U.S. disclosure requirements. In addition, under Canadian disclosure requirements and industry practice, reserves and production are reported using gross (or, as noted above, "company interest") volumes, which are volumes prior to deduction of royalty and similar payments. The practice in the United States is to report reserves and production using net volumes, after deduction of applicable royalties and similar payments. Moreover, ARC has determined and disclosed estimated future net revenue from its proved and probable reserves using forecast prices and costs, whereas the SEC generally requires that prices and costs be averaged for the 12 months as of the date of the reserve report. As a consequence of the foregoing, ARC's reserve estimates and production volumes in this Annual Report may not be comparable to those made by companies utilizing United States reporting and disclosure standards. Additionally, the SEC prohibits disclosure of oil and gas resources, including contingent resources, whereas Canadian issuers may disclose oil and gas resources. Resources are different than, and should not be construed as, reserves.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This Annual Report contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue",

"estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this Annual Report contains forward-looking information and statements pertaining to the following: the volumes and estimated value of ARC's oil and gas reserves; the volumes of resources; the life of ARC's reserves; the volume and product mix of ARC's oil and gas production; future oil and natural gas prices and ARC's commodity risk management programs; future results from operations and operating metrics; and future development, exploration, acquisition and development activities (including drilling plans) and related production expectations.

The forward-looking information and statements contained in this Annual Report reflect several material factors and expectations and assumptions of ARC including, without limitation: that ARC will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities consistent with past results; the continued and timely development of infrastructure in areas of new production; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of ARC's reserve volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and cash flow to fund its plans expenditures. There are a number of assumptions associated with the development of the lands at Dawson, West Montney and Parkland, including the quality of the Montney reservoir, continued performance from existing wells, future drilling programs and performance from new wells, the growth of infrastructure, well density per section, recovery factors and development necessarily involves known and unknown risks and uncertainties, including those risks identified in this Annual Report. ARC believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. ARC believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this Annual Report are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve 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 or statements including, without limitation: changes in commodity prices; the early stage of development of some areas in Dawson, West Montney and Parkland; the potential for variation in the quality of the Montney formation, changes in the demand for or supply of ARC's products; unanticipated operating results or production declines; unanticipated results from ARC's exploration and development activities; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of ARC or by third party operators of ARC's properties; increased debt levels or debt service requirements; inaccurate estimation of ARC's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in ARC's public disclosure documents (including, without limitation, those risks identified in this Annual Report and in ARC's Annual Information Form).

The forward-looking information and statements contained in this Annual Report speak only as of the date of this Annual Report, and none of ARC or its subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

"On January 1, 2011 ARC Energy Trust (the "Trust") completed its conversion to a dividend paying corporation. Prior to the conversion of the Trust to a corporation, distributions were paid to unitholders. Historical references in this Annual Report to "unitholders", "distributions", "trust units", and "per unit" have been replaced with "shareholders", "dividends", "common shares" and "per share", respectively, except where specifically noted in this Annual Report."

INFORMATION REGARDING FINANCIAL INFORMATION

This Annual Report includes certain information which is set forth in the audited financial statements of the Corporation for the year ended December 31, 2010, including the report of our auditor's thereon and the notes thereto, and readers should refer to those financial statements, which are hereby incorporated by reference. These financial statements can be found at SEDAR at www.sedar.com and can be obtained from the Corporation upon request.

KEY PILLARS OF OUR STRATEGY

Operational
excellence

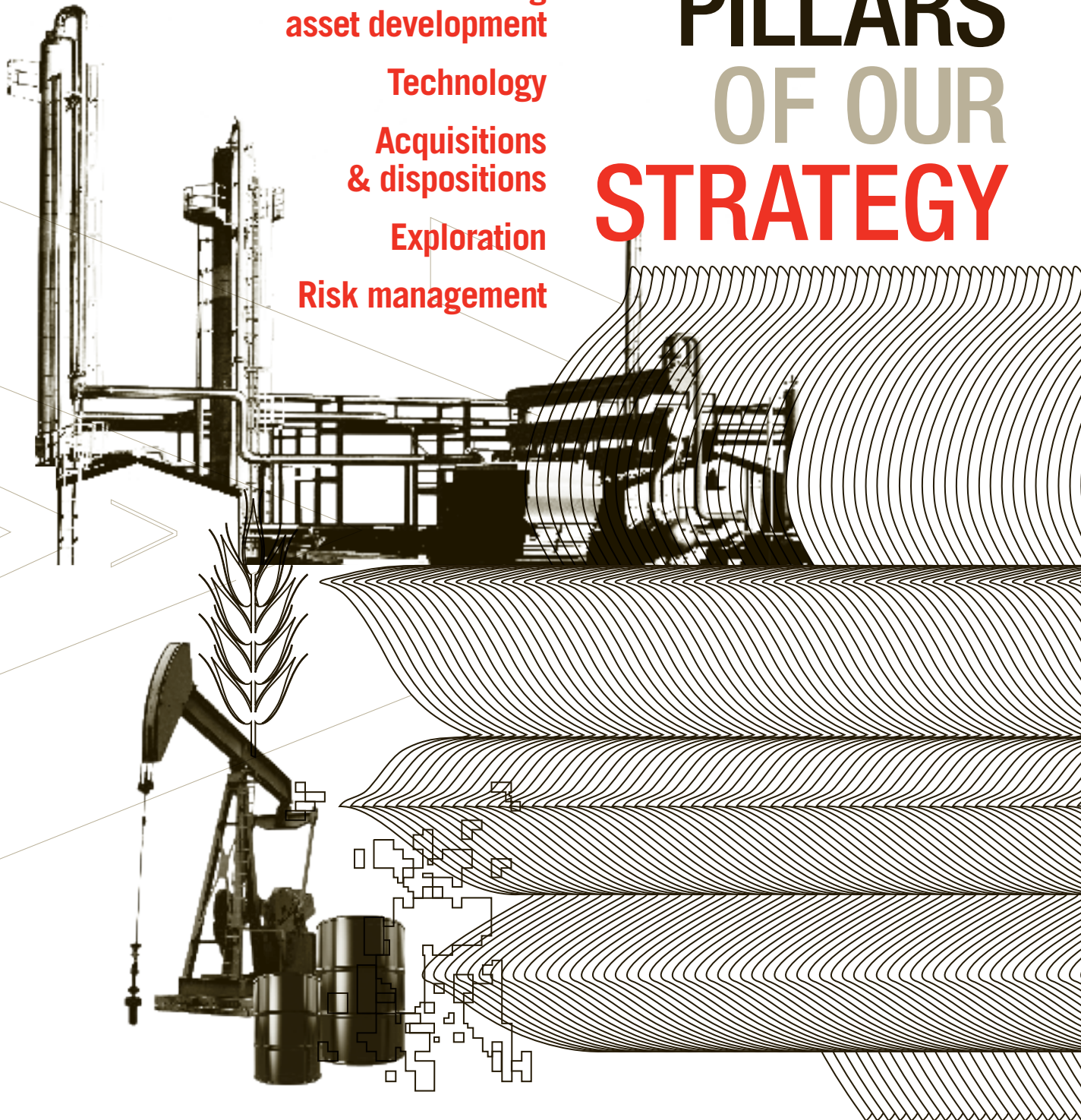
Value creating
asset development

Technology

Acquisitions
& dispositions

Exploration

Risk management





Our **KEY** **STRATEGIC** **FOCUS** areas



**Montney resource
development
at Dawson and Ante Creek**



**Cardium resource
development at Pembina**



**New technology
application
in our portfolio across
the Western Canadian
Sedimentary Basin**



**Acquisitions
and divestitures**



**Resource play exploration
and development**



STRATEGIC FOCUS

Risk-managed
value creation
is important to **ARC**

Risk- Managed Value Creation

means pursuing large, known hydrocarbon accumulations and using our expertise and technology to maximize our return on investment.



ARC AT A GLANCE

ARC Resources (“ARC”) is located in Calgary, Alberta and is a mid-sized dividend paying oil and gas company with near-term growth prospects. ARC focuses on the acquisition and development of resource-rich properties that provide an option for growth. ARC’s shareholders receive a monthly dividend from ARC’s producing oil and gas assets. ARC was initially structured as an income trust and completed its conversion to a corporation on January 1, 2011 to address the new federal tax legislation for trusts effective that day.

ARC has consistently outperformed the S&P/TSX Composite Index and the S&P/TSX Explorations and Production Index.

During 2010,
ARC’s annual total
return was

34.7
PER CENT

Average annual
total return since
inception is

19
PER CENT

ARC is committed to generating superior long-term returns for our investors.

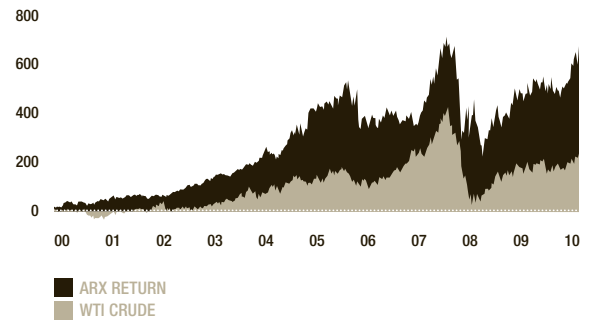
ARC common shares trade on the Toronto Stock Exchange under the symbol

ARX

TOTAL RETURN PERFORMANCE

(%)

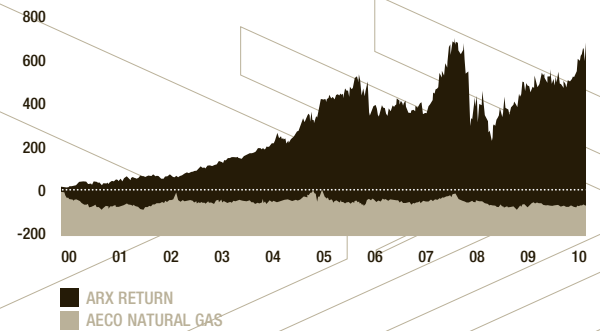
Dec 31/2000-Dec 31/2010
ARC vs. WTI Crude Oil



TOTAL RETURN PERFORMANCE

(%)

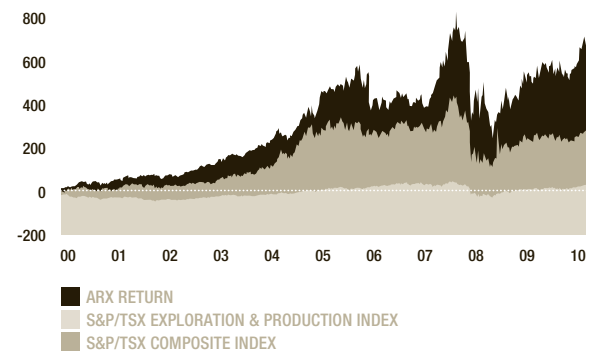
Dec 31/2000-Dec 31/2010
ARC vs. AECO Natural Gas



TOTAL RETURN PERFORMANCE

(%)

Dec 31/2000-Dec 31/2010
ARC vs. S&P/TSX Exploration
& Production (E&P) Index vs.
S&P/TSX Composite Index



FINANCIAL HIGHLIGHTS

TWELVE MONTHS ENDED DECEMBER 31

FINANCIAL (CDN\$ MILLIONS, EXCEPT PER SHARE AND PER BOE AMOUNTS)

(Cdn\$ millions, except per share and per boe amounts)

	2010	2009
Revenue before royalties	1,213.7	978.2
Per share ⁽¹⁾	4.59	4.16
Cash flow from operating activities ⁽²⁾	673.9	497.4
Per share ⁽¹⁾	2.55	2.11
Net income	260.8	225.1
Per share ⁽¹⁾	0.99	0.96
Operating income ⁽³⁾	244.2	181.2
Per share ⁽¹⁾	0.92	0.77
Distributions	313.5	298.5
Per unit ⁽¹⁾	1.20	1.28
Capital expenditures	590.9	359.6
Net debt outstanding ⁽⁴⁾	872.7	902.4

OPERATING

Production

Crude oil (bbl/d)	27,341	27,509
Natural gas (mmcf/d)	254.2	194.0
Natural gas liquids (bbl/d)	4,245	3,689
Total (boe/d)	73,954	63,538
Average prices		
Crude oil (\$/bbl)	73.85	62.24
Natural gas (\$/mcf)	4.21	4.18
Natural gas liquids (\$/bbl)	53.98	40.67
Oil equivalent (\$/boe)	44.88	42.07
Operating netback (\$/boe)		
Commodity and other revenue (before hedging)	44.96	42.17
Transportation costs	(1.10)	(0.89)
Royalties	(7.14)	(6.37)
Operating costs	(9.70)	(10.19)
Netback (before hedging)	27.02	24.72
Realized gain on risk management contracts	2.20	0.54
Netback (after hedging)	29.22	25.26

EQUITY

(millions)

Shares outstanding, end of period	284.4	239.0
Weighted-average shares ⁽⁵⁾	264.2	235.4

TRADING STATISTICS

(Cdn\$, except volumes - based on intra-day trading)

High	26.04	21.89
Low	18.77	11.73
Close	25.41	19.94
Average daily volume (thousands)	1,197	1,057

(1) Prior to the conversion to a corporation, ARC had "units" outstanding instead of "shares". In all cases, the term per share can be interpreted as per unit prior to December 31, 2010. Per share amounts (with the exception of per unit distributions, which are based on the number of trust units outstanding at each distribution record date) are based on diluted common shares.

