



**CARDINAL**  
ENERGY LTD.

**2025**

**MANAGEMENT DISCUSSION & ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") is a review of the operations, financial position and outlook for Cardinal Energy Ltd. ("Cardinal" or the "Company") as at December 31, 2025 and for the three months and year ended December 31, 2025 and is dated March 12, 2026. This MD&A should be read in conjunction with Cardinal's audited financial statements as at and for the year ended December 31, 2025. Financial data presented has been prepared in accordance with IFRS Accounting Standards ("IFRS"), unless otherwise indicated. Certain prior period amounts have been reclassified to conform to current period presentation.

*All figures in tables are stated in thousands of Canadian dollars (except operational and per share amounts or as noted).*

### DESCRIPTION OF BUSINESS

Cardinal is engaged in the acquisition, development, optimization and production of crude oil and natural gas in the provinces of Alberta, British Columbia and Saskatchewan.

#### 51-101 Advisory

In accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), natural gas volumes have been converted to barrels of oil equivalent using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. The term "boe" is useful for comparative measures and observing trends, it does not accurately reflect individual product value and may be misleading, particularly if used in isolation. Based on the current price of crude oil to natural gas, using a 6:1 conversion ratio may be misleading as an indication of value.

This MD&A contains forward-looking information and statements along with certain measures, consisting of non-GAAP financial measures, capital management measures, non-GAAP financial ratios and supplementary financial measures, which do not have any standardized meaning in accordance with IFRS and therefore may not be comparable with the calculation of similar financial measures disclosed by other entities. Refer to our advisory on forward-looking information and statements and a summary of our specified financial measures at the end of the MD&A.

## ANNUAL AND FOURTH QUARTER 2025 HIGHLIGHTS

- In the fourth quarter of 2025, Cardinal achieved record production of 23,514 boe/d due to the Reford steam-assisted gravity drainage (“SAGD”) project moving into the production phase during the quarter. Fourth quarter 2025 production increased by 7% compared to the same period in 2024 while annual production was 21,870 boe/d;
- Fourth quarter and full year 2025 adjusted funds flow<sup>(1)</sup> was \$46.1 million and \$205.1 million, respectively, leading to free cash flow<sup>(1)</sup> of \$21.8 million and \$128.7 million, respectively, which assisted in the funding of the Company’s SAGD project and the corporate dividend;
- In the fourth quarter and year ended 2025, net operating expenses<sup>(1)</sup> per boe decreased by 1% and 3%, respectively, compared to the same periods in 2024 due to decreased power prices and increased production;
- At the end of the fourth quarter, Cardinal was drawn \$138.6 million or 58% of our \$240 million credit facilities and had a net debt to adjusted funds flow ratio<sup>(1)</sup> of 1.4x;
- In the fourth quarter, we continued with our disciplined capital program spending \$24.5 million of capital expenditures which included the drilling and completion of one (0.1 net) well, continuing with our well reactivation program and the injection of CO<sub>2</sub> at our enhanced oil recovery project at Midale, Saskatchewan; and
- Cardinal remained committed to our shareholder return strategy with a consistent \$0.06 per share per month dividend leading to \$116.5 million being returned to shareholders in 2025.

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Cash flow from operating activities	43,491	53,075	(18)	206,820	247,537	(16)
Change in non-cash working capital	(1,396)	8,714	(116)	(11,655)	7,682	(252)
<b>Funds flow<sup>(1)</sup></b>	<b>42,095</b>	<b>61,789</b>	<b>(32)</b>	<b>195,165</b>	<b>255,219</b>	<b>(24)</b>
Decommissioning expenditures	4,053	3,295	23	9,964	10,222	(3)
<b>Adjusted funds flow</b>	<b>46,148</b>	<b>65,084</b>	<b>(29)</b>	<b>205,129</b>	<b>265,441</b>	<b>(23)</b>

(1) See Non-GAAP and other financial measures

## OPERATIONS

### PRODUCTION

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Light oil (bbl/d)	7,092	7,271	(2)	7,308	7,222	1
Medium / heavy oil (bbl/d)	13,538	11,556	17	11,508	11,438	1
Crude oil (bbl/d)	20,630	18,827	10	18,816	18,660	1
Natural gas (mcf/d)	12,297	13,569	(9)	13,190	13,795	(4)
NGL (bbl/d)	834	827	1	856	817	5
<b>boe/d</b>	<b>23,514</b>	<b>21,916</b>	<b>7</b>	<b>21,870</b>	<b>21,776</b>	<b>-</b>
<b>% Crude oil and NGL production</b>	<b>91%</b>	<b>90%</b>	<b>1</b>	<b>90%</b>	<b>89%</b>	<b>1</b>

Fourth quarter 2025 production increased by 7% compared to the same period in 2024 due to incremental heavy oil production from the Company’s Reford SAGD project which moved to the production phase during the fourth

quarter. In the fourth quarter of 2025, the Reford SAGD project added 3,603 bbl/d of heavy oil production. Partially offsetting this increase was the Company's decreased conventional production due to reduced capital expenditures as we focused our investment on the completion of the Reford SAGD project in 2025. The Company's fourth quarter 2025 medium/heavy oil production increased 17% compared to the same period in 2024 due to production from the Company's Reford SAGD project. This was slightly offset by a 2% decrease in light oil production from natural declines in our Northern Alberta properties. The 9% decrease in natural gas production was a result of strategic shut ins due to the depressed price of natural gas for most of the fourth quarter of 2025.

Production in 2025 was consistent compared to 2024 as increased oil production was offset by reduced natural gas production. Production additions came from the Company's Reford SAGD project contributing 944 bbl/d of heavy oil production in 2025. This increase was partially offset by the Company's decreased conventional production due to reduced capital expenditures as we focused our investment on the completion of the Reford SAGD project in 2025. The decrease in natural gas production was a result of strategic shut ins of natural gas due to depressed pricing in 2025.

In the fourth quarter, the Reford SAGD project moved to the production phase reaching its nameplate capacity of 6,000 bbl/d of oil by the end of the year, approximately two months ahead of schedule.

## PETROLEUM AND NATURAL GAS REVENUE

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Light oil	46,455	59,910	(22)	213,853	245,289	(13)
Medium / heavy oil	78,524	83,342	(6)	301,633	340,803	(11)
Crude oil	124,979	143,252	(13)	515,486	586,092	(12)
NGL	1,924	2,587	(26)	10,053	11,133	(10)
Natural gas	2,599	1,939	34	8,129	8,123	-
<b>Petroleum and natural gas revenue</b>	<b>129,502</b>	<b>147,778</b>	<b>(12)</b>	<b>533,668</b>	<b>605,348</b>	<b>(12)</b>
<b>Cardinal average prices</b>						
Light oil (\$/bbl)	71.20	89.56	(21)	80.18	92.80	(14)
Medium / heavy oil (\$/bbl)	63.05	78.39	(20)	71.81	81.41	(12)
Natural gas (\$/mcf)	2.30	1.55	48	1.69	1.61	5
<b>Equivalent (\$/boe)</b>	<b>59.86</b>	<b>73.29</b>	<b>(18)</b>	<b>66.85</b>	<b>75.95</b>	<b>(12)</b>
<b>Benchmark prices</b>						
Crude oil – WTI (US \$/bbl)	59.14	70.27	(16)	64.81	75.72	(14)
Crude oil – Edmonton Light (Cdn \$/bbl)	76.39	94.88	(19)	85.50	97.58	(12)
Crude oil – WCS (Cdn \$/bbl)	66.88	80.75	(17)	75.06	83.54	(10)
Natural gas – AECO Spot (Cdn \$/mcf)	2.26	1.50	51	1.70	1.48	15
WCS Differential to WTI (US \$/bbl)	(11.20)	(12.55)	(11)	(11.13)	(14.75)	(25)
Exchange rate (US/Cdn)	0.72	0.71	1	0.72	0.73	(1)

Petroleum and natural gas revenue decreased by 12% in the fourth quarter of 2025 compared to the same period in 2024 due to a 18% decrease in realized commodity prices, partially offset by a 10% increase in oil production. In the fourth quarter of 2025, the Company's realized light oil price decreased by 21% over the same period in 2024 which was comparable to the Edmonton light oil benchmark decrease of 19%. Cardinal's fourth quarter 2025 realized medium/heavy oil price decreased by 20% over the same period in 2024 which was higher than the decrease of 17% in the WCS oil benchmark due to Reford heavy oil receiving a lower quality adjustment as compared to conventional WCS production. The fourth quarter 2025 increase of 48% in realized natural gas price was lower than the increase

of 51% in the AECO natural gas benchmark as compared to the same period in 2024 due to a change in the northeast British Columbia natural gas production sales point. WCS differentials continue to remain narrow in the fourth quarter of 2025 as more heavy barrels are able to be shipped out of the basin, predominately through the Trans Mountain Pipeline (“TMX”).

