



NEWS RELEASE

SEPTEMBER 8, 2025

CARDINAL ENERGY LTD. ANNOUNCES MONTHLY DIVIDEND FOR SEPTEMBER AND COMMENCEMENT OF STEAM INJECTION INTO THE REFORD THERMAL PROJECT

Calgary, Alberta – Cardinal Energy Ltd. (TSX: CJ) ("**Cardinal**" or the "**Company**") confirms that our September dividend of \$0.06 per common share will be paid on October 15, 2025 to shareholders of record on September 30, 2025. The Board of Directors of Cardinal has declared the dividend payable in cash. This dividend has been designated as an "eligible dividend" for Canadian income tax purposes.

Cardinal would like to announce it commenced injecting steam into its first thermal oil project at Reford, Saskatchewan on August 21, 2025. The construction portion of the project is now complete. Our new Southwest Saskatchewan thermal team has brought the project in ahead of schedule and on budget.

Reford will now go through a warm-up phase, via steam circulation, for approximately 90 days before progressing to the SAGD production phase. As forecasted, small quantities of oil are currently being circulated to surface along with the steam as an emulsion for processing at the Reford Central Processing Facility. Oil production is expected to slowly ramp up for the next several months until hitting the production target of 6,000 bbl/d of oil in the first quarter of 2026.

In the first quarter of 2026, Cardinal expects production to average between 26,500 - 27,500 boe/d versus current production of approximately 20,600 boe/d, a ~30% increase to start 2026. We continue to derisk additional thermal projects and expect to be able to announce the sanctioning of the next project when market conditions for both oil pricing and our corporate debt are aligned.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to Cardinal's plans and other aspects of Cardinal's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", "may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this press release contains forward-looking statements relating to: that the Company expects that the warm-up phase heading into first production will occur in 2025 with designed production rates of 6,000 bbl/d of heavy oil being achieved in early Q1 2026, that Q1 2026 production will average approximately 26,500 to 27,500 boe/d and expectations regarding the sanctioning of the next SAGD project.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, current and future commodity prices and exchange rates, project development costs, effects of inflation, applicable royalty rates, tax laws, industry conditions, availability of government subsidies and abandonment and reclamation programs, future well production rates and reserve volumes, future operating costs, the performance of existing and future wells and projects (including Reford), budgeted expenditures; the operational performance of Reford meeting expectations described herein, the success of our exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, that Cardinal will complete its capital budget in the manner as currently contemplated, the timing and success of our cost cutting initiatives and power projects, the availability and cost of labor and services, the impact of competition, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions and drilling success and potential timing delays.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Cardinal's control. Such risks and uncertainties include, without limitation: the impact of general economic conditions; volatility in market prices for crude oil and natural gas; industry conditions; currency fluctuations; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; changes to budgets; that the Reford project will not be operational on the time frames contemplated herein, or for the costs contemplated herein; that the Reford project will commence operations, without interruptions and at production levels currently contemplated; construction and related risks related to the Reford project, including as it relates to third party contractors; competition from other producers; the lack of availability of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and gas industry including abandonment and reclamation programs; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; and ability to access sufficient capital from internal and external sources.

Management has included the forward-looking statements above and a summary of assumptions and risks related to forward-looking statements provided in this press release in order to provide readers with a more complete perspective on Cardinal's future operations and such information may not be appropriate for other purposes. Cardinal's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Cardinal will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Cardinal disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Supplemental Information Regarding Product Types

This news release includes references to current production and forecasted Q1 2026 production. The Company discloses crude oil production based on the pricing index that the oil is priced from. The following table is intended to provide the product type composition as defined by NI 51-101.

	Light/Medium Crude Oil	Heavy Oil	NGL	Conventional Natural Gas	Total (boe/d)
Q1 2026	37%	52%	3%	8%	26,500 to 27,500
Current	48%	38%	4%	10%	20,600

Oil and Gas Metrics

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

About Cardinal Energy Ltd.

Cardinal is a Canadian oil and natural gas company with operations focused on low decline sustainable oil production in Western Canada.

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