(2) Cash flow from operating activities is a GAAP measure. Historically, management has disclosed cash flow from operations as a non-GAAP measure calculated using cash flow from operating activities less the change in non-cash working capital and the expenditures on site restoration and reclamation as they appear on the Consolidated Statements of Cash Flows. Cash flow from operations is \$680.6 million (\$2.58 per share) for 2010 and \$518 million (\$2.20 per share) for 2009.

(3) Operating income is a non-GAAP measure and is calculated using net income (loss) less significant one-time items and items that are not indicative of operating performance. For 2010 and 2009, operating income was derived using net income (loss) less unrealized gains/losses on risk management contracts, net of tax, and unrealized foreign exchange gains/losses on US\$ denominated debt, net of tax.

(4) Net debt excludes current unrealized amounts pertaining to risk management contracts and the current portion of future income taxes.

(5) Diluted common shares.

RESERVES	2010 GROSS RESERVES	2010 COMPANY INTEREST RESERVES	2009 COMPANY INTEREST RESERVES
Proved reserves			
Crude oil and NGLs (mmbbl)	123,538	124,007	116,323
Natural gas (bcf)	1,265.4	1,274	916.5
Total oil equivalent (mboe)	334,432	336,339	269,535
Proved plus probable reserves			
Crude oil and NGLs (mmbbl)	165,963	166,553	153,413
Natural gas (bcf)	1,914.90	1,925	1,353.20
Total oil equivalent (mboe)	485,121	487,418	378,953
FINDING , DEVELOPMENT AND ACQUISITION COSTS (\$/boe) ⁽¹⁾			
Including future development capital			
Current year		14.23	11.56
Three-year average		14.05	14.75
Excluding future development capital			
Current year		9.21	6.44
Three-year average		8.60	9.57

(1) Based on proved plus probable company interest reserves before royalties. Additional information on Finding and Development costs and Finding and Acquisition costs is available in the Annual Information Form and in the February 10, 2011 news release titled "ARC Resources Ltd. 2010 Year-End Reserves Increase by 29 per cent."



Message to SHAREHOLDERS

Our structure may have changed but our business strategy focused on **risk-managed value creation** has not.

ARC Resources Ltd. ("ARC") ended 2010 with exceptional business results marking both the end of our company's term as a royalty trust and our beginning as a corporation. On January 1, 2011, ARC completed the conversion of its structure to a dividend-paying corporation to accommodate the Federal Government's SIFT tax legislation. We will reiterate what we have said many times during the past few years – our structure may have changed but our business strategy, focused on risk-managed value creation, has not. As we close the chapter of being structured as an income trust, the look-back is excellent. ARC has achieved a 19 per cent average annual return since its inception in 1996 and has paid out a total of \$3.9 billion to our investors. We have grown absolute production since inception from 9,500 boe per day to an exit rate of 84,000 boe per day in 2010 through a combination of acquisitions and more recently, organic growth. More importantly, we have grown our debt and distribution adjusted reserves and production per unit by 9.7 per cent per year and 9.1 per cent per year, respectively, since 1996. We have grown from an enterprise value of \$200 million in 1996 to an \$8 billion entity today to become one of Canada's 60 largest, publicly traded corporations. We believe the consistent execution of our risk-managed value creation business plan has contributed to our investors' understanding and trusting our business strategy. We expect to continue to balance dividend payments with growth when appropriate as we manage our business in upcoming years.

The highlights of 2010 were ARC's excellent operational results and a 16 per cent year-over-year growth in production. ARC has added value in every aspect of our business in 2010 – our revenues, cash flow, net income and production all increased over the prior year. Due to drilling success using horizontal drilling with multi-stage fracturing technology we continued to solidify our asset base through strategic acquisitions in areas where ARC already has operational expertise and demonstrated success. We added assets in the Montney formation in the greater Dawson area through our acquisition of Storm Exploration Inc. ("Storm") in August 2010 and by purchasing the Attachie property through crown land sales. We also added to our assets in Ante Creek and in Pembina. ARC is in the enviable position of being able to grow our business over the next three to five years through internally generated opportunities. On a purely economic basis, 2010 was an improvement over the previous year as oil prices were buoyed by an improving economy. Specifically, the WTI oil price averaged US \$79.55 per barrel, a sizeable increase over US\$61.93 WTI price in 2009. Countering this were natural gas prices, which remained effectively unchanged as they averaged \$4.12 per mcf in 2010 compared to \$4.13 per mcf in 2009. ARC's 2010 cash flow from operating activities increased 21 per cent over 2009 to \$2.55 per share from \$2.11 per share, reflecting the strong growth in production and higher oil prices. ARC's risk management strategies of diversifying our resource base by investing in both oil and natural gas properties, limiting the amount of debt and hedging a portion of cash flow position the company to financially fund future, value-adding capital expenditures.

ARC added significant new reserves in 2010 through its low-cost development program as well as strategic asset purchases in our key areas. Our proved reserves increased by 25 per cent in 2010 to 336 mmbœ and proved plus probable ("P+P") reserves increased 29 per cent to 487 mmbœ compared to 2009. P+P finding and development costs ("F&D"), excluding future development capital ("FDC") were \$6.47 per boe (\$11.60 per boe including FDC). Including acquisitions, ARC replaced 502 per cent of annual production at an all-in P+P finding, development and acquisition costs ("FD&A") before FDC of \$9.21 per boe (\$14.23 per boe including FDC). ARC was also able to increase its P+P reserve life index from 14.5 years to 15.2 years, which speaks to the quality and future development opportunities that exist on our asset base.

Production averaged 73,954 boe per day for the full year, but a better representation of our growth is the 84,686 boe per day achieved in the fourth quarter of 2010. This represents a 35 per cent increase over the 62,520 boe per day produced in the fourth quarter of 2009. The gains in production derive from both our development activities and from our strategic acquisitions. The highlight of the year was the safe start-up of our first 60 mmcf per day gas plant at our Dawson field in northeast British Columbia. This plant has proven to be very reliable, with production consistently above 60 mmcf per day. A second 60 mmcf per day plant is currently under construction with start-up planned for the second quarter of 2011. Another material highlight was the successful acquisition and integration of Storm, which closed in August. This acquisition significantly expanded our presence in the Montney gas play as Storm's primary asset was the Parkland gas field, located just 10 kilometers from our Dawson operations. An important aspect of the Parkland field is that it is liquids rich, which substantially enhances revenue in the prevailing weak natural gas price environment.

As we move into new areas we are constructing large facilities that require longer cycle times. These projects involve construction of infrastructure such as gas plants and expanded gathering facilities. For example, we are currently placing orders for equipment for an Ante Creek gas plant that is due to start-up in early 2012. We are also planning for new emerging areas such as Parkland, West Montney and Attachie for production in future years.

ARC has an extensive array of value creating opportunities within its asset base and we are planning to execute a \$625 million capital program in 2011. We are directing \$224 million to our Montney development in northeast British Columbia as a significant portion of ARC's production growth is targeted from that area. When we purchased Dawson in 2003, the field was producing approximately 20 mmcf per day – we estimate that by the second quarter of 2011, we will be producing 165 mmcf per day from Dawson. The Montney gas area will keep us busy over the next three to five years as we plan to build at least two more gas plants, most likely in 2013 and 2014. In 2010, we purchased an additional 90 contiguous sections of land in northeast British Columbia in an area called Attachie, which is northwest of our Dawson field. This is a prospective land base and we plan to drill five wells during 2011 in Attachie to assess its potential for commercial production. ARC purchased additional lands in Attachie early in 2011, giving us a total of 101 sections.

ARC's ability to execute successful capital programs and provide consistently strong returns to our investors would not be possible without a team of highly skilled employees in every aspect of our business. ARC has used a counter-cyclical approach in hiring practices – when others in our industry reduced hiring because of a slower economy, we ramped up our hiring program and took advantage of the opportunity to add some highly-skilled talent to our existing complement of employees. We are just as disciplined in our hiring practices as we are with the development of our assets. Our focus in 2010 was to attract people to ARC who have the expertise and vision to develop the opportunities in our new areas. We provide our people with a dynamic corporate culture, where each person's contribution to the success of our company is valued. Providing our employees the opportunity to develop their skills through education grants and formal training and development programs is a priority at ARC. As our company grows in numbers, we encourage our employees to look after each other from a safety perspective. All the activities undertaken and the results achieved can only be considered successful when they are executed safely and in an environmentally responsible manner. Our collective goal is always zero accidents and our health and safety policies and programs strive toward that objective. We continue to communicate our environmental strategies to our stakeholders and published a new Corporate Responsibility report (available on our website at www.arcresources.com) that details our goals, achievements and activities pertaining to environment, health and safety and community investment.



We have grown from an enterprise value of \$200 million in 1996 to an

\$8 Billion

entity today and one of Canada's 60 largest, publicly traded corporations.



We believe our
OPPORTUNITIES
have never been better
and we look forward to 2011.

ARC has some exciting projects on the infrastructure, development and exploration side that will keep our teams busy for the next several years. We will be focusing on the development of our three major areas of growth: Ante Creek, Pembina and the Montney gas play in northeast British Columbia. Our business strategy still focuses on great assets, low cost structure and a management team that delivers results. We will continue to run our business within the context of our mantra of risk-managed value creation with the goal of maximizing long-term returns for our investors.