For 2025, petroleum and natural gas revenue decreased by 12% compared to 2024 due to a 12% decrease in realized commodity prices. In 2025, the Company’s realized light oil price decreased by 14% over 2024 which was comparable to the decrease of 12% in the Edmonton light oil benchmark. In 2025, Cardinal’s realized medium/heavy oil price decreased by 12% over 2024 which was comparable to the decrease of 10% in the WCS oil benchmark. In 2025, Cardinal’s natural gas price increased by 5% over 2024 which was lower than the increase of 15% in the AECO natural gas benchmark due to the previously mentioned change of sales point. The increase in the oil production shipped out of the basin, predominately through the TMX pipeline has kept the WCS differentials narrow.

## FINANCIAL INSTRUMENTS - COMMODITY

	Three months ended			Year ended		
	December 31,			December 31,		
	2025	2024	%	2025	2024	%
Realized gain (loss) on commodity contracts	61	12	n/m	(1,806)	1,110	(263)
Unrealized gain (loss) on commodity contracts	923	62	n/m	1,421	(170)	n/m

Cardinal utilizes a variety of derivatives including swaps, collars and puts to protect against downward commodity price movements and foreign exchange fluctuations and avoids entering into more complex derivative structures. Contracts settled in the period result in realized gains or losses based on the market price compared to the contract price. Changes in the fair value of the contracts, as measured at the balance sheet date, are reported as unrealized gains or losses in the period as the forward markets for commodities and currencies fluctuate and as new contracts are executed. For commodities, Cardinal's risk management program allows for hedging a forward profile of three years, of up to 75% of average forecasted 12 months of gross production and up to 50% and 30% of the following 12 and 24 months, respectively.

During the fourth quarter of 2025, the Company realized a gain of \$0.1 million by fixing the range, through collars, on the AECO natural gas price for 5,000 gj/d at an average price of \$1.88/gj to \$3.01/gj, partially offset by fixing the AECO natural gas price, through swaps, on 5,500 gj/d in December at an average price of \$3.01/gj.

For 2025, Cardinal realized a loss of \$1.8 million by fixing the WCS differential through parts of the year and fixing the AECO natural gas price in December, partially offset by fixing the WTI price in the first quarter and fixing the range, through collars, on the AECO natural gas price.

The Company has hedged WTI oil prices for January through April of 2026 on varying volumes and AECO natural gas prices throughout 2026 and 2027 at varying prices and volumes outlined below. The Company will continue to monitor the spot and forward prices as well as expected expenditure levels in the allowable hedge period.

The following table summarizes the Company's commodity derivative contracts outstanding as at December 31, 2025 and subsequently entered into as of the date of this MD&A:

Type of instrument	Remaining term	Average volume	Average strike price	
AECO Collar	January 2026 – March 2026	2,500 gj/d	Floor	\$ 2.00
			Ceiling	\$ 3.31
AECO Swap	January 2026 – February 2026	500 gj/d		\$ 3.22
AECO Swap	January 2026 – March 2026	2,500 gj/d		\$ 2.99
AECO Swap	January 2026 – December 2026	2,500 gj/d		\$ 2.99
AECO Swap	April 2026 – October 2026	5,000 gj/d		\$ 3.01
AECO Swap	November 2026 – December 2027	2,500 gj/d		\$ 2.99
USD WTI Swap	January 2026 – February 2026	2,000 bbl/d	USD	\$ 58.00
USD WTI Swap	January 2026 – March 2026	6,000 bbl/d	USD	\$ 59.00
USD WTI Swap	February 2026 – April 2026	2,000 bbl/d	USD	\$ 65.00
USD WTI Swap	March 2026 – April 2026	4,000 bbl/d	USD	\$ 69.10

## ROYALTIES

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Royalties	<b>21,480</b>	28,377	(24)	<b>98,917</b>	113,747	(13)
Percent of revenue	<b>16.6%</b>	19.2%	(14)	<b>18.5%</b>	18.8%	(2)
\$/boe	<b>9.93</b>	14.07	(29)	<b>12.39</b>	14.27	(13)

Royalties are either paid or taken in kind and are owed to land and mineral rights owners and to provincial governments. The terms of the land and mineral rights owner agreements and provincial royalty regimes impact Cardinal's overall corporate royalty rate.

During the three months and year ended December 31, 2025, royalties as a percentage of revenue decreased by 14% and 2%, respectively, compared to the same periods in 2024 due to the Reford SAGD project meeting the criteria for Saskatchewan's Enhanced Oil Recovery royalty program, allowing a 1% Crown royalty rate before project payout. In addition, lower commodity pricing experienced in the fourth quarter and full year of 2025 attracted a lower royalty rate on a sliding scale basis for certain crown royalty wells. Lower production from conventional assets, which attract a higher royalty rate, also contributed to the Company's lower royalty rate in the fourth quarter and full year of 2025 as compared to the same periods in 2024.

## NET OPERATING EXPENSES

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Operating expenses	<b>49,986</b>	47,524	5	<b>192,053</b>	198,904	(3)
Less: Processing and other revenue	<b>(1,168)</b>	(1,634)	(29)	<b>(4,674)</b>	(5,774)	(19)
Net operating expenses	<b>48,818</b>	45,890	6	<b>187,379</b>	193,130	(3)
\$/boe <sup>(1)</sup>	<b>22.57</b>	22.76	(1)	<b>23.47</b>	24.23	(3)

(1) See Non-GAAP and other financial measures.

During the fourth quarter of 2025, net operating expenses per boe decreased by 1% over the same period in 2024 due to lower Alberta power prices, carbon taxes and a 7% increase in production, partially offset by higher workover,

chemical and environmental remediation costs. In the fourth quarter of 2025, the average power price in Alberta decreased by approximately 16% over the same period in 2024 to average approximately \$43/MWh.

For 2025, net operating expenses per boe decreased by 3% as compared with 2024 due to lower Alberta power prices, partially offset by higher property taxes, workover costs and environmental remediation costs. In 2025, the average power price in Alberta decreased by approximately 30% compared to 2024 to average approximately \$44/MWh.

## TRANSPORTATION EXPENSES

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Transportation expenses	<b>3,231</b>	2,438	33	<b>8,517</b>	8,744	(3)
\$/boe	<b>1.49</b>	1.21	23	<b>1.07</b>	1.10	(3)

Transportation expenses and transportation expenses per boe increased by 33% and 23%, respectively, in the three months ended December 31, 2025 as compared with the same period in 2024 due to an increase in the Company's clean oil trucking expenses as a result of the Reford SAGD project moving into the production phase and those heavy oil volumes being trucked to various sales points. This was partially offset by lower natural gas transportation costs due to decreased natural gas production.

Transportation expenses and transportation expenses per boe both decreased by 3% in 2025 as compared with 2024 due to a change in marketing agreements in the Company's Midale area midway through 2024 which required less trucking, a decrease in clean oil trucking expenses in the Company's North area due to the opening of a new terminal and lower natural gas transportation costs due to decreased natural gas production. This was partially offset by the Reford heavy oil volumes being trucked to sales points in 2025.

## NETBACK

(\$/boe)	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Petroleum and natural gas revenue	<b>59.86</b>	73.29	(18)	<b>66.85</b>	75.95	(12)
Royalties	<b>(9.93)</b>	(14.07)	(29)	<b>(12.39)</b>	(14.27)	(13)
Net operating expenses	<b>(22.57)</b>	(22.76)	(1)	<b>(23.47)</b>	(24.23)	(3)
Transportation expenses	<b>(1.49)</b>	(1.21)	23	<b>(1.07)</b>	(1.10)	3
Netback <sup>(1)</sup>	<b>25.87</b>	35.25	(27)	<b>29.92</b>	36.35	(18)

(1) See Non-GAAP and other financial measures.

During the three months and year ended December 31, 2025, the Company's netback decreased by 27% and 18%, respectively, as compared to the same periods in 2024 due to lower realized commodity prices combined with higher transportation expenses, partially offset by lower royalties and operating expenses.

## GENERAL AND ADMINISTRATIVE ("G&A")

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Gross G&A	<b>7,630</b>	6,422	19	<b>29,278</b>	27,014	8
Capitalized G&A and overhead recoveries	<b>(1,818)</b>	(1,784)	2	<b>(6,750)</b>	(6,661)	1
G&A	<b>5,812</b>	4,638	25	<b>22,528</b>	20,353	11
\$/boe	<b>2.69</b>	2.30	17	<b>2.82</b>	2.55	11

In the three months and year ended December 31, 2025, G&A costs per boe have increased by 17% and 11%, respectively, compared to the same periods in 2024 due to increased technical staff required for Cardinal's long-term growth plans and increased software costs to accommodate larger number of users and activity.

## SHARE-BASED COMPENSATION ("SBC")

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Gross SBC	<b>3,050</b>	2,714	12	<b>11,597</b>	10,639	9
Capitalized SBC	<b>(352)</b>	(473)	(26)	<b>(1,865)</b>	(1,698)	10
SBC	<b>2,698</b>	2,241	20	<b>9,732</b>	8,941	9
\$/boe	<b>1.25</b>	1.11	13	<b>1.22</b>	1.12	9

SBC expense increased by 20% in the three months ended December 31, 2025 compared to the same period in 2024 due to an increase in the grant date fair value of restricted bonus awards ("RA") and performance bonus awards ("PA") outstanding. The Company capitalized a smaller portion of the expense in the fourth quarter of 2025 as compared to the same period in 2024 as a result of the Reford SAGD project moving into the production phase.

