MANAGEMENT'S DISCUSSION AND ANALYSIS

As at and for the three and six months ended

June 30, 2026 and 2025

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 June 30, 2026 and for the three and six months ended June 30, 2026 and is dated July 28, 2026. This MD&A should be read in conjunction with Cardinal's unaudited interim condensed financial statements as at June 30, 2026 and for the three and six months ended June 30, 2026 and the audited financial statements as at and for the year ended December 31, 2025. Financial data presented has been prepared in accordance with statement IAS 34 – Interim Financial Reporting of the IFRS Accounting Standards, unless otherwise indicated. Certain prior period amounts have been reclassified to conform to current period presentation. Additional information relating to Cardinal, including Cardinal's Annual Information Form for the year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.ca and Cardinal's website at www.cardinalenergy.ca.

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 S*tandards 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.

SECOND QUARTER 2026 HIGHLIGHTS

- Second quarter 2026 production of 25,636 boe/d increased 21% compared to the same period in 2025 due to crude oil production additions from the Reford steam-assisted gravity drainage ("SAGD") project;
- Higher production and strong commodity prices increased petroleum and natural gas revenue for the second quarter of 2026 by 82% compared to the same period in 2025 and 39% higher than the first quarter of 2026;
- Adjusted funds flow(1) in the second quarter of 2026 was $123.4 million, an increase of 150% compared to the same period in 2025 which was directed to the funding of the Company's capital expenditures, the corporate dividend and reducing debt;
- Net operating expenses(1) per boe decreased 12% to $20.38/boe in the second quarter compared to the same period in 2025 reflecting the addition of lower cost Reford production and decreased carbon taxes and power prices;
- Net debt(1) of $172.7 million, a reduction of 39% from December 31, 2025 levels, led to a net debt to adjusted funds flow ratio(1) of 0.6x. At the end of the second quarter, Cardinal was drawn $29.8 million or 11% of our current $275 million credit facilities;
- In the second quarter of 2026, we continued with our disciplined capital program spending $63.6 million of capital expenditures(1) which includes milestone payments for the Reford 2 SAGD project, the drilling and completion of two (2.0 net) oil wells, the drilling of additional stratigraphic and disposal wells and continuing with our well reactivation program and the injection of CO_2 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 $32.2 million being returned to shareholders in the second quarter of 2026 resulting in a 74% total payout ratio(1).

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Cash flow from operating activities	**114,900**	43,591	164	**160,525**	107,840	49
Change in non-cash working capital	**5,331**	5,181	3	**16,290**	1,480	n/m
Funds flow (1)	**120,231**	48,772	147	**176,815**	109,320	62
Decommissioning expenditures	**3,128**	647	n/m	**7,010**	2,345	199
Adjusted funds flow	**123,359**	49,419	150	**183,825**	111,665	65

(1) See Non-GAAP and other financial measures

OPERATIONS

PRODUCTION

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Light oil (bbl/d)	**7,137**	7,332	(3)	**7,011**	7,464	(6)
Medium / heavy oil (bbl/d)	**15,728**	10,822	45	**16,008**	11,034	45
Crude oil (bbl/d)	**22,865**	18,154	26	**23,019**	18,498	24
Natural gas (mcf/d)	**11,650**	13,190	(12)	**11,765**	13,438	(12)
NGL (bbl/d)	**829**	832	-	**811**	855	(5)
boe/d	**25,636**	21,184	21	**25,791**	21,593	19
% Crude oil and NGL production	**92%**	90%	2	**92%**	90%	2

For the three and six months ended June 30, 2026, production increased by 21% and 19%, respectively, compared to the same periods in 2025 primarily due to incremental heavy oil production from the Company's Reford SAGD project. In both the three and six months ended June 30, 2026, the Reford SAGD project added approximately 6,600 bbl/d of heavy oil resulting in an increase of 45% in heavy oil production for both the second quarter and year to date 2026. Partially offsetting this increase was the Company's decreased conventional oil and natural gas production due to reduced capital expenditures in the prior year as we focused our investment on the completion of the Reford SAGD project.