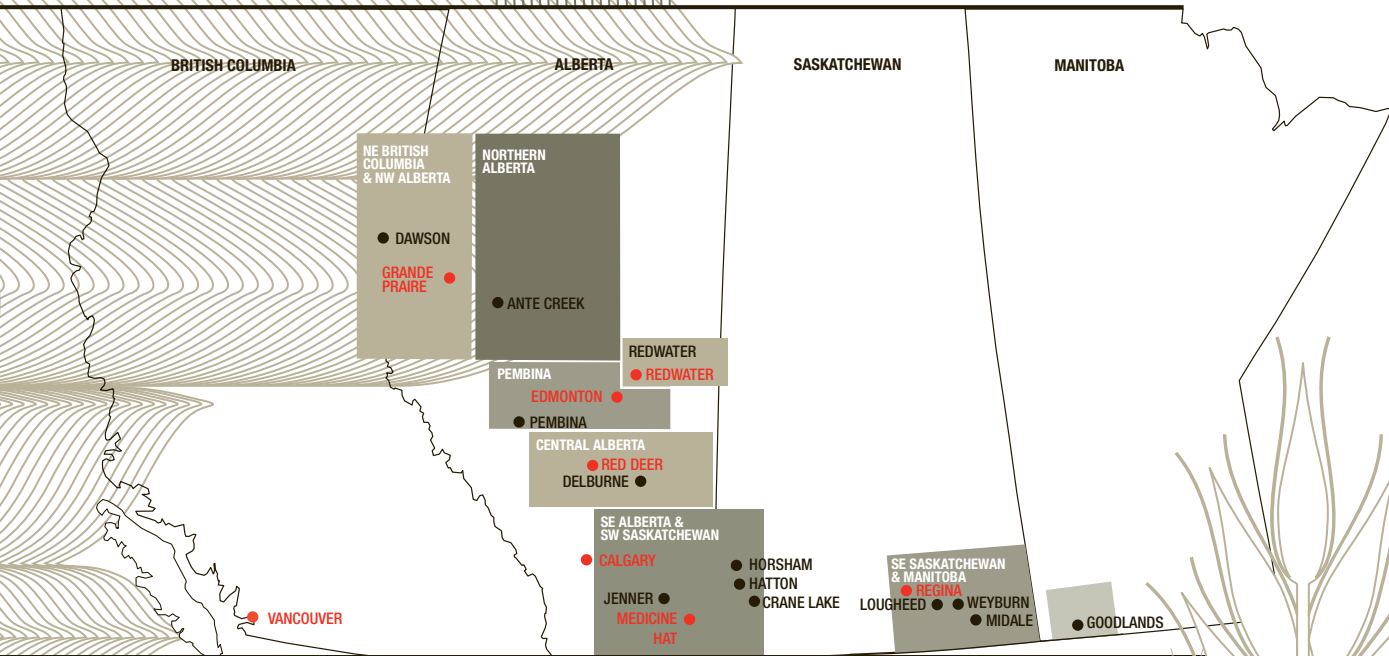


John P. Dielwart
Chief Executive Officer



Myron M. Stadnyk
President &
Chief Operating Officer

OUR OPERATIONS



2011 BUDGET ARC'S OPPORTUNITIES

NORTH EAST BRITISH COLUMBIA NORTH WEST ALBERTA	\$242 MM 39,700 BOE/D 35 WELLS ⁽¹⁾
NORTHERN ALBERTA	\$130 MM 11,400 BOE/D 19 WELLS ⁽¹⁾
REDWATER	\$22 MM 4,400 BOE/D 14 WELLS ⁽¹⁾
PEMBINA	\$97 MM 9,200 BOE/D 42 WELLS ⁽¹⁾
CENTRAL ALBERTA	\$5 MM 2,900 BOE/D 3 WELLS ⁽¹⁾
SOUTH EAST ALBERTA & SOUTH WEST SASKATCHEWAN	\$16 MM 7,900 BOE/D 5 WELLS ⁽¹⁾
SOUTH EAST SASKATCHEWAN & MANITOBA	\$88 MM 11,000 BOE/D 48 WELLS ⁽¹⁾

	CAPITAL \$MM	VOLUMES YEAR AVERAGE (boe/d)	GROSS WELLS
2011 BUDGET			
Operated	562.3	72,000 – 74,000	166
Non-operated	63.3	11,000 – 13,000	83
TOTAL	625.6*	84,000 – 87,000	249

* INCLUDES CORPORATE \$26.7MM

BY THE NUMBERS

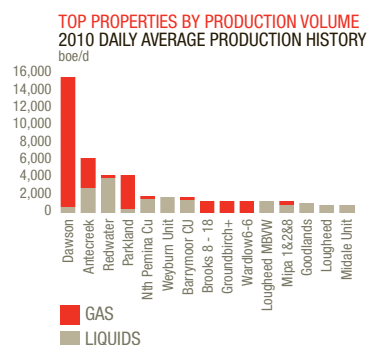
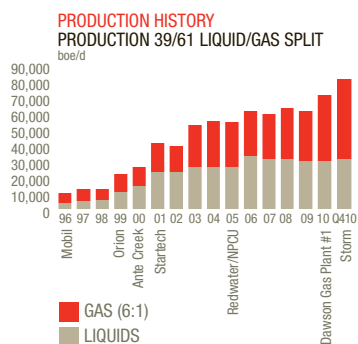
	2010 ACTUAL
NORTH EAST BRITISH COLUMBIA NORTH WEST ALBERTA	Wells Drilled ⁽¹⁾ 38 Production (boe/d) 23,656 Netback (\$/boe) 16.73 Reserves (mboe) ⁽²⁾ 244,786 Reserve Life Index ⁽³⁾ 16.9
NORTHERN ALBERTA	Wells Drilled ⁽¹⁾ 12 Production (boe/d) 11,541 Netback (\$/boe) 27.15 Reserves (mboe) ⁽²⁾ 58,852 Reserve Life Index ⁽³⁾ 14.1
REDWATER	Wells Drilled ⁽¹⁾ 8 Production (boe/d) 4,179 Netback (\$/boe) 42.52 Reserves (mboe) ⁽²⁾ 26,259 Reserve Life Index ⁽³⁾ 16.2
PEMBINA	Wells Drilled ⁽¹⁾ 25 Production (boe/d) 9,143 Netback (\$/boe) 37.51 Reserves (mboe) ⁽²⁾ 48,028 Reserve Life Index ⁽³⁾ 14.3
CENTRAL ALBERTA	Wells Drilled ⁽¹⁾ 13 Production (boe/d) 6,555 Netback (\$/boe) 23.65 Reserves (mboe) ⁽²⁾ 25,085 Reserve Life Index ⁽³⁾ 10.3 ⁽⁴⁾
SOUTH EAST ALBERTA & SOUTH WEST SASKATCHEWAN	Wells Drilled ⁽¹⁾ 48 Production (boe/d) 8,414 Netback (\$/boe) 16.21 Reserves (mboe) ⁽²⁾ 38,126 Reserve Life Index ⁽³⁾ 13.3
SOUTH EAST SASKATCHEWAN & MANITOBA	Wells Drilled ⁽¹⁾ 33 Production (boe/d) 10,463 Netback (\$/boe) 46.21 Reserves (mboe) ⁽²⁾ 46,281 Reserve Life Index ⁽³⁾ 11.6

1. Well counts are taken on a gross operated basis

2. Based on proved plus probable reserves before royalties

3. RLI is calculated based on forecast 2011 production numbers

4. RLI was calculated excluding 14.2 mmboe P+P reserves relating to assets divested in January 2011 and included in the year-end 2010 reserves evaluation.



In 2010, ARC executed a successful and disciplined capital program focusing on the strategic exploitation and development of our high quality asset base. Better than anticipated well performance at Dawson, the redeployment of capital to higher return projects and diligent cost control allowed ARC to achieve all of the objectives of its original \$625 million budget while spending only \$591 million. ARC drilled a total of 176 gross wells (165 net wells) on its operated properties with a 100 per cent success rate. ARC's capital program in 2010 replaced 502 per cent of annual production at an all-in F&D cost of \$6.47 per boe excluding FDC for the P+P category. Our three-year average F&D excluding FDC is \$6.93 per boe on a P+P basis. We expect these F&D results to be "top tier" in the Canadian oil and gas industry in 2010.

Our 2009 capital program set the stage for the significant growth we achieved in 2010, and our 2010 program has set the stage for growth in 2011. While full year production volumes for 2010 averaged 73,954 boe per day, a 16 per cent increase over 2009, the impact of our successful program was evident in the fourth quarter of 2010, when production averaged 84,686 boe per day – an increase of 35 per cent over the fourth quarter in 2009. This increase in the latter part of 2010 reflects the construction and commissioning of the Phase 1 gas plant in the main Dawson field, which brought on 60 mmcf per day of natural gas and 8,800 boe per day from the Storm acquisition, which closed on August 17, 2010.

The highlight of the 2010 capital program was the completion of the Phase 1 gas plant in Dawson and the subsequent safe start-up of the plant. Throughout the last half of 2010, this plant operated safely and reliably at rates in excess of 60 mmcf per day. Construction of a second 60 mmcf per day gas plant at Dawson is well under way with an expected start-up of April 2011. Including the gas plants, a total of \$240 million was allocated to the exploitation and development of the Montney resource play in British Columbia, the largest component of the 2010 capital program. With continued success of our Montney drilling program and excellent well performance from the existing wells, we were able to add a total of 382 Bcf of reserves in the greater Dawson area through the drill bit. The ability to sustain our production from internal opportunities speaks to the high quality of our assets and the ability of our technical team to exploit these assets. (Additional information on the reserves can be found in the "ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per cent" news release dated February 10, 2011).

ARC's board of directors approved a \$625 million capital program for 2011 that will deliver considerable growth in 2012 (2011 growth will be primarily derived from 2010 development). The 2011 capital program focuses on liquids-rich opportunities at Ante Creek and Pembina in Alberta, Parkland in British Columbia and our oil properties in southeast Saskatchewan and southwest Manitoba. Continued, staged development of the Montney opportunities in northeast British Columbia is also a very important part of the program. ARC is forecasting average daily production of 84,000 boe per day to 87,000 boe per day in 2011 based on our existing assets and current drilling opportunities and an exit rate of 93,000 boe per day.

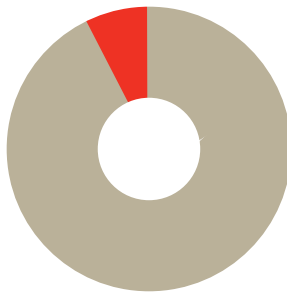
2011 GUIDANCE

SUMMARY OF ARC'S 2010 AND 2011 GUIDANCE AND A REVIEW OF 2010 ACTUAL RESULTS COMPARED TO GUIDANCE.

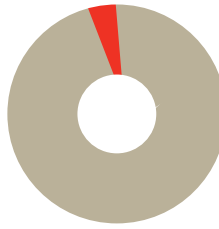
	2010 GUIDANCE	2010 ACTUAL	% VARIANCE	2011 GUIDANCE
Production (boe/d)	72,500 – 74,500	73,954	–	84,000 – 87,000
Expenses (\$/boe):				
Operating costs	10.00	9.70	(3)	9.55
Transportation	1.10	1.10	–	1.15
Cash general and administrative				
(prior to long-term incentive compensation)	2.00	2.19	10	1.70
Interest	1.70	1.57	(8)	1.35
Capital expenditures (\$ millions)	625	591	(5)	625
Annual weighted average common shares (millions)	264	264	–	28



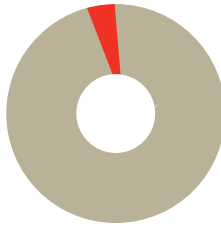
2011 BUDGET



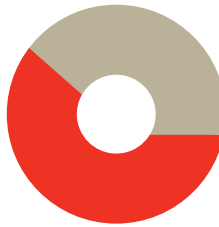
TOTAL OPERATED 2011
 VERTICAL 24
 HORIZONTAL 142



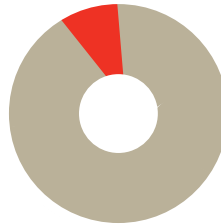
REDWATER
 VERTICAL 1
 HORIZONTAL 13



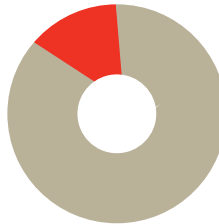
NORTHERN AB
 VERTICAL 1
 HORIZONTAL 18



SE AB / SW SK
 VERTICAL 3
 HORIZONTAL 2



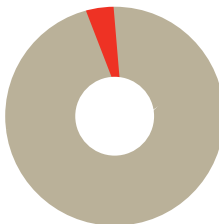
NE BC / NW AB
 VERTICAL 7
 HORIZONTAL 28