SBC expense increased by 9% in 2025 compared to 2024 due to an increase in the grant date fair value of RAs and PAs outstanding and an increase in the total amount of RAs and PAs outstanding.

As at December 31, 2025, Cardinal had 2.0 million RAs and 1.0 million PAs outstanding.

## FINANCE

	Three months ended			Year ended		
	December 31,			December 31,		
	2025	2024	%	2025	2024	%
Interest – bank debt	2,048	1,739	18	5,467	7,366	(26)
Interest – debentures	2,108	-	n/m	7,677	-	n/m
Capitalized interest	(948)	(819)	16	(7,405)	(1,958)	278
Other finance charges, net	819	385	113	3,450	1,384	149
Interest – leases	47	58	(19)	203	251	(19)
Foreign exchange gain on US denominated debt	(646)	-	n/m	-	-	-
Realized loss on cross-currency swaps	646	-	n/m	-	-	-
Accretion	2,685	2,264	19	10,415	9,047	15
Finance	6,759	3,627	86	19,807	16,090	23
\$/boe	3.12	1.80	73	2.48	2.02	23
Average bank debt	140,932	94,585	49	88,305	92,062	(4)
Interest rate – bank debt	5.8%	7.3%	(21)	6.2%	8.0%	(23)

In the three months and year ended December 31, 2025, finance expense increased by 86% and 23%, respectively, as compared with the same periods in 2024 primarily due to interest and accretion on the debentures issued in 2025. This increase was partially offset in the three months and year ended December 31, 2025 by the Company capitalizing \$0.9 million and \$7.4 million, respectively, of interest related to exploration and evaluation expenditures while the Reford SAGD project remained in the construction and development phase.

For the three months and year ended December 31, 2025, the decrease in the interest rate reflects a lower Bank of Canada prime rate compared to the prior periods.

From time to time during 2025, the Company utilizes Secured Overnight Financing Rate (“SOFR”) borrowings in US dollars which created a realized foreign exchange gain due to the strengthening of the Canadian dollar after issuance. Concurrent with the draw of US dollar denominated borrowings, the Company enters into cross-currency basis swaps to offset the foreign currency risk resulting from holding US dollar denominated borrowings. These transactions allow the Company to take advantage of the interest rate spread between the Canadian Overnight Repo Rate Average (“CORRA”) and the SOFR without taking on any foreign exchange risk.

## DEPLETION AND DEPRECIATION (“D&D”)

	Three months ended			Year ended		
	December 31,			December 31,		
	2025	2024	%	2025	2024	%
Depletion and depreciation	30,913	26,622	16	108,761	105,083	4
\$/boe	14.29	13.20	8	13.62	13.18	3

Depletion is calculated based on capital expenditures of the Company, forecasted future development costs associated with proved and probable reserves, production rates and the estimates of proved and probable oil and natural gas reserves. In addition to depletion, Cardinal records depreciation on other capital equipment and right-of-use assets not directly associated with proved and probable reserves.

D&D costs per boe for the three months and year ended December 31, 2025 increased by 8% and 3%, respectively, as compared to the same periods in 2024 due to an increase in the property, plant and equipment depletable base

from the addition of the Reford SAGD book value of capital expenditures and the associated future development capital, partially offset by a 27% increase in Reford's 2025 year-end proved plus probable reserve bookings.

## IMPAIRMENT

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Impairment	50,000	-	n/m	50,000	-	n/m

The Company identified indicators of impairment as at December 31, 2025 for its Alberta Central cash generating unit ("CGU") and completed an impairment test to estimate the recoverable amount of the Alberta Central CGU. The Company recorded an impairment of \$50.0 million in the Alberta Central CGU as a result of the carrying value being greater than the estimated recoverable amount. The estimated recoverable amount of Cardinal's Alberta Central CGU at December 31, 2025 was \$339.0 million. The Company did not identify any further indicators of impairment for its other CGUs.

The recoverable value of the Company's CGUs were estimated as the value in use based on the net present value of before tax cash flows from crude oil and natural gas proved plus probable reserves estimated by Cardinal's independent third-party reserve evaluators discounted between 10% and 20% depending on the reserves composition. The recoverable amount is sensitive to forecasted oil and natural gas prices, discount rate, production volumes, royalty rates, operating costs and future capital expenditures. In determining the appropriate discount rate, Cardinal considered various characteristics and risks of the assets.

The external reserve evaluators also assess many other financial assumptions regarding royalty rates, operating costs and future development costs along with several other non-financial assumptions that affect reserve volumes. Management considered these assumptions for the impairment test at December 31, 2025, however, it should be noted that all estimates are subject to uncertainty.

## DEFERRED TAXES

At December 31, 2025, the Company has approximately \$1.2 billion of tax pools (\$1.1 billion are unrestricted) available to be applied against future income for tax purposes. Based on available tax pools, forecasted capital expenditures and forecasted commodity prices at December 31, 2025 from the average of three independent third-party reserve evaluators, Cardinal does not expect to pay current income taxes until 2028 or beyond. Any potential taxes payable beyond 2028 would be affected by commodity prices, capital expenditures and production volumes.

Tax pool balance	Maximum annual claim	As at December 31,		
		2025	2024	%
COGPE	10%	364,494	395,666	(8)
CEE and non-capital losses	100%	397,538	405,079	(2)
CDE	30%	195,390	184,896	6
Undepreciated capital cost	25%	236,876	170,923	39
Other	20%	4,079	132	n/m
Total		1,198,377	1,156,696	4

A deferred tax asset was not recognized in respect of temporary differences related to successor tax pools of \$93 million (2024 – \$97 million) or the \$192 million (2024 – \$192 million) discussed below as there is not sufficient certainty regarding future utilization.

In 2021, Cardinal received a reassessment notice from the Canada Revenue Agency (“CRA”) wherein the CRA reduced certain non-capital loss tax pools of approximately \$192 million carried forward in the tax return filed for the year ended December 31, 2015. Cardinal disagrees with CRA’s position and has appealed the reassessment and will continue defending its position and has included the balance in the \$1.2 billion of tax pools above.

## (LOSS) / EARNINGS, CASH FLOW FROM OPERATING ACTIVITIES, ADJUSTED FUNDS FLOW AND PAYOUT RATIO

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
(Loss) / earnings \$ per share	<b>(29,915)</b>	25,817	(216)	<b>20,801</b>	108,354	(81)
Basic	<b>(0.19)</b>	0.16	(219)	<b>0.13</b>	0.68	(81)
Diluted	<b>(0.18)</b>	0.16	(213)	<b>0.13</b>	0.68	(81)
Cash flow from operating activities \$ per share	<b>43,491</b>	53,075	(18)	<b>206,820</b>	247,537	(16)
Basic	<b>0.27</b>	0.33	(18)	<b>1.29</b>	1.56	(17)
Diluted	<b>0.27</b>	0.33	(18)	<b>1.28</b>	1.54	(17)
Adjusted funds flow \$ per share <sup>(1)</sup>	<b>46,148</b>	65,084	(29)	<b>205,129</b>	265,441	(23)
Basic	<b>0.29</b>	0.41	(29)	<b>1.28</b>	1.67	(23)
Diluted	<b>0.28</b>	0.40	(30)	<b>1.27</b>	1.65	(23)
Total payout ratio	<b>117%</b>	69%	70	<b>94%</b>	81%	16

(1) See Non-GAAP and other financial measures.

In the three months ended December 31, 2025, Cardinal had a loss of \$29.9 million compared to earnings of \$25.8 million in fourth quarter of 2024 due to a reduction in forecast pricing causing the Company to record a \$50.0 million impairment of its property, plant and equipment. The decrease in cash flow from operating activities and adjusted funds flow during the fourth quarter of 2025 is predominantly related to the decline in oil prices experienced during the fourth quarter. Total payout ratio increased compared with the same period in 2024 due to higher development capital expenditures combined with a decrease in adjusted funds flow.

In 2025, Cardinal’s earnings have decreased compared with 2024 due to the previously mentioned \$50.0 million impairment charge and a decline in revenue due to lower oil prices experienced in 2025. Cash flow from operating activities and adjusted funds flow have decreased compared with 2024 predominantly related to the decline in oil prices experienced in 2025. Total payout ratio increased compared with 2024 due to decreased adjusted funds flow, partially offset by lower development capital expenditures.

## CAPITAL EXPENDITURES

In the fourth quarter of 2025, the Company spent \$24.5 million on capital expenditures which included the drilling and completion of one (0.1 net) well in northern Alberta. In the year ended December 31, 2025, capital expenditures decreased by 25% compared with 2024 due to the Company focusing on SAGD expenditures throughout most of 2025. In the three months and year ended December 31, 2025, the Company continued with its well reactivation program spending \$4.0 million and \$13.1 million, respectively, on recompletions and workovers throughout its

operating areas. Cardinal also constructed new facilities and upgraded existing infrastructure across our asset base and continued with the enhanced oil recovery program with CO<sub>2</sub> injection at Midale.