PETROLEUM AND NATURAL GAS REVENUE

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Light oil	**81,103**	52,729	54	**136,841**	113,943	20
Medium / heavy oil	**145,558**	70,322	107	**251,885**	152,986	65
Crude oil	**226,661**	123,051	84	**388,726**	266,929	46
NGL	**3,193**	2,386	34	**5,499**	5,524	-
Natural gas	**1,787**	1,940	(8)	**4,062**	4,692	(13)
Petroleum and natural gas revenue	**231,641**	127,377	82	**398,287**	277,145	44
Cardinal average prices						
Light oil ($/bbl)	**124.87**	79.03	58	**107.83**	84.34	28
Medium / heavy oil ($/bbl)	**101.70**	71.41	42	**86.93**	76.60	13
Natural gas ($/mcf)	**1.68**	1.62	4	**1.91**	1.93	(1)
Equivalent ($/boe)	**99.29**	66.08	50	**85.32**	70.91	20
Benchmark prices						
Crude oil – WTI (US $/bbl)	**92.79**	63.74	46	**82.36**	67.58	22
Crude oil – Edmonton Light (Cdn $/bbl)	**131.72**	84.15	57	**112.56**	89.72	25
Crude oil – WCS (Cdn $/bbl)	**107.97**	73.97	46	**93.59**	79.13	18
Natural gas – AECO Spot (Cdn $/mcf)	**1.65**	1.71	(4)	**1.85**	1.96	(6)
WCS Differential to WTI (US $/bbl)	**(14.66)**	(10.27)	43	**(14.42)**	(11.47)	26
Exchange rate (US/Cdn)	**0.72**	0.72	-	**0.73**	0.71	3

Petroleum and natural gas revenue increased 82% in the second quarter of 2026 compared to the same period in 2025 due to a 26% increase in oil production combined with increased realized oil prices in light and medium/heavy oil of 58% and 42%, respectively. In the second quarter of 2026, the Company's realized light oil price increased by 58% compared to the same period in 2025 which was comparable to the Edmonton light oil benchmark increase of 57%. Cardinal's second quarter 2026 realized medium/heavy oil price increased by 42% compared to the same period in 2025 which was lower than the increase of 46% in the WCS oil benchmark due to Reford heavy oil receiving a lower quality adjustment as compared to conventional WCS production. In the three months ended June 30, 2026, the Company's realized natural gas price increased by 4% compared to the same period in 2025 which was higher than the decrease of 4% in the AECO natural gas benchmark due to the second quarter of 2025 being negatively impacted by temporary disruptions which resulted in a change of sales points. The WCS differential to WTI widened in the second quarter of 2026 compared to the same period in 2025 as there was additional heavy barrels entering the market.

For the first six months of 2026, petroleum and natural gas revenue increased 44% compared to the same period in 2025 due to a 24% increase in oil production combined with increased realized oil prices in light and medium/heavy oil of 28% and 13%, respectively. In the first half of 2026, the Company's realized light oil price increased by 28% compared to the same period in 2025 which was comparable to the Edmonton light oil benchmark increase. In the six months ended June 30, 2026, realized medium/heavy oil price increased by 13% compared to the same period in 2025 which was lower than the increase of 18% in the WCS oil benchmark due to Reford heavy oil receiving a lower quality adjustment as compared to conventional WCS production.

FINANCIAL INSTRUMENTS - COMMODITY

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Realized loss on commodity contracts	**(6,255)**	(1,592)	293	**(22,523)**	(760)	n/m
Unrealized gain (loss) on commodity contracts	**6,797**	1,462	n/m	**749**	(1,275)	(159)

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.

The Company has hedged AECO natural gas prices throughout 2026 and 2027 at varying prices and volumes, as 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 of the date of this MD&A:

Type of instrument	Remaining term	Average volume	Average strike price
AECO Swap	July 2026 – October 2026	5,000 gj/d	$ 3.01
AECO Swap	July 2026 – December 2026	2,500 gj/d	$ 2.99
AECO Swap	November 2026 – December 2027	2,500 gj/d	$ 2.99

ROYALTIES

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Royalties	**39,610**	23,174	71	**64,089**	53,387	20
Percent of revenue	**17.1%**	18.2%	(6)	**16.1%**	19.3%	(17)
$/boe	**16.98**	12.02	41	**13.73**	13.66	1

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.