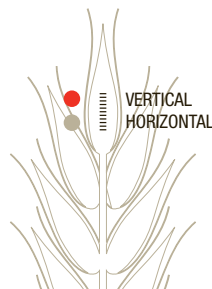
NE BC / NW AB
 VERTICAL 10
 HORIZONTAL 38



CENTRAL AB
 VERTICAL 1
 HORIZONTAL 2



PEMBINA
 VERTICAL 1
 HORIZONTAL 41



86%
 Will be
 Horizontal
 Wells

MONTNEY

Major Growth Engine



NUMBERS AT A GLANCE

DAWSON

15,000 boe per day
97% working interest
97% Gas/ **3%** oil and NGLs
 RLI of **16.9** years
 2011 Budget: **\$98 Million**

PARKLAND

7,800 boe per day
 (since acquisition date)
76% working interest
85% Gas and **15%** NGLs
 RLI of **10.6** years
 2011 Budget: **\$76 Million**

One of western Canada's

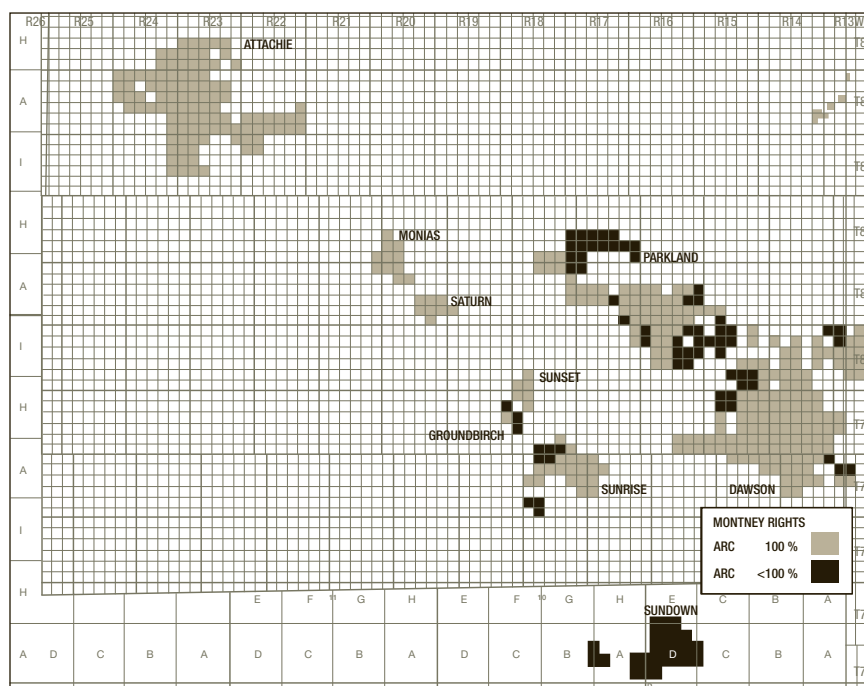
HOTTEST PLAYS

the Montney is a tight gas resource in northeast British Columbia. ARC pioneered the use of multi-stage fracturing for horizontal completions making drilling for tight gas

ECONOMIC

and lauding the Montney as a major growth area. ARC's holdings in the area include Dawson, Parkland, West Montney and Attachie.

The Montney is one of the **BEST TIGHT GAS PLAYS IN NORTH AMERICA**, and ARC is a leader in this play with **DAWSON** proving to be an **EXCEPTIONAL PROPERTY**.



STRATEGIC ADVANTAGE THE DAWSON GAS PLANT

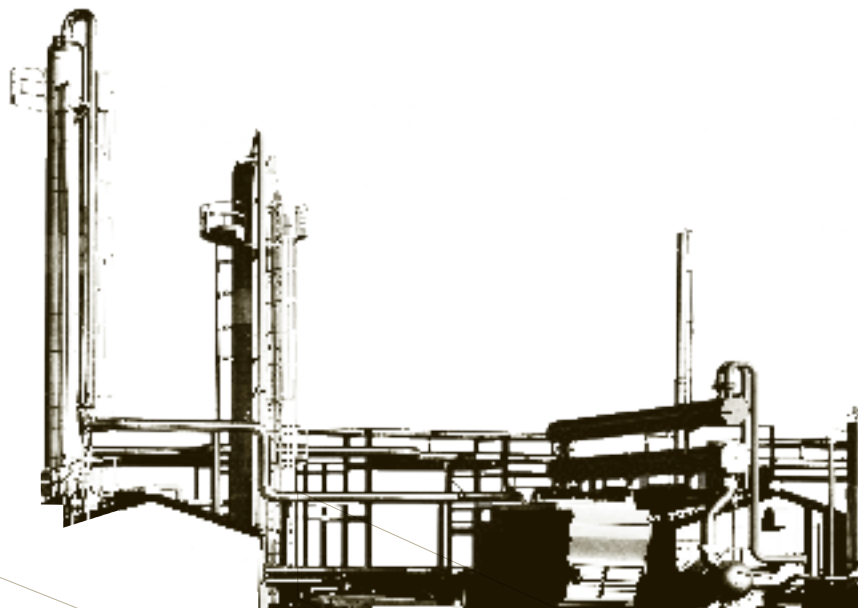
The first of two
60 MMCF PER DAY
gas plants at Dawson
came on-stream
in May 2010.

The second phase
is currently under
construction and
expected to start-up
in April 2011.

At completion,
the total ARC
operated capacity
will be

**120 MMCF
PER DAY** and
total production
will be

**165 MMCF
PER DAY.**



RESERVES AND RESOURCES DECEMBER 31, 2010

DECEMBER 31, 2010

	DGLIP ⁽¹⁾ (Bcf)	CUMULATIVE PRODUCTION (Bcfe)	ESTIMATE RESERVES (Bcfe) ⁽¹⁾			ESTIMATE ECONOMIC CONTINGENT RESOURCE (Bcfe) ⁽²⁾		
			PROVED	PROVED + PROBABLE	PROVED + PROBABLE + POSSIBLE ⁽⁴⁾	LOW ESTIMATE	BEST ESTIMATE	HIGH ESTIMATE
Montney Area								
Dawson	3,800	106	601	901	1,002	318	381	477
West Montney ⁽³⁾	5,500	6	111	253	315	272	331	708
Parkland	800	66	160	227	248	17	18	23
Total	10,100	178	872	1,381	1,565	607	730	1,208

(1) Per GLJ independent reserve evaluation as of December 31, 2010 and based on GLJ forecast pricing as at January 1, 2011. The Bcfe values are sales volumes, with the exception of DGLIP which is presented as raw volumes (Bcf).

(2) Per-independent GLJ "Economic Contingent Resource Evaluation" as of December 31, 2010 and based on GLJ forecast pricing as of January 1, 2011.

(3) Includes Sunrise, Septimus and Sundown.

(4) This volume is an arithmetic sum of multiple estimates of proved, probable and possible reserve categories, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of reserves and appreciate the differing probabilities of recovery associated with each class.

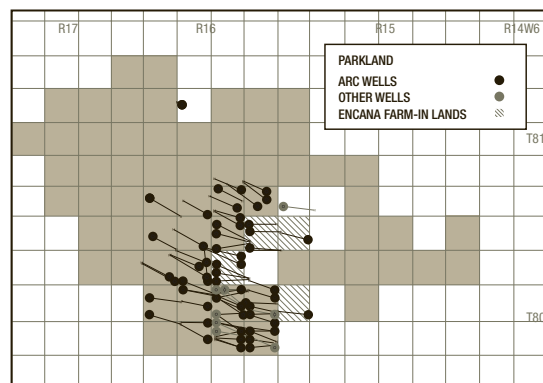
ARC ADDED THE PARKLAND FIELD

in 2010 with the acquisition
of Storm in August. Parkland is an

EXCELLENT STRATEGIC FIT

given the similar geological
characteristics and proximity
to Dawson and the West Montney
fields. The acquisition expands
ARC's undeveloped land holdings
in the Montney by 64 gross
sections. Parkland produces
over 1,000 barrels per day
of natural gas liquids.

PARKLAND LAND HOLDINGS



ANTE CREEK

Steady Growth



NUMBERS AT A GLANCE

7,300 boe per day
95% working interest
44% oil and NGLs
56% natural gas
 RLI of **16 years**
245 gross and 238 net sections
 2011 Budget: **\$102 Million**

ANTE CREEK
 is a story of
 growth through
 the drill bit.
 By implementing

**HORIZONTAL
 DRILLING AND
 MULTI-STAGE
 FRACTURING**

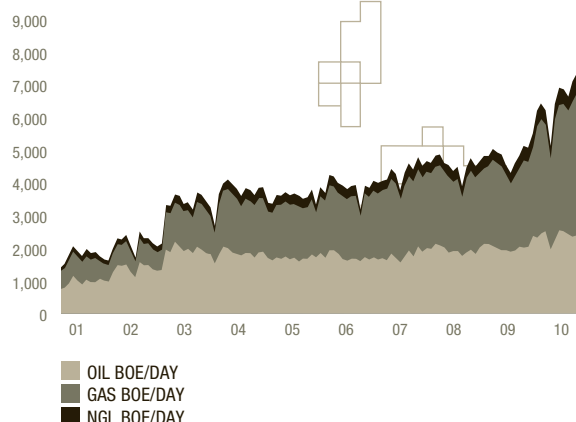
technology
 ARC has
 successfully

**INCREASED
 WELL RATES
 AND IS
 UNLOCKING NEW
 RESERVES.**



ARC has
 identified
150
unrisked
 future
 development
 locations
 in Ante Creek

ANTE CREEK PRODUCTION
 Boe/d



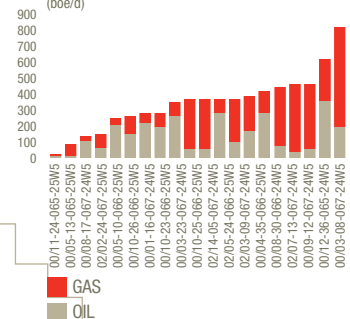
HORIZONTAL MULTI-STAGE COMPLETIONS

began in 2009
delivering
promising
initial production
results - more than

**TRIPLING
RATES**
from vertical
wells.
In total
ARC drilled

**12
HORIZONTAL
WELLS**
targeting both
oil and
natural gas
production.

KEY PRODUCTION INFORMATION
30 DAY INITIAL PRODUCTION RATES
(boe/d)



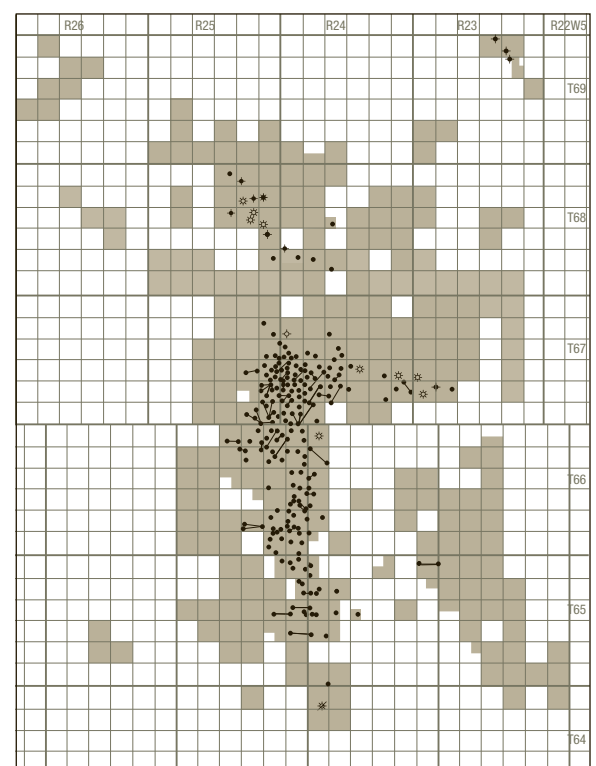
LARGE RESOURCE LOW RECOVERY FACTOR

We believe Ante Creek
is a significant growth
area with

LONG-LIFE AND LONG-TERM POTENTIAL.