	Three months ended			Year ended		
	December 31,			December 31,		
	2025	2024	%	2025	2024	%
Land	2,492	87	n/m	3,990	2,734	46
Geological and geophysical	3,877	(295)	n/m	3,894	(48)	n/m
Drilling, completion and recompletions	5,255	7,690	(32)	29,412	60,563	(51)
Equipment, facilities and pipelines	12,748	8,764	45	39,158	37,287	5
Development capital expenditures <sup>(1)</sup>	24,372	16,246	50	76,454	100,536	(24)
Capitalized G&A	723	309	134	2,010	1,582	27
Other assets	44	15	193	(125)	803	(116)
(Dispositions)/acquisitions	(606)	360	(268)	(606)	360	(268)
Capital expenditures <sup>(1)</sup>	24,533	16,930	45	77,733	103,281	(25)

(1) See Non-GAAP and other financial measures

## EXPLORATION AND EVALUATION (“E&E”) EXPENDITURES

Cardinal’s E&E consists of undeveloped land and exploration projects which are pending technical feasibility and commercial viability.

For the three months and year ended December 31, 2025, the Company has incurred \$7.9 million and \$136.5 million, respectively, in E&E expenditures on thermal development which includes expenditures related to the Reford SAGD project that have been transferred to property, plant and equipment (“PP&E”), as mentioned below.

During the second quarter of 2025, Cardinal acquired additional undeveloped land in Saskatchewan for \$5.0 million with associated decommissioning obligations of \$0.1 million.

For the three months and year ended December 31, 2025, the Company capitalized \$0.9 million and \$7.4 million, respectively, of interest related to the SAGD project.

In 2025, \$227.8 million of E&E assets were transferred to PP&E related to the Reford SAGD project as the project reached technical feasibility and commercial viability in the fourth quarter of 2025. Included in these costs were capitalized interest of \$9.4 million, capitalized general and administrative expenses of \$2.8 million and capitalized share-based compensation expenses of \$1.4 million.

The remaining E&E assets consist of undeveloped land and long-term development projects in Saskatchewan that the Company will continue to evaluate in the future.

## DECOMMISSIONING OBLIGATION

In the fourth quarter of 2025, the Company continued to reduce its environmental footprint and spent \$4.1 million on decommissioning obligations bringing the total spend in 2025 to \$10.0 million.

## LIQUIDITY AND CAPITAL RESOURCES

Capitalization table	As at		
	Dec 31, 2025	Dec 31, 2024	%
Net debt <sup>(1)</sup>	\$ 281,938	\$ 138,307	104
Common shares, outstanding	160,650,490	159,203,353	1
Market price at end of year (\$ per share)	\$ 8.69	\$ 6.48	34
Market capitalization	1,396,053	1,031,638	35
	\$ 1,677,991	\$ 1,169,945	43

(1) See Non-GAAP and other financial measures

### CAPITAL FUNDING

#### *Bank debt*

The Company's reserve-based revolving credit facility of \$240.0 million is comprised of a \$175.0 million Syndicated Tranche A Facility ("Tranche A"), a \$40.0 million Syndicated Tranche B Facility ("Tranche B") and a \$25.0 million non-syndicated operating line credit facility (together the "Facilities"). The Facilities are available on a revolving basis until May 31, 2026. Tranche A and the non-syndicated operating line credit facility may be extended for a further 364 day period, subject to approval by the syndicate. If not extended, Tranche A and the non-syndicated operating line credit facility will cease to revolve, the applicable margins will increase by 0.5% and all outstanding advances will be repayable on May 31, 2027. Tranche B has a maturity date of May 31, 2026, of which the Company has nil outstanding.

The available lending limits of the Facilities are reviewed semi-annually based on the syndicate's interpretation of the Company's reserves, future commodity prices and costs. As the available lending limit of the Facilities is based on the syndicate's interpretation of the Company's reserves and future commodity prices and costs, there can be no assurance that the amount of the Facilities will not decrease at the next scheduled review. On a redetermination date, lenders could reduce the borrowing base to below amounts drawn, in which case, any short fall would have to be repaid within 60 days. The next scheduled review date for the Facilities will be on or before May 31, 2026.

Advances under Tranche A and Tranche B are available by way of prime rate loans, which bear interest at the banks' prime lending rate plus 2.00% to 5.25% and 3.50% to 6.75%, respectively, and the CORRA and/or the SOFR loans, which are subject to fees and margins ranging from 3.00% to 6.25% and 4.50% to 7.75%, respectively. Interest and standby fees on the undrawn amounts of the Facilities depend upon certain ratios. The Facilities are secured by a demand debenture pursuant to which a security interest is granted over all of the Company's assets. There are no financial covenants related to the Facilities, provided that Cardinal is not in default of the terms of the Facilities.

#### *Senior subordinated unsecured debentures*

On January 3, 2025, the Company issued \$60 million in senior subordinated unsecured debentures ("7.75% Debentures"). The 7.75% Debentures bear interest at a rate of 7.75% per annum, payable semi-annually and have a maturity date of March 31, 2030. As part of the offering, the Company issued 3,900,000 warrants entitling each holder to acquire one common share of Cardinal at a price of \$7.00 per common share on or before January 3, 2028. The 7.75% Debentures will not be redeemable by the Company before March 31, 2028. On and after March 31, 2028 and prior to March 31, 2029, the 7.75% Debentures will be redeemable, in whole or in part, from time to time at the Company's option at a redemption price equal to 103.875% of the principal amount of the 7.75% Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after March 31, 2029 and prior to March 31, 2030, the 7.75% Debentures will be redeemable, in whole or in part, from time to time at the Company's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The 7.75% Debentures were initially recognized at fair value, net of directly related transaction costs (\$2.9 million), of \$56.1 million with \$1.1 million allocated to the warrants.

On March 4, 2025, an additional \$45 million in senior subordinated unsecured debentures (“8.25% Debentures”) were issued. The 8.25% Debentures bear interest at a rate of 8.25% per annum, payable semi-annually and have a maturity date of September 30, 2030. The 8.25% Debentures will not be redeemable by the Company before September 30, 2028. On and after September 30, 2028 and prior to September 30, 2029, the 8.25% Debentures will be redeemable, in whole or in part, from time to time at the Company’s option at a redemption price equal to 104.125% of the principal amount of the 8.25% Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after September 30, 2029 and prior to September 30, 2030, the 8.25% Debentures will be redeemable, in whole or in part, from time to time at the Company’s option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The 8.25% Debentures were initially recognized at fair value, net of directly related transaction costs (\$2.0 million), of \$43.0 million.

The Company shall provide not more than 60 nor less than 30 days’ prior notice of redemption of the 7.75% Debentures and 8.25% Debentures. The Company has the option to satisfy its obligations to repay the principal amount of and premium, if any, on the 7.75% Debentures and 8.25% Debentures due at redemption or on maturity of the 7.75% Debentures and 8.25% Debentures by issuing and delivering that number of freely tradeable common shares of the Company to the 7.75% Debentures and 8.25% Debentures holders in accordance with the terms of the debenture indenture that will govern the terms of the 7.75% Debentures and 8.25% Debentures.

## CAPITAL STRUCTURE

Cardinal manages its capital to provide a flexible structure to support production maintenance, capital programs, other operational strategies and shareholder returns. Maintaining a strong financial position enables Cardinal to enhance business opportunities and supports Cardinal's strategy of providing shareholder return through growth of the business, reducing its cost structure and dividend payments.

One of the key measures that the Company utilizes in evaluating its capital structure is the credit available from the Facilities in relation to the Company's budgeted capital expenditure program and the ratio of net debt to adjusted funds flow.

To manage its capital structure, Cardinal considers its net debt to adjusted funds flow ratio, its capital expenditures program, E&E expenditures, the current level of credit available from the Facilities, the level of credit that may be attainable due to changes in petroleum and natural gas reserves and new debt and equity if available on favourable terms. The Company prepares an annual capital and E&E expenditure budget, which is monitored monthly and updated as necessary.

	Year ended	
	Dec 31, 2025	Dec 31, 2024
Bank debt	\$ 138,610	\$ 85,610
Debentures	100,034	-
Adjusted working capital deficiency <sup>(1)</sup>	43,294	52,697
Net debt	\$ 281,938	\$ 138,307
Cash flow from operating activities	\$ 206,820	\$ 247,537
Change in non-cash working capital	(11,655)	7,682
Funds flow	\$ 195,165	\$ 255,219
Decommissioning obligation expenditures	9,964	10,222
Adjusted funds flow	\$ 205,129	\$ 265,441
Net debt to adjusted funds flow	1.4	0.5

(1) See Non-GAAP and other financial measures

Cardinal's ratio of net debt to adjusted funds flow as at December 31, 2025 was 1.4 to 1, higher than the ratio at December 31, 2024 of 0.5 to 1 and above the Company's target of 1.0. This ratio increased as the Company incurred significant upfront construction and development costs throughout the year for its first SAGD project which was completed in the fourth quarter of 2025. The Company will continue to monitor this ratio to endeavor to achieve the targeted range.

As discussed below in the *Liquidity* section, the Company currently has available capacity on its Facilities to satisfy its planned capital expenditures, E&E expenditures and decommissioning obligations for 2026 and beyond.

## LIQUIDITY

The Company relies on cash flow from operating activities, the unused portion of the Facilities and equity and debt issuances to fund its capital expenditure requirements and provide liquidity. Cardinal had sufficient credit capacity to cover its adjusted working capital deficiency of \$43.3 million at December 31, 2025 and continues to have excess capacity as of the date of this MD&A.