In the second quarter and first six months of 2026, royalties increased by 71% and 20%, respectively, compared to the same periods in 2025 due to higher realized commodity prices and increased production volumes. In the three and six months ended June 30, 2026, royalties as a percentage of revenue decreased by 6% and 17%, respectively, compared to the same periods in 2025 reflecting a lower effective royalty rate. The decrease in the effective royalty rate was primarily due to the Reford SAGD project meeting the criteria for Saskatchewan's Enhanced Oil Recovery royalty program, allowing a 1% Crown royalty rate until the project recovers its capital costs.

NET OPERATING EXPENSES

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Operating expenses	**48,962**	45,573	7	**99,700**	94,919	5
Less: Processing and other revenue	**(1,413)**	(1,158)	22	**(2,471)**	(2,322)	6
Net operating expenses	**47,549**	44,415	7	**97,229**	92,597	5
$/boe (1)	**20.38**	23.04	(12)	**20.83**	23.69	(12)

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

During the second quarter of 2026, net operating expenses per boe decreased by 12% compared to the same period in 2025 due to the addition of lower cost Reford oil production, lower carbon taxes and decreased Alberta power prices combined with a 21% increase in production. In the second quarter of 2026, the average power price in Alberta decreased by approximately 27% compared to the same period in 2025 to average approximately $29/MWh.

For the first six months of 2026, net operating expenses per boe decreased by 12% compared to the same period in 2025 due to the addition of lower cost Reford oil production, lower carbon taxes and decreased Alberta power prices combined with a 19% increase in production. In the six months ended June 30, 2026, the average power price in Alberta decreased by approximately 23% compared to the same period in 2025 to average approximately $31/MWh.

TRANSPORTATION EXPENSES

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Transportation expenses	**5,072**	1,684	201	**9,991**	3,799	163
$/boe	**2.17**	0.87	149	**2.14**	0.97	121

Transportation expenses and transportation expenses per boe increased in the three and six months ended June 30, 2026 as compared with the same periods in 2025 primarily due to an increase in the Company's clean oil trucking expenses as a result of the Reford SAGD project coming online as those heavy oil volumes are being trucked to various sales points. This was partially offset by lower natural gas transportation costs due to decreased natural gas production.

NETBACK

	Three months ended June 30,			Six months ended June 30,		
($/boe)	**2026**	2025	%	**2026**	2025	%
Petroleum and natural gas revenue	**99.29**	66.08	50	**85.32**	70.91	20
Royalties	**(16.98)**	(12.02)	41	**(13.73)**	(13.66)	1
Net operating expenses	**(20.38)**	(23.04)	(12)	**(20.83)**	(23.69)	(12)
Transportation expenses	**(2.17)**	(0.87)	149	**(2.14)**	(0.97)	121
Netback (1)	**59.76**	30.15	98	**48.62**	32.59	49

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

During the three and six months ended June 30, 2026, the Company's netback increased by 98% and 49%, respectively, as compared to the same periods in 2025 due to higher realized commodity prices and lower net operating expenses, partially offset by higher royalties and transportation expenses.

GENERAL AND ADMINISTRATIVE ("G&A")

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Gross G&A	**8,133**	7,004	16	**16,940**	14,643	16
Capitalized G&A and overhead recoveries	**(1,544)**	(1,380)	12	**(3,575)**	(3,342)	7
G&A	**6,589**	5,624	17	**13,365**	11,301	18
$/boe	**2.82**	2.92	(3)	**2.86**	2.89	(1)

In the three and six months ended June 30, 2026, G&A costs per boe decreased by 3% and 1%, respectively, compared to the same periods in 2025 due to an increase in production, partially offset by increased technical staff required for Cardinal's long-term growth plans and increased software costs to accommodate a larger number of users and activity.

SHARE-BASED COMPENSATION ("SBC")

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Gross SBC	**3,954**	2,726	45	**7,298**	5,529	32
Capitalized SBC	**(582)**	(532)	9	**(1,091)**	(997)	9
SBC	**3,372**	2,194	54	**6,207**	4,532	37
$/boe	**1.45**	1.14	27	**1.33**	1.16	15

SBC expense increased in the second quarter and first half of 2026 compared to the same periods in 2025 due to an increase in the number of employees resulting in a consistent number of restricted bonus awards ("RA") and performance bonus awards ("PA") being granted despite the increase in the Company's share price from the same periods in 2025.

As at June 30, 2026, Cardinal had 2.1 million RAs (2025 – 2.0 million) and 1.1 million PAs (2025 – 1.0 million) outstanding.