The 2011 budget calls
for the construction of a
30 MMCF PER DAY GAS PLANT
to be on-stream early in 2012.
Additional gas processing
capacity will make it possible
to increase oil and liquids
production levels.

ANTE CREEK LAND HOLDINGS



PEMBINA

Evolving Opportunity



NUMBERS AT A GLANCE

9,150 boe per day

77% operated

RLI of 14.3 years

68% oil and NGLs 32% gas

166 gross and

125 net sections

2011 Budget: \$97 Million

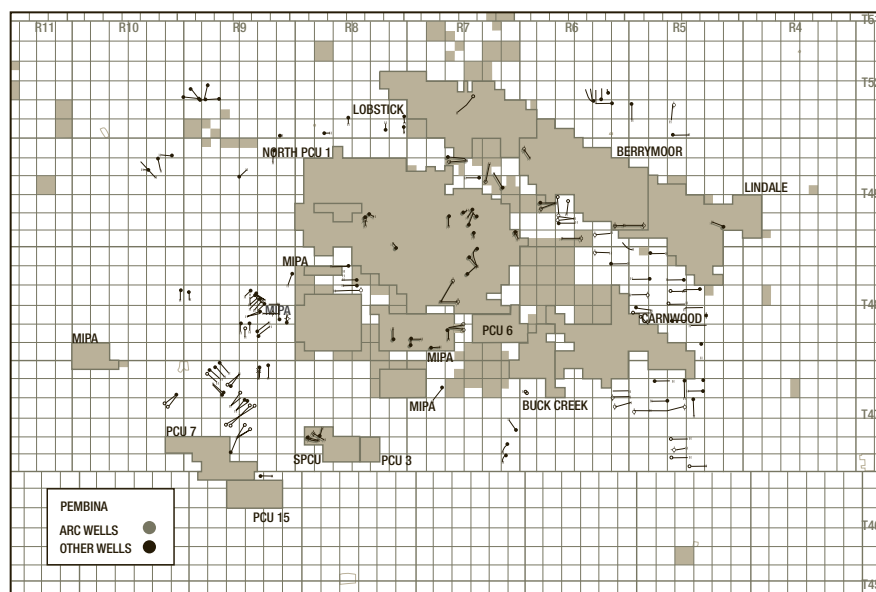
Pembina is a challenging and evolving property. As a founding property for ARC the field has consistently delivered

LONG-TERM STABLE PRODUCTION RATES AND HIGH QUALITY CARDIUM OIL.

We are optimistic about the opportunity for increased recovery at Pembina as we are continuously learning more about this unique field.

Each quarter we gather **MORE DATA** and come closer to understanding the **TRUE OPPORTUNITY** of this **COMPLEX RESERVOIR.**

PEMBINA LAND HOLDINGS

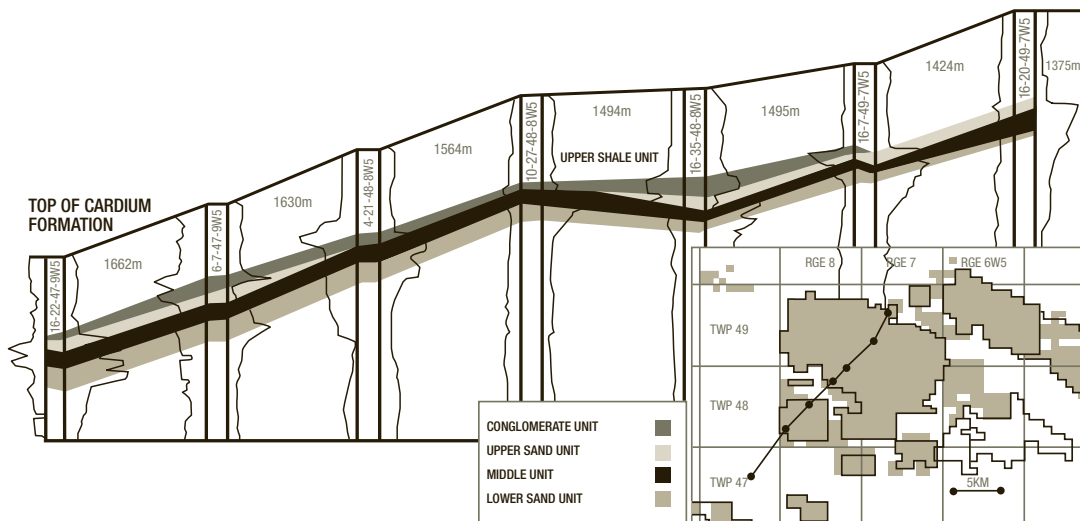


ARC's holdings
in Pembina cover
an extensive area with

**VARIABLE
GEOLOGY,**
which adds
complexity
to our efforts to
economically
access the
**LARGE OIL
RESOURCE.**

Most of the
property is under a

WATERFLOOD
that enhances recovery. The
application of horizontal
drilling and multi-stage
fracturing has produced
great results. We will
continue this strategy into
2011 with plans to more
than double our use of
**HORIZONTAL WELLS
AND MULTI-STAGE
COMPLETION
TECHNOLOGY.**



REVIEW OF RESERVES

In 2010, ARC added 108 mmboe of P+P reserves, replacing 502 per cent of its annual production of 27 mmboe, primarily from internal development activities. Our corporate reserves increased by 29 per cent on a P+P basis to 487 mmboe and 25 per cent on a proved basis to 336 mmboe over 2009.

RESERVES

AS OF DECEMBER 31, 2010

(MMBOE)

**PROVED
PRODUCING** 213

104 MMBOE LIQUIDS
652 BCF GAS

**TOTAL
PROVED** 336

124 MMBOE LIQUIDS
1,274 BCF GAS

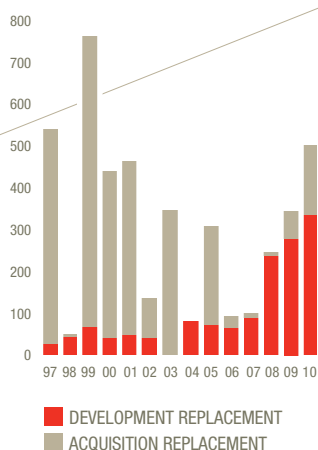
**PROVED PLUS
PROBABLE** 487

166 MMBOE LIQUIDS
1,925 BCF GAS

15.2 YEAR RESERVE LIFE INDEX

This growth was achieved at an all-in annual FD&A cost of \$9.21 per boe excluding FDC for P+P reserves. This brings ARC's three year average FD&A cost excluding FDC down to \$8.60 per boe. ARC's P+P F&D costs were \$6.47 per boe in 2010.

ANNUAL PRODUCTION REPLACEMENT
P+P RESERVES (%)



A key indicator of profitability in the oil and gas sector is recycle ratio, which is defined as the operating netback divided by the F&D. The 2010 reserve additions resulted in a recycle ratio of 4.2 times and 3.9 times, respectively for the current year and three year average for P+P reserves based on the 2010 netback of \$27.02 per boe and F&D costs excluding FDC. ARC typically targets a recycle ratio of 2.0 times or more on a P+P basis. ARC's P+P reserve life index ("RLI") has never been under 11.5 years. In 2010, our RLI increased to 15.2 years and proved RLI remained relatively unchanged at 10.4 years based on the mid-point 2011 production of 85,500 boe per day.

Reserves data and discussions presented are primarily excerpts from the February 10, 2011 news release titled "ARC RESOURCES LTD. 2010 YEAR-END RESERVES INCREASE BY 29 PER CENT".

Data included herein is stated on a company interest basis (before royalty burdens and including royalty interests) unless noted otherwise. All reserves information has been prepared in accordance with National Instrument ("NI") 51-101. The February 20, 2011 news release referred to above contains several cautionary statements that are specifically required by NI 51-101 under the heading "Information Regarding Disclosure on Oil and Gas Reserves, Resources and Operational Information". In addition to the detailed information disclosed in this news release more detailed information on a company gross basis (working interest before deduction of royalties without including any royalty interests) will be included in ARC's Annual Information Form ("AIF"). Numbers presented may not add due to rounding.

RESERVES SUMMARY 2010

USING GLJ JANUARY 1, 2011 FORECAST PRICES AND COSTS

COMPANY INTEREST

	LIGHT AND MEDIUM CRUDE OIL (mbbl)	HEAVY CRUDE OIL (mbbl)	TOTAL CRUDE OIL (mbbl)	NGLS (mbbl)	NATURAL GAS (bcf)	OIL EQUIVALENT 2010 (mboe)	OIL EQUIVALENT 2009 (mboe)
Proved Producing	90,411	2,220	92,631	11,455	651.9	212,733	185,623
Proved Developed Non-Producing	1,763	4	1,767	835	78.5	15,685	7,863
Proved Undeveloped	11,095	30	11,125	6,193	543.6	107,921	76,048
Total Proved	103,269	2,255	105,524	18,483	1,274.0	336,339	269,535
Proved plus Probable	137,063	2,970	140,033	26,520	1,925.2	487,418	378,953

COMPANY GROSS

	LIGHT AND MEDIUM CRUDE OIL (mbbl)	HEAVY CRUDE OIL (mbbl)	TOTAL CRUDE OIL (mbbl)	NGLS (mbbl)	NATURAL GAS (bcf)	OIL EQUIVALENT 2010 (mboe)	OIL EQUIVALENT 2009 (mboe)
Proved Producing	90,258	2,071	92,329	11,302	643.4	210,860	183,663
Proved Developed Non-Producing	1,761	4	1,765	835	78.5	15,678	7,862
Proved Undeveloped	11,085	30	11,115	6,193	543.5	107,894	76,018
Total Proved	103,104	2,105	105,209	18,329	1,265.4	334,432	267,543
Proved plus Probable	136,854	2,777	139,631	26,332	1,914.9	485,121	376,543

NET INTEREST

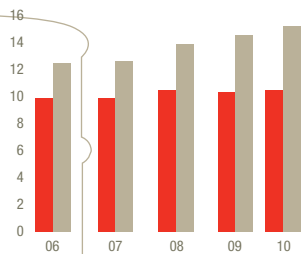
	LIGHT AND MEDIUM CRUDE OIL (mbbl)	HEAVY CRUDE OIL (mbbl)	TOTAL CRUDE OIL (mbbl)	NGLS (mbbl)	NATURAL GAS (bcf)	OIL EQUIVALENT 2010 (mboe)	OIL EQUIVALENT 2009 (mboe)
Proved Producing	77,421	1,972	79,393	8,301	550.7	179,481	156,959
Proved Developed Non-Producing	1,482	4	1,486	677	65.6	13,097	6,194
Proved Undeveloped	9,441	29	9,470	4,956	460.1	91,114	62,525
Total Proved	88,343	2,005	90,348	13,935	1,076.5	283,692	225,678
Proved plus Probable	116,553	2,620	119,173	20,079	1,603.7	406,543	314,350



PROVED PLUS PROBABLE
COMPANY INTEREST RESERVES
BY COMMODITY

● LIGHT/MED OIL	28%
● HEAVY OIL	1%
● NGLS	5%
● NATURAL GAS	66%

RESERVE LIFE INDEX



■ TOTAL PROVED
■ PROVED PLUS PROBABLE

Approximately 29 per cent of ARC's current P+P reserves are crude oil, five per cent are natural gas liquids and 66 per cent are natural gas on a 6:1 conversion basis. As ARC develops its Montney assets in northeast British Columbia, the natural gas component will increase.

RESERVE LIFE INDEX ("RLI")

ARC's P+P RLI was 15.2 years at year-end 2010 while the proved RLI was 10.4 years based upon the GLJ reserves and ARC's 2011 production guidance mid-point of 85,500 boe per day. The increase in the P+P RLI from 2008 through 2010 is attributed to the successful development of the Montney region and the resultant increase in P+P reserves. The following table summarizes ARC's historical RLI.