The Company believes that it is well positioned to take advantage of its internally developed opportunities funded through its available Facilities, the 7.75% Debentures, the 8.25% Debentures and an equity issuance completed in February 2026, as described below, combined with anticipated cash flow from operating activities and adjusted funds flow. At current commodity price levels, present sources of capital are anticipated to be sufficient to satisfy the Company's budgeted capital expenditure program, decommissioning obligations and dividend payments for the 2026 fiscal year and beyond.

## DIVIDENDS

	Three months ended December 31,			Year ended December 31,		
	2025	2024	%	2025	2024	%
Dividends declared	<b>29,459</b>	28,656	3	<b>116,541</b>	115,460	1
Dividends declared per share	<b>\$ 0.18</b>	\$ 0.18	-	<b>\$ 0.72</b>	\$ 0.72	-

During the three months ended December 31, 2025, the Company declared dividends of \$29.5 million (\$0.18 per common share) (2024 – \$28.7 million or \$0.18 per common share), of which \$19.3 million (2024 – \$19.1 million) was paid in cash and \$10.2 million (2024 – \$9.6 million) was recognized as a liability at December 31, 2025. The dividend payable was settled on January 15, 2026.

During 2025, \$116.5 million (\$0.72 per common share) (2024 – \$115.5 million or \$0.72 per common share) of dividends were declared, of which \$106.4 million (2024 – \$105.9 million) was paid in cash and \$10.2 million (2024 – \$9.6 million) was recognized as a liability at December 31, 2025. In 2025, the Company also paid dividends of \$9.6 million which was recognized as a liability at December 31, 2024.

## SHARE CAPITAL

The Company has a bonus award plan whereby RAs and PAs may be granted to directors, officers, employees and other service providers. In the case of PAs, the award value is adjusted for a payout multiplier which can range from 0.0 to 2.0 and is dependent on the performance of the Company relative to pre-defined corporate performance measures for a particular period. Awards are adjusted for dividends declared, either with a cash payment or incremental common shares, and may be settled in cash, common shares issued from treasury or common shares acquired by an independent trustee in the open market for such purposes.

In 2025, the trustee purchased 0.3 million common shares (2024 – nil) for \$1.6 million (2024 – nil) for the settlement of future vesting RAs and PAs.

In 2025, upon the vesting of 0.9 million (2024 – 1.0 million) RAs and 0.5 million (2024 – 0.6 million) PAs, when taking into account the performance multiplier for PAs, the Company utilized 0.3 million (2024 – 1.0 million) treasury shares and issued 1.3 million (2024 – 0.1 million) common shares and made payments totalling \$0.1 million (2024 – \$6.2 million) for withholding taxes.

In 2025, Cardinal granted 1.1 million (2024 – 1.0 million) RAs and 0.6 million (2024 – 0.5 million) PAs to officers, directors, employees and service providers pursuant to the Company's bonus award plan.

On January 3, 2025, as part of the 7.75% Debentures offering, the Company issued 3,900,000 Warrants entitling each holder to acquire one common share of Cardinal at a price of \$7.00 per common share on or before January 3, 2028. During 2025, there were 120,525 Warrants (2024 – nil) exercised.

Equity instruments as at	Mar 12, 2026	Dec 31, 2025	Dec 31, 2024
Common shares, issued	173,609,305	161,175,737	159,738,871
Treasury shares	(525,247)	(525,247)	(535,518)
Warrants	3,475,675	3,779,475	-
RAs	1,988,813	2,010,734	1,701,201
PAs	1,027,386	1,027,386	931,301

On February 4, 2026, the Company completed a bought deal offering of common shares. In connection with the offering, Cardinal issued 12.1 million common shares, inclusive of the full exercise on the over-allotment option, at an issue price of \$8.65 per common share for total gross proceeds of approximately \$104.7 million.

The Company intends to use the net proceeds of the equity offering to first repay and reduce outstanding indebtedness under its senior credit facility, which will be redrawn to accelerate the development of its second thermal oil project at Reford and for general corporate purposes.

## OFF BALANCE SHEET ARRANGEMENTS

Cardinal does not have any special purpose entities nor is it a party to any material arrangements that would be excluded from the balance sheet.

## CONTRACTUAL OBLIGATIONS

At December 31, 2025, the Company had contractual obligations as follows:

	2026	2027	2028	2029	2030	Thereafter
Trade and other payables	90,963	-	-	-	-	-
Dividend payable	10,187	-	-	-	-	-
Lease liabilities	1,970	1,245	731	463	451	-
Bank debt	-	138,610	-	-	-	-
Power purchase commitment <sup>(1)</sup>	11,904	11,904	-	-	-	-
Debentures <sup>(2)</sup>	8,363	8,363	8,385	8,363	108,923	-
<b>Total contractual obligations</b>	<b>123,387</b>	<b>160,122</b>	<b>9,116</b>	<b>8,826</b>	<b>109,374</b>	<b>-</b>

(1) Amounts represent the portion of the Company's power cost that has been fixed.

(2) Amounts include interest for the 7.75% Debentures and 8.25% Debentures and the principal due in 2030.

## ADDITIONAL INFORMATION

### MATERIAL ACCOUNTING ESTIMATES

Cardinal's material accounting policies including the use of judgments and key sources of estimation uncertainty, can be found in Notes 3 and 4 of the December 31, 2025 financial statements. The timely preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the period. These estimates are subject to measurement uncertainty and the effect on the financial statements of changes in these estimates could be material. Estimates are more difficult to determine, and the range of potential outcomes can be wider, in periods of higher volatility and uncertainty. The impacts of geopolitical events such as the tariffs between Canada and the United States of America, regional conflicts, especially in oil producing areas, can materially impact energy markets, interest and inflation rates and supply chains resulting in higher levels of volatility and uncertainty. Management has, to the extent reasonable, incorporated known facts and circumstances into the estimates made, however, actual results could differ from those estimates and those differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### *Critical and Other Judgments*

##### *(i) Identification of cash generating units*

Cardinal's assets are aggregated into CGUs for the purpose of calculating impairment. CGUs are based on an assessment of the unit's ability to generate largely independent cash inflows. The determination of these CGUs was based on management's judgment in regard to shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality.

##### *(ii) Impairment of exploration and evaluation assets*

E&E assets are assessed for impairment when they are reclassified to PP&E as petroleum and natural gas interests, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, E&E are allocated to the related CGU when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as the reclassification to producing assets (petroleum and natural gas assets in PP&E).

##### *(iii) Impairment of property, plant and equipment*

Judgments are required to assess when internal or external indicators of impairment, or indicators of impairment reversal, exist and impairment testing is required. In determining the recoverable amount of PP&E, which includes petroleum and natural gas assets, impairment tests are based on estimates of proved and probable oil and natural gas reserves which are based upon a number of significant assumptions, such as forecasted production volumes, forecasted oil and natural gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

#### *Key and Other Sources of Estimation Uncertainty*

##### *(i) Reserve estimates*

The Company uses estimated proved and probable oil and natural gas reserves to deplete its petroleum and natural gas assets included in PP&E, to assess for indicators of impairment on the Company's CGUs and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of its CGUs. Estimates of proved and probable oil and natural gas reserves are based upon a number of significant assumptions, such as forecasted

production volumes, forecasted oil and natural gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. Cardinal engaged independent third-party reserve evaluators to evaluate the Company's estimates of proved and probable oil and natural gas reserves at December 31, 2025 and 2024. Reserve adjustments are made annually based on actual volumes produced, the results from capital expenditure programs, revisions to previous estimates, new discoveries and acquisitions and dispositions made during the year.

Proved oil and natural gas reserves are those forecasted quantities of oil and natural gas determined to be economically recoverable under existing economic and operating conditions with a high degree of certainty, of at least 90 percent, that those quantities will be equaled or exceeded. Probable oil and natural gas reserves are those forecasted quantities of petroleum and natural gas determined to be economically recoverable under existing economic and operating conditions with a moderate degree of certainty, of at least 50 percent, that those quantities will be equaled or exceeded. Cardinal reports production and reserve quantities in accordance with Canadian practices and specifically in accordance with NI 51-101.

Cardinal cautions users of this information that the process of estimating proved and probable oil and natural gas reserves is subject to a level of uncertainty. The proved and probable oil and natural gas reserves are based on current and forecast economic and operating conditions; therefore, changes can be made to future assessments as a result of a number of factors, which can include forecasted oil and natural gas commodity prices, new technology, changing economic conditions, future reservoir performance and development activity.

*(ii) E&E assets*

The accounting for E&E assets requires management to make judgements as to whether these investments have discovered a sufficient amount of economically recoverable reserves, which requires the quantity and realizable value of such reserves to be estimated and could be impacted by a shift in demand as global energy markets transition to a lower carbon-based economy. Previous estimates are sometimes revised as new information becomes available.