FINANCE

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Interest – bank debt	**1,109**	855	30	**2,755**	1,699	62
Interest – debentures	**2,085**	2,085	-	**4,158**	3,478	20
Capitalized interest	**(619)**	(2,337)	(74)	**(731)**	(3,633)	(80)
Other finance charges, net	**587**	815	(28)	**997**	1,988	(50)
Interest – leases	**45**	51	(12)	**86**	104	(17)
Accretion	**2,613**	2,591	1	**5,193**	5,057	3
Finance	**5,820**	4,060	43	**12,458**	8,693	43
$/boe	**2.49**	2.11	18	**2.67**	2.22	20
Average bank debt	**70,709**	50,640	40	**93,489**	49,394	89
Interest rate – bank debt	**6.3%**	6.8%	(7)	**5.9%**	6.9%	(14)

In the second quarter and first six months of 2026, finance expense increased compared to the same periods in 2025 primarily due to increased interest on bank debt as a result of higher average bank debt levels and reduced capitalized interest. In the second quarter and first half of 2026, capitalized interest decreased by 74% and 80%, respectively, as the Company capitalized $0.6 million and $0.7 million, respectively, of interest related to the Reford 2 SAGD project.

For the three and six months ended June 30, 2026, the decrease in the interest rate reflects a lower Bank of Canada prime rate compared to the prior periods.

DEPLETION AND DEPRECIATION ("D&D")

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Depletion and depreciation	**34,199**	25,752	33	**68,461**	52,042	32
$/boe	**14.66**	13.36	10	**14.67**	13.32	10

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 increased in the second quarter and first six months of 2026 as compared to the same periods in 2025 due to an increase in property, plant and equipment and future development capital due to the transfer from exploration and evaluation assets in the fourth quarter of 2025, partially offset by an increase in 2025 year-end proved plus probable reserve bookings and reduced cost base as a result of an impairment of the Alberta Central cash generating unit ("CGU") in the fourth quarter of 2025.

DEFERRED TAXES

At June 30, 2026, 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.

A deferred tax asset was not recognized in respect of temporary differences related to successor tax pools of $93 million or the $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 above.

EARNINGS, CASH FLOW FROM OPERATING ACTIVITIES, ADJUSTED FUNDS FLOW AND PAYOUT RATIO

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Earnings	**68,390**	15,516	n/m	**79,135**	36,918	114
$ per share						
Basic	**0.39**	0.10	290	**0.46**	0.23	100
Diluted	**0.38**	0.10	280	**0.45**	0.23	96
Cash flow from operating activities	**114,900**	43,591	164	**160,525**	107,840	49
$ per share						
Basic	**0.66**	0.27	144	**0.93**	0.67	39
Diluted	**0.65**	0.27	141	**0.92**	0.67	37
Adjusted funds flow	**123,359**	49,419	150	**183,825**	111,665	65
$ per share (1)						
Basic	**0.70**	0.31	126	**1.07**	0.70	53
Diluted	**0.69**	0.31	123	**1.05**	0.69	52
Total payout ratio	**74%**	84%	(12)	**86%**	75%	15

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

In the three months ended June 30, 2026, Cardinal had earnings of $68.4 million compared to $15.5 million in the second quarter of 2025 primarily due to higher oil prices and production levels. Cash flow from operating activities and adjusted funds flow increased by 164% and 150%, respectively, compared with the same periods in 2025 primarily due to the increase in earnings. Total payout ratio decreased by 12% compared with the same period in 2025 due to increased adjusted funds flow, partially offset by higher development capital costs.

In the six months ended June 30, 2026, the Company's earnings increased by 114% compared with the same period in 2025 primarily due to higher oil prices and production levels. Cash flow from operating activities and adjusted funds flow increased by 49% and 65%, respectively, compared with the same periods in 2025 due to the increase in earnings and the change in non-cash working capital as a result of the increase in accounts receivable stemming from higher commodity prices. Total payout ratio increased by 15% compared with the same period in 2025 due to higher development capital costs, partially offset by increased adjusted funds flow.

