



NEWS RELEASE

JANUARY 12, 2026

**CARDINAL ENERGY LTD. ANNOUNCES MONTHLY DIVIDEND FOR JANUARY,
REFORD REACHES NAMEPLATE EARLIER THAN EXPECTED**

Calgary, Alberta – Cardinal Energy Ltd. (TSX: CJ) ("Cardinal" or the "Company") confirms that our January dividend of \$0.06 per common share will be paid on February 17, 2026 to shareholders of record on January 30, 2026. 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.

The Company is also pleased to announce it has exceeded the nameplate capacity (6,000 bbl/d) at its Reford SAGD project, approximately two months ahead of schedule. Early productivity from the wells has been stronger than anticipated, with the Company forecasting Reford volumes of 6,500 bbl/d in the first quarter of 2026 while continuing to assess and optimize the capabilities of the reservoir and production facilities.

In light of the volatile crude oil price environment, Cardinal is electing to defer disseminating its 2026 guidance at this time. In the interim, the Company intends to operate on a net debt neutral basis, which includes servicing our monthly dividend with the remaining capital directed towards moderated and prioritized drilling, completion, and maintenance activities in both our conventional and thermal assets. We are well equipped to navigate short-term weakness in crude oil prices with the help of Reford production volumes expected to vault Cardinal's total corporate production to record levels in Q1/2026. Should oil prices strengthen through US\$60/bbl WTI, the additional funds flow will be directed towards increasing our conventional oil activity, our thermal exploration initiatives and reducing debt.

We look forward to updating our shareholders with formal guidance as we gain more clarity on where crude oil prices are headed in 2026.

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 the Company's thermal project in its Reford, Saskatchewan operating area including: forecasted production levels and plans to assess and optimize the capabilities of the reservoir and production facilities; the Company's plan to operate on a debt neutral basis which includes servicing the monthly dividend with remaining capital directed to moderated and prioritized drilling, completion, and maintenance activities in both our conventional and thermal assets, that we are well equipped to navigate short-term weakness in crude oil prices with the help of Reford production volumes expected to increase Cardinal's total corporate production to record levels in Q1/2026 and our plans with respect to anticipated additional funds flow in 2026 if oil prices strengthen. This forward-looking information is based on certain key expectations and assumptions of Cardinal concerning among other things, future well production rates and reserve volumes,

the success of development activities and future operational and financial performance. 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 imprecision of reserve estimates and liabilities, commodity prices and other risks and hazards inherent in oil and natural gas operations.

Management has included the forward-looking information 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 achievements 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 therefrom. 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.

Production Rates

Any references in this news release to production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Cardinal.

About Cardinal Energy Ltd.

Cardinal is a Canadian oil and natural gas production company with operations focused on low decline sustainable oil production in Western Canada. Cardinal has recently completed its first thermal SAGD project in Reford, Saskatchewan and has transitioned to the production phase of operations. The Company's portfolio of conventional and SAGD project inventory offers a complimentary low decline, long life resource base that is ideally suited to sustain our commitment to meaningful dividend returns to shareholders.

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