E&E assets remain capitalized as long as sufficient progress is being made in assessing whether the recovery of the reserves is technically feasible and commercially viable. The concept of "sufficient progress" is a judgemental area, and it is possible to have E&E assets remain classified as such for several years while additional E&E activities are carried out or Cardinal seeks government, regulatory or internal approval for development plans. E&E assets are subject to ongoing management review to confirm the continued intent to establish the technical feasibility and commercial viability of the discovery. Important factors considered when management is making this assessment include changes to project economics, expected capital investments and production costs, results of other operators in the region and access to infrastructure and potential infrastructure expansions.

*(iii) Property, plant and equipment*

Petroleum and natural gas assets included in PP&E are depleted using the unit-of-production method based on estimated proved and probable oil and natural gas reserves determined using a number of significant assumptions, such as forecasted oil and natural gas commodity prices, forecasted production volumes, forecasted operating costs, forecasted royalty costs and forecasted future development costs. The estimate of proved and probable oil and natural gas reserves and the discount rate is part of the depletion calculation and the impairment test.

*(iv) Business combinations*

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which includes assessing the value of petroleum and natural gas properties based upon the estimation of recoverable quantities of proved and probable oil and natural gas reserves being acquired. An acquisition date fair value of petroleum and natural gas properties involves significant estimates, including the estimate of proved and probable oil and natural gas reserves and the related cash flows and the discount rates.

*(v) Decommissioning obligation*

Cardinal recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the balance sheet date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management considering current costs, technology and enacted legislation.

*(vi) Taxation*

The calculation of deferred income taxes is based on a number of assumptions including estimating the future periods in which temporary differences, tax losses and other tax credits will reverse to ensure the appropriate estimate of the substantively enacted tax rates at the time of reversal and the likelihood of deferred tax assets being realized.

IFRS requires the Company, at each reporting date, to make certain judgments on uncertain tax positions by relevant tax authorities. Judgments include determining whether the Company will “more likely than not” be successful in defending its tax positions by considering information from relevant tax interpretations and tax laws in Canada. As such, this recognition threshold is subject to management’s judgment and may impact the carrying value of the Company’s deferred tax assets and liabilities at the end of the reporting period.

## RISKS

*Financial Risk*

Financial risk is the risk of loss or lost opportunity resulting from financial management and market conditions that could have a positive or negative impact on Cardinal's business. Financial risks the Company is exposed to include: marketing production at an acceptable price given market conditions; finding and producing reserves at a reasonable cost; volatility in market prices for oil and natural gas; fluctuations in foreign exchange and interest rates; stock market volatility; debt service which may limit timing or amount of dividends as well as market price of shares; the continued availability of adequate debt and equity financing and funds flow to fund planned expenditures; sufficient liquidity for future operations; lost revenue or increased expenditures as a result of delayed or denied environmental, safety or regulatory approvals; cost of capital risk to carry out the Company's operations; implementation of new, or expansion of existing, tariffs on exported and/or imported products; and uncertainties associated with credit facilities and counterparty credit risk.

*Climate Change Risk*

Concerns over climate change, fossil fuel consumption, greenhouse gas emissions, and water and land use could lead governments to enact additional laws, regulations and costs or taxes that may be applicable to Cardinal. Changes to environmental regulations related to climate change could impact the demand for, development of, or quality of Cardinal’s petroleum products, or could require increased capital expenditures, operating expenses, decommissioning obligations and costs, which could result in increased costs which would reduce the profitability and competitiveness of Cardinal if commodity prices do not rise commensurate with the increased costs. In addition, such regulatory changes could necessitate Cardinal to develop or adapt new technologies, possibly requiring significant investments of capital. Where possible, Cardinal has considered these factors in the preparation of the consolidated financial statements.

*Operational Risk*

Operational risk is the risk of loss or lost opportunity resulting from operating and capital activities that, by their nature, could have an impact on the Company's ability to achieve objectives. Operational risks that Cardinal is exposed to include: uncertainties associated with estimating oil and natural gas reserves; incorrect assessments of the value of acquisitions and exploration and development programs; failure to realize the anticipated benefits of acquisitions; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; inability to secure adequate product transportation; delays in business operations, pipeline restrictions

and blowouts; unforeseen title defects; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; loss of key personnel; unexpected geological, technical, drilling, construction and processing problems; availability of insurance; competitive action by other companies; the ability of suppliers to meet commitments and risks; and uncertainties related to oil and natural gas interests and operations on tribal lands.

#### *Safety, Environmental and Regulatory Risks*

Safety, environmental and regulatory risks are the risks of loss or lost opportunity resulting from changes to laws governing safety, the environment, royalties and taxation. Safety, environmental and regulatory risks that Cardinal is exposed to include: aboriginal land claims; uncertainties associated with regulatory approvals; uncertainty of government policy changes; the risk of carrying out operations with minimal environmental impact; changes in or adoption of new laws and regulations or changes in how they are interpreted or enforced; obtaining required approvals of regulatory authorities and stakeholder support for activities and growth plans.

The oil and natural gas industry has a number of environmental risks and hazards and is subject to regulation by all levels of government. Environmental legislation includes, but is not limited to, operational controls, site restoration requirements and restrictions on emissions of various substances produced in association with oil and natural gas operations. Compliance with such legislation could require additional expenditures and a failure to comply may result in fines and penalties which could, in the aggregate and under certain unlikely assumptions, become material. Operations are continuously monitored to minimize the environmental impact and capital is allocated to reclamation and other activities to mitigate the impact on the areas in which we operate.

#### *Information Systems*

Our operations rely heavily on information technology, such as computer hardware and software systems, to properly operate our business. These systems could be damaged, corrupted or interrupted by natural disasters, telecommunications failures, power loss, malicious acts or code, computer viruses, physical or electronic security breaches, user misuse or user error. A system disruption or breach could adversely impact our reputation, financial condition, results of operations and cash flows.

#### *Risk Management*

Cardinal is committed to identifying and managing its risks in the near term, as well as on a strategic and longer term basis at all levels in the organization. Issues affecting, or with the potential to affect, our assets, operations and/or reputation, are generally of a strategic nature or are emerging issues that can be identified early and then managed, but occasionally include unforeseen issues that arise unexpectedly and must be managed on an urgent basis.

Cardinal takes a proactive approach to the identification and management of issues that can affect the Company's assets, operations and/or reputation. Specific actions to ensure effective risk management include: employing qualified professional and technical staff; concentrating in a limited number of areas with low cost exploitation and development objectives; utilizing the latest technology for finding and developing reserves; constructing quality, environmentally sensitive and safe production facilities; adopting and communicating sound policies governing all areas of our business; maximizing operational control of drilling and production operations; strategic hedging of commodity prices and foreign exchange rates on borrowings; adhering to conservative borrowing guidelines; and monitoring counterparty creditworthiness.

Additional information regarding risk factors is available in our Annual Information Form, which is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

## DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), are designed to provide reasonable assurance that material information required to be disclosed in the Company's annual filings, interim filings or other reports filed, or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified under securities legislation and include controls and procedures designed to ensure that information required to be so disclosed is accumulated and communicated to management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

The Company's CEO and CFO have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. The CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures at the financial year end of the Company and have concluded that the Company's disclosure controls and procedures were effective at December 31, 2025 for the foregoing purposes.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal control over financial reporting ("ICOFR"), as defined in NI 52-109, includes those policies and procedures that: a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of Cardinal; b) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures of the Company are being made in accordance with authorizations of management and Directors of Cardinal; and c) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The CEO and the CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting as defined in NI 52-109, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The CEO and the CFO have evaluated the design and operating effectiveness of Cardinal's ICOFR as at December 31, 2025 and have concluded that such internal controls over financial reporting are designed and operating effectively. The control framework Cardinal's officers used to design the Company's ICOFR is COSO 2013.

The CEO and CFO are required to cause the Corporation to disclose any change in the Corporation's internal controls over financial reporting that occurred during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting. There were no changes in Cardinal's ICOFR during the quarter ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, the Company's ICOFR.

Due to their inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation relating to the effectiveness in future periods are subject to the risk that controls may become inadequate as a result of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate. It should also be noted that a control system, including the Company's DC&P and ICOFR, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the

objective of the control system is met and it should not be expected that the DC&P and ICOFR will prevent all errors or fraud.

## OUTLOOK

In 2026, we plan to advance our second SAGD project, which we expect to exhibit the same high quality traits that Reford possesses, and look forward to yet another major corporate catalyst when it is forecasted to come online in the second half of 2027. We believe that, with the combination of our low-decline conventional assets, our near-term development at Reford, and a growing pipeline of future thermal prospects, Cardinal can offer shareholders an attractive and sustainable return of capital through our dividend, while also providing a compelling growth outlook that extends well into the future. While we expect crude oil prices to remain volatile with the geopolitical uncertainty in the Middle East, we are maintaining our 2026 budget that will see the Company invest \$160 million in 2026 while generating average annual volumes of 25,000-25,500 boe/d. Should crude oil prices continue to remain more robust than the US\$60.00/bbl that our 2026 budget is predicated upon, incremental free cash flow would be used to increase our conventional asset expenditures closer to historical averages, support the funding of the second project at Reford build-out, and expansion of future thermal prospect inventory.