RESERVE LIFE INDEX	2010 ⁽¹⁾	2009	2008	2007	2006
Total Proved	10.4	10.3	10.4	9.8	9.8
Proved Plus Probable	15.2	14.5	13.8	12.5	12.4

(1) Excludes 10.7 mmboc proved and 14.2 mmboc proved plus probable reserves relating to assets divested in January 2011 and included in the year-end 2010 reserves evaluation. The 2011 production guidance of 85,500 boe per day excluded production from the divested assets of approximately 3,400 boe per day.

NET PRESENT VALUE ("NPV") SUMMARY

ARC's crude oil, natural gas and natural gas liquids reserves were evaluated using GLJ Petroleum Consultants Ltd's ("GLJ") product price forecasts effective January 1, 2011 prior to provision for interest, debt service charges and general and administrative expenses. It should not be assumed that the NPV estimated by GLJ represents the fair market value of the reserves.

NPV OF CASH FLOW BEFORE INCOME TAXES USING GLJ JANUARY 1, 2011 FORECAST PRICES AND COSTS ⁽¹⁾

NPV OF CASH FLOW BEFORE INCOME TAXES ⁽¹⁾	UNDISCOUNTED	DISCOUNTED AT 5%	DISCOUNTED AT 10%	DISCOUNTED AT 15%	DISCOUNTED AT 20%
\$MILLIONS					
Proved Producing	7,690	5,084	3,839	3,116	2,643
Proved Developed Non-Producing	452	292	215	170	141
Proved Undeveloped	2,305	1,365	866	569	378
Total Proved	10,446	6,740	4,919	3,855	3,162
Probable	5,475	2,499	1,430	931	656
Proved plus Probable	15,921	9,240	6,350	4,786	3,818

(1) Additional information on reserves is available in the Annual Information Form and in the February 10, 2011 news release titled "ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per cent".

NPV OF CASH FLOW AFTER INCOME TAXES USING GLJ JANUARY 1, 2011 FORECAST PRICES AND COSTS ⁽¹⁾

NPV OF CASH FLOW AFTER INCOME TAXES ⁽¹⁾ \$MILLIONS	UNDISCOUNTED	DISCOUNTED AT 5%	DISCOUNTED AT 10%	DISCOUNTED AT 15%	DISCOUNTED AT 20%
Proved Producing	6,375	4,305	3,303	2,715	2,326
Proved Developed Non-Producing	336	216	157	123	101
Proved Undeveloped	1,720	985	593	359	210
Total Proved	8,432	5,505	4,053	3,197	2,637
Probable	4,086	1,848	1,042	666	460
Proved plus Probable	12,518	7,353	5,095	3,863	3,097

(1) Additional information on reserves is available in the Annual Information Form and in the February 10, 2011 news release titled "ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per cent".

NET ASSET VALUE ("NAV")

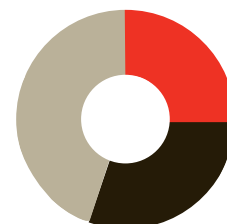
The following net asset value table shows what is normally referred to as a "produce-out" NAV calculation under which the current value of ARC's reserves would be produced at forecast future prices and costs and do not necessarily represent a "going concern" value of ARC. The values presented below are at a point in-time and are based on various assumptions including commodity price forecasts and foreign exchange rates, which will vary over time. It should not be assumed that the net present values estimated by GLJ represent the fair market value of the reserves.

HISTORICAL NAV – DISCOUNTED AT 10 PER CENT ⁽¹⁾

NAV AT DECEMBER 31 \$MILLIONS, EXCEPT PER SHARE/UNIT AMOUNTS	2010	2009	2008	2007	2006
Value of Proved Plus Probable Reserves discounted at 10% (Before Tax)	\$6,350 ⁽²⁾	\$5,805 ⁽²⁾	\$5,292	\$4,651	\$4,056
Undeveloped Lands	413	359	428	229	109
Reclamation Fund	25	33	28	26	31
Working Capital Deficit	(69)	(56)	(60)	(38)	(52)
Risk Management Contracts	54	(15)	1	(36)	(9)
Long-term Debt	(804)	(846)	(902)	(715)	(687)
Asset Retirement Obligation	(29)	(27)	(57)	(26)	(62)
Net asset value	\$5,940	\$5,253	\$4,732	\$4,091	\$3,386
Shares/Units outstanding ('000's)	284,380	238,984	219,182	213,179	207,173
NAV per share/unit before tax	\$20.89 ⁽²⁾	\$21.98 ⁽²⁾	\$21.59	\$19.19	\$16.34

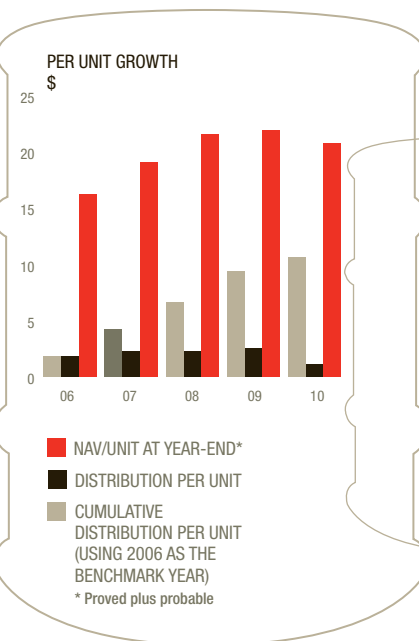
(1) Additional information on reserves is available in the Annual Information Form and in the February 10, 2011 news release titled "ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per cent".

(2) The value of ARC's reserves increased due to reserve additions and declined due to a decrease in the natural gas price assumptions used by GLJ as at December 31, 2010.

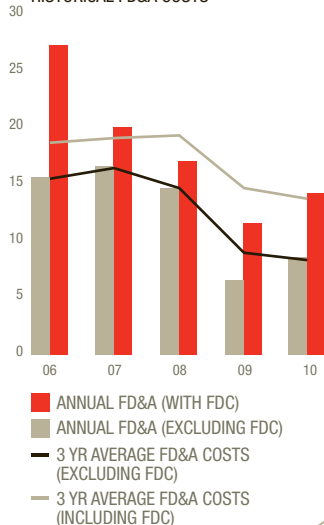


COMPANY INTEREST RESERVES BY CLASSIFICATION

PROVED PRODUCING	44%
PROVED NON-PRODUCING	25%
PROBABLE	31%



HISTORICAL FD&A COSTS



FINDING DEVELOPMENT AND ACQUISITION COSTS

Prior to acquisitions, ARC's F&D costs were \$6.47 per boe and \$9.50 per boe for P+P and proved reserves, respectively in 2010, excluding FDC. The low F&D costs are attributed to the high quality of ARC's property portfolio, excellent results from ARC's development program and strong reserve growth particularly in the Dawson and Ante Creek areas.

Including acquisitions, ARC's 2010 FD&A costs excluding FDC were \$9.21 per boe of P+P and \$13.31 per boe of proved reserves while FD&A costs including FDC were \$14.23 per boe and \$18.15 per boe, respectively for P+P and proved reserves. The three year average FD&A costs were \$8.60 per boe for P+P reserves and \$12.76 per boe for total proved excluding FDC.

The following table illustrates FD&A costs excluding and including FDC.

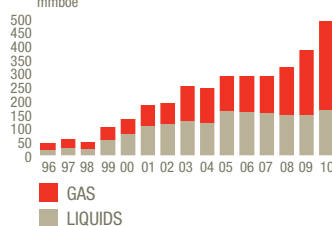
FD&A COSTS – COMPANY INTEREST

\$THOUSANDS, EXCEPT PER BOE AMOUNTS	EXCLUDING FDC ⁽¹⁾		INCLUDING FDC ⁽¹⁾	
	PROVED	PROVED + PROBABLE	PROVED	PROVED + PROBABLE
E&D Capital Expenditures	\$590,914	\$590,914	\$590,914	\$590,914
E&D Expenditures - Change in FDC	–	–	280,927	467,792
Total E&D Capital Expenditures ⁽²⁾	590,914	590,914	871,841	1,058,706
Net Acquisition Capital	657,236	657,236	657,236	657,236
Net Acquisitions – Change in FDC	–	–	172,974	211,507
Net Acquisition Capital Expenditures	657,236	657,236	830,210	868,743
Total Capital including Net Acquisitions	\$1,248,150	\$1,248,150	\$1,702,051	\$1,927,449
E&D Reserve Additions	62,188	91,294	62,188	91,294
Net Acquisition Reserve Additions	31,608	44,163	31,608	44,163
Reserve Additions including Net Acquisitions	93,796	135,457	93,796	135,457
F&D Costs – Current Year	\$9.50	\$6.47	\$14.02	\$11.60
F&D Costs – Three Year Average	\$10.28	\$6.93	\$15.45	\$12.52
Net Acquisition Cost – Current Year	\$20.79	\$14.88	\$26.27	\$19.67
Net Acquisition Cost – Three Year Average	\$21.86	\$14.77	\$27.20	\$19.67
FD&A Costs – Current Year	\$13.31	\$9.21	\$18.15	\$14.23
FD&A Costs – Three Year Average	\$12.76	\$8.60	\$17.96	\$14.05

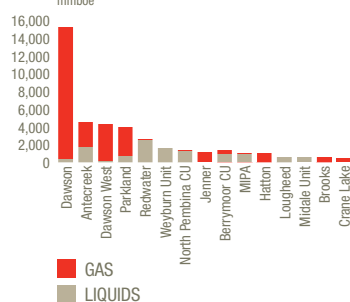
(1) Additional information on reserves is available in the Annual Information Form and in the February 10, 2011 news release titled "ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per cent".

(2) Includes \$24.6 million pertaining to leasehold cash on new corporate office space.

KEY RESERVE INFORMATION
PROVED PLUS PROBABLE RESERVES



TOP PROPERTIES BY RESERVES
2010 YEAR-END PROVED PLUS
PROBABLE RESERVES



COMPANY INTEREST HISTORIC FD&A COSTS⁽¹⁾

	2010	2009	2008	2007	2006
Proved Reserves:					
Annual FD&A excluding FDC	\$13.31	\$10.48	\$14.22	\$20.37	\$24.51
Three year average FD&A excluding FDC	\$12.76	\$13.76	\$18.28	\$18.51	\$17.77
Annual FD&A including FDC	\$18.15	\$14.29	\$21.87	\$20.37	\$27.53
Three year average FD&A including FDC	\$17.96	\$18.27	\$22.85	\$20.30	\$20.31
Proved plus Probable Reserves:					
Annual FD&A excluding FDC	\$9.21	\$6.44	\$10.13	\$19.00	\$22.41
Three Year Average FD&A excluding FDC	\$8.60	\$9.57	\$14.70	\$16.57	\$15.59
Annual FD&A including FDC	\$14.23	\$11.56	\$17.00	\$20.03	\$27.20
Three Year Average FD&A including FDC	\$14.05	\$14.75	\$19.84	\$19.19	\$18.99

(1) Additional information on reserves is available in the Annual Information Form and in the February 10, 2011 news release titled "ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per cent".

RESERVES RECONCILIATION – COMPANY INTEREST⁽¹⁾

	LIGHT AND MEDIUM CRUDE (mbbl)	HEAVY CRUDE OIL (mbbl)	TOTAL CRUDE (mbbl)	NGLs (mbbl)	NATURAL GAS (mmcf)	OIL EQUIVALENT (MBOE)
PROVED PLUS PROBABLE						
Opening Balance	134,571	3,027	137,598	15,815	1,353,245	378,953
Exploration Discoveries	0	0	0	13	2,678	459
Drilling Extensions	6,329	40	6,369	940	120,192	27,341
Improved Recovery	631	6	637	27	1,098	847
Infill Drilling	4,469	56	4,525	2,627	214,018	42,822
Technical Revisions	847	139	986	1,311	126,866	23,441
Acquisitions	514	0	514	7,681	215,862	44,172
Dispositions	-4	0	-4	0	-28	-9
Economic Factors	-693	81	-612	-345	-15,959	-3,617
Production	-9,600	-379	-9,979	-1,549	-92,785	-26,992
Closing Balance	137,063	2,970	140,033	26,520	1,925,187	487,418

(1) Additional information on reserves is available in the Annual Information Form and in the February 10, 2011 news release titled "ARC Resources Ltd. 2010 Year-end Reserves Increase by 29 Per cent".