## QUARTERLY DATA

	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025
<b>Production</b>				
Crude oil (bbl/d)	20,630	17,626	18,154	18,846
Natural gas (mcf/d)	12,297	13,594	13,190	13,688
NGL (bbl/d)	834	880	832	878
Oil equivalent (boe/d)	23,514	20,772	21,184	22,005
<b>Financial</b>				
Petroleum and natural gas revenue	129,502	127,021	127,377	149,768
(Loss) / earnings	(29,915)	13,798	15,516	21,402
Basic (\$ per share)	(0.19)	0.09	0.10	0.13
Diluted (\$ per share)	(0.18)	0.09	0.10	0.13
Cash flow from operating activities	43,491	55,489	43,591	64,249
Total assets	1,357,203	1,402,995	1,382,019	1,354,445
Bank debt	138,610	111,042	94,649	8,253
Debentures	100,034	99,757	99,482	99,227
Total long-term liabilities	411,374	395,693	372,942	280,239
Shareholders' equity	835,466	890,764	903,004	914,371
Dividends declared	29,459	29,448	28,896	28,738
Dividends declared (\$ per share)	0.18	0.18	0.18	0.18
Common shares outstanding, net (000s) <sup>(1)</sup>	160,650	160,576	160,562	160,596
Diluted shares outstanding, net (000s) <sup>(1)</sup>	167,468	167,466	167,535	167,648

	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
<b>Production</b>				
Crude oil (bbl/d)	18,827	18,230	19,273	18,312
Natural gas (mcf/d)	13,569	12,719	13,752	15,155
NGL (bbl/d)	827	778	811	854
Oil equivalent (boe/d)	21,916	21,128	22,376	21,692
<b>Financial</b>				
Petroleum and natural gas revenue	147,778	147,991	169,353	140,226
Earnings	25,817	25,136	40,650	16,751
Basic (\$ per share)	0.16	0.16	0.26	0.11
Diluted (\$ per share)	0.16	0.16	0.25	0.10
Cash flow from operating activities	53,075	83,635	71,463	39,364
Total assets	1,296,975	1,250,585	1,238,645	1,227,723
Bank debt	85,610	69,134	77,904	86,786
Total long-term liabilities	250,875	210,151	213,540	208,699
Shareholders' equity	918,259	918,402	919,406	905,323
Dividends declared	28,656	28,653	29,116	29,035
Dividends declared (\$ per share)	0.18	0.18	0.18	0.18
Common shares outstanding, net (000s) <sup>(1)</sup>	159,203	159,187	159,178	159,101
Diluted shares outstanding, net (000s) <sup>(1)</sup>	161,836	161,846	161,872	161,842

(1) Net of treasury shares

In the first quarter of 2024, increased capital and E&E expenditures increased the Company's bank debt. In the second quarter of 2024, oil prices increased and the Company continued with its Reford SAGD project as well as reduced bank debt. In the third quarter of 2024, the Company was able to successfully execute its ten well drilling program and progress the Reford SAGD project. In the fourth quarter of 2024, the Company executed an eight well

drilling program and incurred significant Reford SAGD project costs, resulting in an increase in bank debt. In the first quarter of 2025, Cardinal completed two debenture offerings allowing the Company to repay outstanding bank debt, further the completion of the Reford SAGD project and accelerate the development of future thermal projects. In the second quarter of 2025, oil prices decreased and E&E expenditures remained high resulting in an increase in bank debt. In the third quarter of 2025, the Reford SAGD project moved into the warm-up phase and the Company resumed drilling conventional wells while operating in a low price environment resulting in an increase in bank debt. In the fourth quarter of 2025, the Reford SAGD project moved into the production phase and Cardinal achieved record production. A reduction in forecast pricing caused the Company to record an impairment charge on its Alberta Central CGU.

## ANNUAL DATA

	2025	2024	2023
<b>Production</b>			
Crude oil (bbl/d)	18,816	18,660	18,248
Natural gas (mcf/d)	13,190	13,795	15,838
NGL (bbl/d)	856	817	817
Oil equivalent (boe/d)	21,870	21,776	21,705
<b>Financial</b>			
Petroleum and natural gas revenue	533,668	605,348	589,605
Earnings	20,801	108,354	103,598
Basic (\$ per share)	0.13	0.68	0.66
Diluted (\$ per share)	0.13	0.68	0.65
Cash flow from operating activities	206,820	247,537	230,261
Adjusted funds flow	205,129	265,441	253,698
Basic (\$ per share)	1.28	1.67	1.61
Diluted (\$ per share)	1.27	1.65	1.59
Dividends (\$ per share)	0.72	0.72	0.72
Total assets	1,357,203	1,296,975	1,187,852
Bank debt	138,610	85,610	44,920
Debentures	100,034	-	-
Total long-term liabilities	411,374	250,875	160,649
Shareholders' equity	835,466	918,259	920,688
Weighted average shares, basic (000s)	160,244	158,917	157,690
Weighted average shares, diluted (000s)	161,908	160,402	160,013

In 2023, 2024 and 2025, Cardinal's production has continued to increase. In 2023 and 2024 this increase was attributed to successful drilling programs, whereas in 2025 the Company focused its investment on the completion of the Reford SAGD project which moved into the production phase during the fourth quarter and added heavy oil production. This has impacted revenue, earnings, cash flow from operating activities and adjusted funds flow which have also varied due to volatility in commodity prices. Bank debt has increased over the years due to the significant upfront capital costs of the Reford SAGD project. In 2025, a reduction in forecast pricing caused the Company to record an impairment charge on its Alberta Central CGU.

## NON-GAAP AND OTHER FINANCIAL MEASURES

### Non-GAAP Financial Measures

#### *Net operating expenses*

Net operating expenses are calculated as operating expenses less processing and other revenue primarily generated by processing third-party volumes at processing facilities where the Company has an ownership interest, and can be

expressed on a per boe basis. As the Company's principal business is not that of a midstream entity, management believes this is a useful supplemental measure to reflect the true cash outlay at its processing facilities by utilizing spare capacity to process third-party volumes.

The following table reconciles operating expenses to net operating expenses:

	Three months ended		Year ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Operating expenses	<b>49,986</b>	47,524	<b>192,053</b>	198,904
Less: Processing and other revenue	<b>(1,168)</b>	(1,634)	<b>(4,674)</b>	(5,774)
Net operating expenses	<b>48,818</b>	45,890	<b>187,379</b>	193,130

#### *Netback*

Cardinal utilizes netback as a key performance indicator to better analyze the operating performance of its petroleum and natural gas assets against prior periods. Netback is calculated as petroleum and natural gas revenue deducting royalties, net operating expenses and transportation expenses.

The following table reconciles petroleum and natural gas revenue to netback:

	Three months ended		Year ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Petroleum and natural gas revenue	<b>129,502</b>	147,778	<b>533,668</b>	605,348
Royalties	<b>(21,480)</b>	(28,377)	<b>(98,917)</b>	(113,747)
Net operating expenses	<b>(48,818)</b>	(45,890)	<b>(187,379)</b>	(193,130)
Transportation expenses	<b>(3,231)</b>	(2,438)	<b>(8,517)</b>	(8,744)
Netback	<b>55,973</b>	71,073	<b>238,855</b>	289,727

#### *Capital expenditures and development capital expenditures*

Cardinal utilizes capital expenditures as a measure of capital investment on property, plant and equipment compared to the annual budgeted capital expenditure. Capital expenditures are calculated as cash flow from investing activities excluding change in non-cash working capital, exploration and evaluation expenditures and exploration and evaluation acquisitions.

Cardinal utilizes development capital expenditures as a measure of capital investment on property, plant and equipment excluding capitalized G&A, other assets and acquisitions and is compared to the annual budgeted capital expenditures.

The following table reconciles cash flow from investing activities to capital expenditures and to development capital expenditures:

	Three months ended		Year ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Cash flow from investing activities	<b>42,476</b>	40,223	<b>241,936</b>	163,970
Change in non-cash working capital	<b>(10,018)</b>	11,571	<b>(22,690)</b>	22,590
E&E expenditures	<b>(7,925)</b>	(34,864)	<b>(136,513)</b>	(83,279)
E&E acquisitions	-	-	<b>(5,000)</b>	-
Capital expenditures	<b>24,533</b>	16,930	<b>77,733</b>	103,281
Capitalized G&A	<b>(723)</b>	(309)	<b>(2,010)</b>	(1,582)
Other assets	<b>(44)</b>	(15)	<b>125</b>	(803)
Dispositions/(acquisitions)	<b>606</b>	(360)	<b>606</b>	(360)
Development capital expenditures	<b>24,372</b>	16,246	<b>76,454</b>	100,536

### Capital Management Measures

#### *Adjusted working capital*

Management utilizes adjusted working capital to monitor its capital structure, liquidity and its ability to fund current operations. Adjusted working capital is calculated as current liabilities less current assets (adjusted for the current portion of the fair value of financial instruments, decommissioning obligation and lease liabilities).

The following table reconciles working capital to adjusted working capital:

As at	Dec 31, 2025	Dec 31, 2024
Working capital deficiency	<b>51,302</b>	61,599
Less current portion of:		
Lease liabilities	<b>1,751</b>	1,711
Decommissioning liabilities	<b>7,462</b>	7,125
Fair value of financial instruments	<b>(1,205)</b>	66
Adjusted working capital deficiency	<b>43,294</b>	52,697

#### *Net debt*

Management utilizes net debt to analyze the financial position, liquidity and leverage of Cardinal. Net debt is calculated as the sum of bank debt, debentures and adjusted working capital.

The following table reconciles bank debt to net debt:

As at	Dec 31, 2025	Dec 31, 2024
Bank debt	<b>138,610</b>	85,610
Debentures	<b>100,034</b>	-
Adjusted working capital deficiency	<b>43,294</b>	52,697
Net debt	<b>281,938</b>	138,307

#### *Funds flow*

Management utilizes funds flow as a useful measure of Cardinal's ability to generate cash not subject to short-term movements in non-cash operating working capital. As shown below, funds flow is calculated as cash flow from operating activities excluding the change in non-cash working capital.

### *Adjusted funds flow*

Management utilizes adjusted funds flow as a key measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns. As shown below, adjusted funds flow is calculated as funds flow excluding decommissioning expenditures since Cardinal believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and variability. Expenditures on decommissioning obligations vary from period to period depending on the maturity of the Company's operating areas and availability of adjusted funds flow and are viewed as part of the Company's capital budgeting process.

### *Free cash flow*

Management utilizes free cash flow as a measure to assess Cardinal's ability to generate cash, after taking into account development capital expenditures, increase returns to shareholders, repay debt or for other corporate purposes. As shown below, free cash flow is calculated as adjusted funds flow less development capital expenditures.

The following table reconciles cash flow from operating activities, funds flow, adjusted funds flow and free cash flow:

	Three months ended		Year ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Cash flow from operating activities	43,491	53,075	206,820	247,537
Change in non-cash working capital	(1,396)	8,714	(11,655)	7,682
Funds flow	42,095	61,789	195,165	255,219
Decommissioning expenditures	4,053	3,295	9,964	10,222
Adjusted funds flow	46,148	65,084	205,129	265,441
Development capital expenditures	(24,372)	(16,246)	(76,454)	(100,536)
Free cash flow	21,776	48,838	128,675	164,905

### **Non-GAAP Financial Ratios**

#### *Netback per boe*

Cardinal utilizes netback per boe to assess Cardinal's operating performance of its petroleum and natural gas assets on a per unit of production basis. Netback per boe is calculated as netback divided by total production for the applicable period.

The following table details the calculation of netback per boe:

	Three months ended		Year ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Petroleum and natural gas revenue	59.86	73.29	66.85	75.95
Royalties	(9.93)	(14.07)	(12.39)	(14.27)
Net operating expenses	(22.57)	(22.76)	(23.47)	(24.23)
Transportation expenses	(1.49)	(1.21)	(1.07)	(1.10)
Netback per boe	25.87	35.25	29.92	36.35

#### *Net debt to adjusted funds flow ratio*

Cardinal utilizes net debt to adjusted funds flow to measure the Company's overall debt position and to measure the strength of the Company's balance sheet. Cardinal monitors this ratio and uses this as a key measure in making decisions regarding financing, capital expenditures, E&E expenditures and shareholder returns. Net debt to adjusted funds flow is calculated as net debt divided by adjusted funds flow for the trailing twelve-month period.

#### *Total payout ratio*

Cardinal utilizes this ratio as a key measure to assess the Company's ability to fund financing activities, operating activities and capital expenditures. Total payout ratio is calculated as the sum of dividends declared plus development capital expenditures divided by adjusted funds flow for the applicable period.

#### *Net operating expenses per boe*

Cardinal utilizes net operating expenses per boe to assess Cardinal's operating efficiency of its petroleum and natural gas assets on a per unit of production basis. Net operating expense per boe is calculated as net operating expenses divided by total production for the applicable period.

#### *Adjusted funds flow per boe*

Cardinal utilizes adjusted funds flow per boe as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns on a per boe basis. Adjusted funds flow per boe is calculated using adjusted funds flow divided by total production for the applicable period.

#### *Adjusted funds flow per basic share*

Cardinal utilizes adjusted funds flow per basic share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns on a per basic share basis. Adjusted funds flow per basic share is calculated using adjusted funds flow divided by the weighted average basic shares outstanding.

#### *Adjusted funds flow per diluted share*

Cardinal utilizes adjusted funds flow per diluted share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns on a per diluted share basis. Adjusted funds flow per diluted share is calculated using adjusted funds flow divided by the weighted average diluted shares outstanding.

### **Supplementary Financial Measures**

National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* defines a supplementary financial measure as a financial measure that: (i) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio. The supplementary financial measures used in this MD&A are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

### **FORWARD LOOKING STATEMENTS**

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements relating, but not limited to:

- estimated tax pools, future taxability and future taxable income;
- expectations with respect to the outcome of the CRA dispute;

- Cardinal's business strategy, goals and management focus;
- plans to evaluate the Company's E&E assets;
- Cardinal's dividend plans;
- targeted net debt to adjusted funds flow ratio and plans to monitor this ratio;
- Cardinal's risk management strategy including the mitigation of our exposure to commodity price risk, medium crude oil differentials and the benefits to be obtained therefrom;
- plans to monitor spot and forward prices and expenditure plans as part of Cardinal's risk management strategy;
- sources of funds for the Company's operations, capital expenditures, E&E expenditures, decommissioning obligations and dividend payments;
- expectation that present sources of capital are expected to be sufficient to satisfy the Company's capital expenditure program, E&E expenditures, decommissioning obligations and dividend payment for the 2026 fiscal year and beyond;
- Cardinal's belief that it is well positioned to take advantage of its internally developed opportunities funded through its available Facilities, debentures and equity issuances combined with anticipated cash flow from operating activities and adjusted funds flow;
- future liquidity and the Company's access to sufficient debt and equity capital;
- Cardinal's intention to use the net proceeds of the equity offering to repay and reduce outstanding indebtedness under its senior credit facility and redraw to accelerate the development of its second thermal oil project at Reford;
- Cardinal's asset base;
- expectations regarding the business environment, industry conditions, future commodity prices and differentials;
- Cardinal's capital management strategies;
- Cardinal's outlook, including expectations regarding our second Reford SAGD project exhibiting the same high quality traits as Reford, the major corporate catalyst when the project is forecasted to come online in the second half of 2027, that Cardinal can offer shareholders an attractive and sustainable return of capital through dividends, while also providing compelling growth outlook through a combination of low-decline conventional assets, near-term development at Reford and a growing pipeline of future thermal prospects, volatility in crude oil prices, maintaining the 2026 budget while generating annual volumes of 25,000 – 25,500 boe/d, the Company using incremental free cash flow to increase conventional asset expenditures, support the funding of the second project at Reford and the expansion of future thermal prospects, if crude oil prices remain more robust than US\$60.00/bbl; and
- treatment under governmental and other regulatory regimes and tax, environmental and other laws.

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, applicable royalty rates, tax laws, production shut-ins, future well production rates and reserve volumes, future operating costs, the performance of existing and future wells, the success of our exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of increasing competition, the impact of cost increases as a result of inflationary pressures, or otherwise, 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.

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; determinations by OPEC and other countries as to production levels; industry conditions; timing, costs and performance of the Reford project and other heavy oil projects under development; 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; competition from other producers; the lack of availability of qualified personnel, drilling rigs or other services; hostility and other conflicts in the Middle East and elsewhere; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and natural gas industry; changes in tariff regimes; the tariffs imposed or threatened to be imposed by the United States on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the United States, will trigger a broader global trade war which could have an adverse effect on the Canadian, United States and global economies, and by extension the Canadian oil and natural gas industry and the Company, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets and limited access to financing; 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 MD&A 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 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 MD&A 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 MD&A includes references to 2023, 2024 and 2025 production. The Company discloses crude oil production based on the pricing index that the oil is priced off of. 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)
<b>Q4/25</b>	<b>44%</b>	<b>43%</b>	<b>4%</b>	<b>9%</b>	<b>23,514</b>
Q3/25	48%	37%	4%	11%	20,772
Q2/25	47%	39%	4%	10%	21,184
Q1/25	48%	38%	4%	10%	22,005
Q4/24	48%	38%	4%	10%	21,916
Q3/24	46%	40%	4%	10%	21,128
Q2/24	48%	38%	4%	10%	22,376
Q1/24	51%	33%	4%	12%	21,692
2026 Budget	35%	55%	3%	7%	25,000–25,500
<b>2025</b>	<b>47%</b>	<b>39%</b>	<b>4%</b>	<b>10%</b>	<b>21,870</b>
2024	48%	37%	4%	11%	21,776
2023	49%	35%	4%	12%	21,705

## Frequently Used Terms

### *Term or abbreviation*

"bbl"	Barrel(s)
"bbl/d"	Barrel(s) per day
"boe"	Barrel(s) of oil equivalent
"boe/d"	Barrel(s) of oil equivalent per day
"CO <sub>2</sub> "	Carbon dioxide
"gj/d"	Gigajoule(s) per day
"m" preceding a volumetric measure	1,000 units of the volumetric measure
"mcf"	Thousand cubic feet
"mcf/d"	Thousand cubic feet per day
"NGL"	Natural gas liquids
"n/m"	Not meaningful ie. absolute value greater than 300%
"US"	United States
"WCS"	Western Canadian Select
"WTI"	West Texas Intermediate