CORPORATE RESPONSIBILITY

HEALTH, SAFETY & ENVIRONMENT

Our commitment to health and safety is at the core of our values. We strive to be leaders and demonstrate high standards in our business and operating activities. As ARC grows, so does our commitment to keep our employees and contractors safe at their jobs. Certain aspects of the oil and gas industry are inherently hazardous hence we take our approach to health, safety and environmental issues seriously. ARC strives to run its operations with zero accidents therefore when it comes to health, safety and environment practices we believe in meeting or exceeding regulations,

being prepared for emergencies, monitoring and assessing our performance and integrating environmental management measures into our activities. We have published a new Corporate Responsibility report in 2010 that gives more detail about our activities in health, safety and environmental management. The Corporate Responsibility report is available on our website at www.arcresources.com. We believe that our focus to be a profitable company over the long-term can only be accomplished with a robust health, safety and environmental management system.

HEALTH AND SAFETY

We now have over 500 employees and we focus on maintaining a culture in which every individual is accountable for the health and safety of themselves, their co-workers and the public. We accomplish this through the development of health and safety policies and programs and through education and training of our employees. Every individual who works for us needs to understand our health and safety policies and comply with them. We use near miss and hazard identification to help identify potentially unsafe situations and implement mitigation measures to prevent accidents.

ARC performs safety audits on its operating facilities and lease sites to ensure the integrity of our systems and operations. We want to know that our service providers align with and understand our health and safety practices. ARC has a pre-approved contractor management program that confirms that the companies working for us have good health and safety programs in place. This alignment of values enables us to work collectively to achieve a safer work environment. We conduct regular safety audits on these primary pre-approved contractors to confirm the integrity of their health and safety programs.

ARC's regular emergency response training exercises prepare our personnel to execute a high level of response capability when placed in challenging situations. We also hold annual workshops for our contractors to communicate our expectations for a safe work environment. In these workshops we review safe work practices and procedures, changes to regulatory requirements and modifications to ARC's health and safety programs.



ENVIRONMENT

Our operations may have an effect on the environment; therefore we work strategically and progressively to address environmental challenges. Our environmental policies are developed to address the many variables that come with operating a diverse set of assets across four provinces in Canada. We always meet and strive to exceed any regulatory environmental policies, and believe in empowering employees with the required support and resources to develop effective and innovative projects and programs to mitigate our environmental impact.

ARC continues to grow and so does our commitment to managing our environmental footprint. By incorporating improved data management systems, regulatory risk assessment, facility maintenance improvements and production efficiencies, we are able to explore opportunities for further improvement. In 2009, ARC implemented an Eco-Efficiency Program that focuses on greenhouse gas ("GHG") reduction projects – a unique, employee driven initiative. In 2010, we expanded this program to include the evaluation and implementation of emerging energy efficiency technologies.

ARC participates in the Carbon Disclosure Project ("CDP") and the Canadian Association of Petroleum Producers ("CAPP") Stewardship program reporting mechanisms. We use this information to evaluate past performance and to plan future initiatives and programs. The CDP invites Canada's 200 largest publically traded companies to disclose information related to their carbon management strategies. ARC has voluntarily responded to the CDP request for information for the past four years. We are proud to have once again been recognized as one of the companies named in the CDP Leadership Index ("CDLI") for the third consecutive year and one of only three from our industry sector in 2010. The CDLI comprises the top ten reporters from the high-carbon impact sectors (energy, utilities, etc.) and the top five from the low carbon impact sectors (banks, retail, etc.). ARC has a history of high quality reporting on its financial and corporate governance disclosures. With the rising demand from the public for environmental disclosure we naturally aim to be best in class in that area as well.

ARC manages its liabilities through proactive abandonment and reclamation of facilities, wells and leases. ARC has a controlled reclamation fund we contribute to yearly with \$25 million currently set aside. ARC also annually budgets additional funds for reclamation and abandonment, with a further \$6 million slated for 2011 activities.

LEARN MORE

ARC's environment, health and safety program and community involvement initiatives are explained in more detail in ARC's Corporate Responsibility Report at www.arcresources.com.

COMMUNITY INVOLVEMENT

ARC places
high value on

**GIVING BACK
TO THE COMMUNITIES
IN WHICH WE LIVE,
WORK AND PLAY.**

We encourage
a corporate
culture that
embodies
community
involvement through

**VOLUNTEERISM
AND FINANCIAL
SUPPORT.**



In 2010 ARC
contributed
\$1.6 Million
to not-for-profit
groups throughout
Calgary and its
field communities.

ARC focuses on investments that address fundamental social issues such as poverty, child hunger, family violence and homelessness. We believe our mandate is to contribute to the well-being of the communities we operate in through support of health and wellness programs, arts and culture and education programs. ARC frequently partners with organizations to provide multi-year commitments for funding special projects, understanding that long-term commitments allows organizations to effectively budget their services and programs. A selection of these partnerships is as follows:

THE UNITED WAY

who gives individuals and families the opportunity to reach their potential and improve their quality of life. In 2010, ARC and its employees contributed approximately \$642,000 to the Calgary and area United Way Projects.

THE UNITED WAY "BECAUSE" PROJECT

is an initiative designed to engage individuals in the 23-35 age group in the work that the United Way does within communities. ARC contributed \$30,000 as part of a three year \$90,000 commitment in 2010.

STARS FOUNDATION

provides emergency medical care and transportation to critically ill or injured patients across Alberta. As part of a five year \$400,000 commitment ARC donated \$80,000 in 2010.

THE CANADIAN SPORT CENTRE CALGARY

("CSCC") is one of the top training environments in the world for Olympic athletes. ARC has been involved with the Canadian Sports Centre since 2003. ARC invested over \$200,000 to the CSCC as part of a mutually beneficial partnership.

HOMEFRONT

is devoted to breaking the cycle of domestic violence in Calgary. ARC has committed \$200,000 over a four year period to HomeFront.

STARDALE WOMAN'S GROUP

is a foundation that provides education, life skills and advocacy services to Aboriginal women, girls and women of poverty aimed at breaking cycles of abuse and poverty. ARC has committed \$21,000 over three years.

U OF S ENGINEERING ADVANCEMENT TRUST

maintains the vibrancy of the U of S College of Engineering's undergraduate program and provides assistance with the college and student initiatives. ARC has contributed \$60,000 to the Trust over a three year commitment.

SCHULICH SCHOOL OF ENGINEERING (U OF C)

is one of the most progressive engineering schools in the country and the first choice for talented, creative and leadership-oriented engineers. ARC gave \$50,000 as part of a five year \$250,000 commitment in 2010.

REDWATER HEALTH CENTRE

received a contribution from ARC towards palliative care services. Similar contributions were made to the Drayton Valley Health Services and Dawson Creek and District Hospital.

CITY OF DAWSON CREEK, CALVIN CRUK CENTRE FOR THE ARTS

received a capital contribution for the construction of a centre for the arts.

ENVIROS WILDERNESS SCHOOL ASSOCIATION

is devoted to enhancing the quality of family life in Alberta through experience-based opportunities. ARC has donated over \$200,000 over an eight year period.

ARC also contributes extensively to the communities we operate in. Each field office decides where community support monies are to be directed. Through field office initiatives, ARC supports community centres, youth sports programs, food banks, seniors' outreach groups and many other community organizations throughout Alberta, British Columbia, Saskatchewan and Manitoba.

LEARN MORE

To learn more about ARC's community investment programs please read our 2009/2010 Corporate Responsibility report available at www.arcresources.com

CORPORATE GOVERNANCE

INDEPENDENCE OF THE BOARD

ARC's board comprises nine members, all of whom are "independent" directors, except for the Chief Executive Officer. ARC uses the definition of independence as defined in NI/58-101 that states that a director is independent if the member has no direct or indirect material relationship with the company. A material relationship means a relationship that could, in the opinion of the board of directors, reasonably interfere with the exercise of a member's independent judgement.

The Board has determined that none of the directors who serve on its committees has a material relationship with ARC that could reasonably be expected to interfere with the exercise of a director's independent judgment. Both the Chairman of the Board and the Vice-Chairman are independent directors. They are responsible for managing the affairs of the Board and its committees, including ensuring the Board is organized properly, functions effectively and independently of management and meets its obligations and responsibilities.

MANDATE OF THE BOARD

The Board of Directors of ARC sees its primary role as the stewardship of ARC and for overseeing the management of the business and affairs of ARC, with the goal of achieving ARC's fundamental objective of providing long-term superior returns to shareholders. The Board oversees the conduct of the business and management through a number of activities, including its review and approval of strategic, operating, capital and financial plans; succession planning for senior officers and the appointment and performance review of the Chief Executive Officer. The full mandate of the Board and its committees is available on our website at www.arcresources.com.

COMMITTEES OF THE BOARD

The Board has established an Audit Committee, a Reserves Committee, a Human Resources and Compensation Committee, a Policy and Board Governance Committee, a Health, Safety and Environmental Committee and a Risk Committee to assist it in the discharge of its duties and responsibilities. All of the committees comprise of independent directors and report to the Board of Directors of ARC.

AUDIT COMMITTEE

MEMBERS: Fred Dymont (Chair), Walter DeBoni, James Houck and Kathleen O'Neill.

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to the integrity and completeness of the annual and quarterly financial statements and accompanying management discussion and analysis provided to shareholders and regulatory bodies; compliance with accounting and finance based legal and regulatory requirements; review of the independence and performance of the external auditor, internal accounting systems and procedures. The committee reviews the audit plans of the external auditors and meets with them at the time of each committee meeting, independently of management.

There were six meetings of the committee in 2010.

ARC is committed to the highest standards for its governance practices and procedures.

ARC's governance practices are routinely reviewed, appraised and modified to ensure that they are appropriate for a corporation of ARC's size and stature. ARC's approach to corporate governance meets the guidelines established by the Canadian Securities Administrators (CSA) as laid out in National Instrument 58-101.

RESERVES COMMITTEE

MEMBERS: James Houck (Chair), Fred Dymont, and Michael Kanovsky.

The Reserves Committee assists the Board in meeting their responsibilities to review the qualifications, experience, reserve evaluation approach and costs of the independent engineering firm that performs ARC's reserve evaluation and to review the annual independent engineering report. The committee reviews and recommends for approval by the Board on an annual basis the statements of reserve data and other information specified in National Instrument 51-101.

There were five meetings of the committee in 2010.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

MEMBERS: Herb Pinder (Chair), Kathleen O'Neill and Mac Van Wielingen.

The Human Resources and Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to overall human resource policies and procedures; the compensation program for ARC; and in consultation with the Board, undertakes an annual performance review with the CEO, and reviews and approves the CEO's appraisal of the other executive officers' performance. The committee also reviews and recommends for approval to the Board the principal compensation plans of ARC, such as the long-term incentive program and any awards under such plans.

There were nine meetings of the committee in 2010.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

MEMBERS: Hal Kvisle (Chair), James Houck and Herb Pinder

The Health, Safety and Environmental Committee assists the Board in its responsibility for oversight and due diligence by reviewing, reporting and making recommendations to the Board on the development and implementation of the policies, standards and policies of ARC with respect to the areas of health, safety and environment.

There were four meetings of the committee in 2010.

POLICY AND BOARD GOVERNANCE COMMITTEE

MEMBERS: Walter DeBoni (Chair), Herb Pinder, Michael Kanovsky and Mac Van Wielingen.

The Policy and Board Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to reviewing the effectiveness of the Board and its Committees; developing and reviewing ARC's approach to board governance matters; and reviewing, developing and recommending to the Board for approval procedures designed to ensure that the Board can function independently of management. The committee reviews the need to recruit and recommend new members to fill Board vacancies based on a variety of criteria, and recommends to the Board the nominees for election at each annual meeting. The effectiveness of individual board members and the Board is reviewed through a yearly self assessment and inquiry questionnaire.

There were five meetings of the committee in 2010.

RISK COMMITTEE

MEMBERS: Michael Kanovsky (chair), Walter DeBoni, Fred Dymont and Mac Van Wielingen.

The Risk Committee was formed in early 2008 to assist the Board in fulfilling its oversight responsibilities with respect to identifying and reviewing the principal business, financial and other risks of the corporation. Included in the mandate is the review of guidelines, policies and reports from Management with respect to risk assessment, risk management and risk mitigation.

There were six meetings of the committee in 2010.

DIRECTOR BIOGRAPHIES

WALTER DEBONI P.ENG., MBA

Mr. DeBoni is a corporate director and has extensive experience in the oil and gas industry. Mr. DeBoni retired from Husky Energy Inc. in 2005 where he held the position of VP, Canada Frontier & International Business. Prior to this Mr. DeBoni was CEO of Bow Valley Energy. In addition to his time at Husky and Bow Valley he has also held numerous top executive posts in the oil and gas industry with major corporations. Mr. DeBoni holds a B.A.Sc. Chem. Eng. from the University of British Columbia, and a MBA degree with a major in Finance from the University of Calgary. He is a past Chairman of the Petroleum Society of CIM, a past director of the Society of Petroleum Engineers and has been a director of ARC since 1996. Mr. DeBoni currently serves on the boards of Niko Resources Ltd., and Sterling Resources Ltd.

JOHN P. DIELWART B.SC., P.ENG.

Mr. Dielwart is Chief Executive Officer of ARC and has overall management responsibility for ARC. Prior to joining ARC in 1994, Mr. Dielwart spent 12 years with a major Calgary based oil and natural gas engineering consulting firm, as senior vice-president and a director, where he gained extensive technical knowledge of oil and natural gas properties in western Canada. He began his career working for five years with a major oil and natural gas company in Calgary. Mr. Dielwart is a Past-Chairman of the board of governors for the Canadian Association of Petroleum Producers (CAPP). He holds a Bachelor of Science with Distinction (Civil Engineering) degree, University of Calgary. He has been a director of ARC since 1996.

FRED DYMENT

Mr. Dymont has extensive experience in the oil and gas business and is currently an independent businessman. His past business career included positions as President and CEO for Maxx Petroleum and President and CEO of Ranger Oil Limited. Mr. Dymont received a Chartered Accountant designation from the province of Ontario in 1972. Mr. Dymont currently sits as a director on the Boards of Tesco Corporation, Western Zagros Resources Ltd. and Transglobe Energy Corporation. He has been a director of ARC since 2003.

JAMES C. HOUCK B.SC., MBA

Mr. Houck is the President & CEO of The Churchill Corporation, a diversified construction company. Prior to that, he was President & CEO of Western Oil Sands. The majority of his business career was spent with ChevronTexaco Inc, where he held a number of senior management and officer positions, including President, Texaco Development Corporation, Worldwide Power and Gasification Inc, and Vice President and General Manager, Alternate Energy Dept. Earlier in his career, Mr. Houck held various positions of increasing responsibility in Texaco's conventional oil and gas operations. Mr. Houck currently serves as a director on the boards of the Churchill Corporation and WesternZagros Resources Ltd. Mr. Houck became a director of ARC in 2008.

MICHAEL M. KANOVSKY B.SC., P.ENG., MBA

Mr. Kanovsky graduated from Queen's University and the Ivey School of Business and is an independent businessman. Mr. Kanovsky's business career included the position of VP of Corporate Finance with a major Canadian investment dealer followed by co-founding Northstar Energy Corporation and PowerLink Corporation (electrical cogeneration) where he served as Senior Executive Board Chairman and director. Subsequently he was Chairman, Taro Industries (oilfield manufacturing), Vice-Chairman, Precision Drilling and in 1996 founded Bonavista Energy. Mr. Kanovsky currently sits on the boards of Bonavista Energy, Devon Energy Inc., Pure Technologies Inc. and TransAlta Inc. He has been a director of ARC since 1996.

HAROLD N. KVISLE B.SC., P.ENG., MBA

Mr. Kvisle retired as President and CEO of TransCanada Corporation in 2010. Prior to joining TransCanada in 2001, Mr. Kvisle was the President of Fletcher Challenge Energy Canada Inc. (oil and gas) from 1990 to 1999. He has worked in the oil and gas industry since 1975 and in the utilities and power industries since 1999. He held engineering, finance and management positions with Dome Petroleum Limited, is former Chair of the Interstate Natural Gas Association of America (INGAA) and is former Chair of the Mount Royal College Board of Governors. Mr. Kvisle currently serves on the boards of Bank of Montreal and Talisman Energy Inc. Mr. Kvisle joined the board of ARC in 2009.

KATHLEEN M. O'NEILL B.COMM, FCA

Ms. O'Neill is a corporate director and has extensive experience in accounting and financial services. Prior to 2005, she was an Executive Vice-President of BMO Financial Group with accountability for a number of major business units. Prior to joining BMO Financial Group in 1994, she was a partner with PricewaterhouseCoopers. Ms. O'Neill is an FCA (Fellow of Institute of Chartered Accountants) and has her ICD.D designation from the Institute of Corporate Directors. Ms. O'Neill currently serves on the boards of Finning International, Invesco Trimark and TMX Group. Ms. O'Neill joined the board of ARC in 2009.

HERB PINDER B.ARTS, LL.B., MBA

Mr. Pinder is a non-practicing lawyer and a graduate of Harvard Business School. He formerly managed a family business, which included Pinders Drugs, and is currently the President of the Goal Group, a private equity management firm located in Saskatoon. He is an experienced corporate director and brings a varied business background to ARC encompassing a variety of industries but with a focus on the energy sector. He is currently a director of Viterra, a number of private energy companies, the C. D. Howe Institute and the Fraser Institute as a Trustee. Mr Pinder became a director of ARC in 2006.

MAC H. VAN WIELINGEN

Mr. Van Wielingen served as Vice-Chairman and director of ARC, since its formation in 1996 and became Chairman in 2002. He is Co-Chairman and a founder of ARC Financial Corporation, a private equity investment management company focused on the energy sector in Canada. Previously Mr. Van Wielingen was a Senior Vice-President and director of a major national investment dealer responsible for all corporate finance activities in Alberta. Mr. Van Wielingen holds an Honours Business Degree from the University of Western Ontario Business School and has studied post-graduate Economics at Harvard University.

CORPORATE & SHAREHOLDER INFORMATION

DIRECTORS

MAC H. VAN WIELINGEN ^{(3) (4) (6)}
CHAIRMAN

WALTER DEBONI ^{(1) (4) (6)}
VICE-CHAIRMAN

JOHN P. DIELWART
CHIEF EXECUTIVE OFFICER

FRED J. DYMENT ^{(1) (2) (6)}

JAMES C. HOUCK ^{(1) (2) (5)}

MICHAEL M. KANOVSKY ^{(2) (4) (6)}

HAL KVISLE ⁽⁶⁾

KATHLEEN O'NEILL ^{(1) (3)}

HERB PINDER ^{(3) (4) (5)}

(1) MEMBER OF AUDIT COMMITTEE
(2) MEMBER OF RESERVE COMMITTEE
(3) MEMBER OF HUMAN RESOURCES AND
COMPENSATION COMMITTEE
(4) MEMBER OF POLICY AND BOARD
GOVERNANCE COMMITTEE
(5) MEMBER OF HEALTH, SAFETY AND
ENVIRONMENT COMMITTEE
(6) MEMBER OF RISK COMMITTEE

OFFICERS

JOHN P. DIELWART
CHIEF EXECUTIVE OFFICER

MYRON M. STADNYK
PRESIDENT AND
CHIEF OPERATING OFFICER

DAVID P. CAREY
SENIOR VICE-PRESIDENT,
CAPITAL MARKETS

TERRY GILL
SENIOR VICE-PRESIDENT,
CORPORATE SERVICES

STEVEN W. SINCLAIR
SENIOR VICE-PRESIDENT FINANCE
AND CHIEF FINANCIAL OFFICER

TERRY ANDERSON
VICE-PRESIDENT, ENGINEERING

P. VAN R. DAFÖE
VICE-PRESIDENT, FINANCE

GEORGE GERVAIS
VICE-PRESIDENT,
CORPORATE DEVELOPMENT

NEIL GROENEVELD
VICE-PRESIDENT,
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AL ROBERTS
VICE-PRESIDENT,
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CORPORATE SECRETARY

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CONSULTANTS LTD.**
CALGARY, ALBERTA

LEGAL COUNSEL

**BURNET, DUCKWORTH
& PALMER LLP**
CALGARY, ALBERTA

CORPORATE CALENDAR

2011
Q1 RESULTS MAY 17
ANNUAL GENERAL
MEETING MAY 18

STOCK EXCHANGE LISTING

THE TORONTO STOCK EXCHANGE
TRADING SYMBOL
ARX

INVESTOR INFORMATION

VISIT OUR WEBSITE AT
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NOTICE OF ANNUAL MEETING

THE ANNUAL MEETING WILL
BE HELD ON MAY 18, 2011 AT
3:30 PM AT THE METROPOLITAN
CENTRE, 333 – 4 AVENUE SW,
CALGARY, AB

GLOSSARY

API	American Petroleum Institute
bbls	barrels
bbls/d	barrels per day
bcf	billion cubic feet
boe*	barrels of oil equivalent
boe/d*	barrels of oil equivalent per day
Capex	capital expenditures
FD&A	finding, development and acquisition costs
F&D	finding and development costs
FDC	future development costs
GAAP	generally accepted accounting principles
G&A	general and administrative
GJ	gigajoule
mbbls	thousand barrels
mboe*	thousand barrels of oil equivalent
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmbbls	million barrels
mmboe*	million barrels of oil equivalent
mmbtu	million British Thermal Units
mmcf	million cubic feet
mmcf/d	million cubic feet per day
NAV	net asset value
NGL	natural gas liquids
NYMEX	New York Mercantile Exchange
Oil Equivalent	barrels of oil and natural gas converted at 6:1
RLI	reserve life index
TSX	Toronto Stock Exchange
WTI	West Texas Intermediate


* Boe's may be misleading, particularly if used in isolation. In accordance with NI 51-101, a boe conversion ratio for natural gas of 6 mcf:1 bbl has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

 **WASTE WATER
(GALLONS)**
2,914

 **ENERGY REDUCED
(BTU) (MILLIONS)**
2,000,000

 **NET GREENHOUSE GAS
EMISSIONS REDUCED (LBS)**
605

 **TREES
PRESERVED**
7

 **SOLID WASTE
(LBS)**
176



In 2007, ARC was added to the JSI, a common stock index of 60 Canadian companies that pass a set of broadly based environmental, social and governance rating criteria.

CARBON DISCLOSURE PROJECTS

ARC responded to the 2008 CDP questionnaire, and was recognized as being one of Canada's Climate Disclosure Leaders.

RESPONSIBLE CANADIAN ENERGY

ARC is a platinum level CAPP Reporter.

Members commit to continuous improvement in the responsible management, development and use of our natural resources; protection of our environment; and, the health and safety of our workers and the general public.

THE SAVINGS ABOVE ARE A RESULT OF PRINTING THIS ANNUAL ON ENVIRONMENTALLY RESPONSIBLE PAPERS.

USING SOCIALLY RESPONSIBLE PAPER HELPS SAVE TREES AND REDUCE ENERGY CONSUMPTION, AIR POLLUTION, WATER POLLUTION AND SOLID WASTE.



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