CAPITAL EXPENDITURES

During the first quarter of 2026, Cardinal entered into an agreement with a third party for the engineering, fabrication and field construction of the Reford 2 central processing facility, including the SAGD well pad. The fixed-price agreement, which represents over half of the total estimated project cost, provides cost certainty for Cardinal, in addition to reducing manufacturing uncertainty as a result of the ability to manufacture and fabricate the modular facilities in a controlled indoor environment. For the three and six months ended June 30, 2026, the Company has incurred $38.4 million and $57.3 million, respectively, in expenditures on the Reford 2 development which continues to progress on time and on budget.

In the second quarter of 2026, the Company spent $63.6 million on capital expenditures which includes milestone payments for the Reford 2 SAGD project and the drilling and completion of two (2.0 net) oil wells, one (1.0 net) in southern Alberta and one (1.0 net) in northern Alberta. In the second quarter of 2026, the Company has also drilled additional stratigraphic wells in our thermal operating areas along with disposal wells. The Company continued with its well reactivation program spending $3.0 million 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_2 injection at Midale.

On June 11, 2026, Cardinal closed a consolidating acquisition increasing the Company's working interest in the Alberta North area. Total consideration paid was $3.9 million.

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Land	**4,156**	1,355	207	**4,633**	1,413	228
Geological and geophysical	**12**	2	n/m	**593**	5	n/m
Drilling, completion and recompletions	**15,524**	3,423	n/m	**27,946**	9,534	193
Equipment, facilities and pipelines	**39,168**	7,892	n/m	**61,994**	14,820	n/m
Development capital expenditures (1)	**58,860**	12,672	n/m	**95,166**	25,772	269
Capitalized G&A	**722**	305	137	**1,969**	977	102
Other assets	**86**	(271)	(132)	**188**	(221)	(185)
Acquisitions	**3,907**	-	-	**4,834**	-	-
Capital expenditures	**63,575**	12,706	n/m	**102,157**	26,528	285

(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 ended June 30, 2026, the Company has incurred $8.0 million (2025 – $41.3 million) in E&E expenditures to acquire additional acreage and continue delineation with the drilling of stratigraphic test wells.

DECOMMISSIONING OBLIGATION

In the second quarter of 2026, the Company continued to reduce its environmental footprint and spent $3.1 million on decommissioning obligations bringing the total spend for the first six months of 2026 to $7.0 million.

LIQUIDITY AND CAPITAL RESOURCES

Capitalization table	As at Jun 30, 2026		Dec 31, 2025	%
Net debt	$	**172,667**	$ 281,938	(39)
Common shares, outstanding		**175,663,985**	160,650,490	9
Market price at end of period ($ per share)	$	**10.89**	$ 8.69	25
Market capitalization		**1,912,981**	1,396,053	37
	$	**2,085,648**	$ 1,677,991	24

CAPITAL FUNDING

Bank debt
The Company's reserve-based revolving credit facility of $275.0 million is comprised of a $250.0 million syndicated facility and a $25.0 million non-syndicated operating line credit facility (together the "Facilities"). The Facilities have a maturity date of May 31, 2028 and may be extended for a period of no more than 2 years from the extension date, subject to approval by the syndicate.

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 November 30, 2026.

Advances under the Facilities are available by way of prime rate loans, which bear interest at the banks' prime lending rate plus 1.75% to 4.25%, and the Canadian Overnight Repo Rate Average ("CORRA") and/or the Secured Overnight Financing Rate ("SOFR") loans, which are subject to fees and margins ranging from 2.75% to 5.25%. 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 completed an offering of units (the "Units") with Cardinal issuing $60 million of Units. Each Unit was comprised of one senior subordinated unsecured debenture (the "7.75% Debentures") with a par value of $1,000 and 65 warrants (the "Warrants"). The 7.75% Debentures bear interest at 7.75% per annum and will mature on March 31, 2030. Each Warrant entitles the holder to acquire one Common Share at a price of $7.00 per Common Share on or before January 3, 2028. The 7.75% Debentures are redeemable by the Company on or after March 31, 2028 subject to certain conditions.

On March 4, 2025, the Company completed an offering for $45 million of senior subordinated unsecured debentures (the "8.25% Debentures") at a price of $1,000 per debenture. The 8.25% Debentures bear interest at 8.25% per annum and will mature on September 30, 2030. The 8.25% Debentures are redeemable by the Company on or after September 30, 2028 subject to certain conditions.

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, dividend payments and reducing its cost structure.

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.

	As at and for the twelve months ended			
		Jun 30, 2026		Dec 31, 2025
Bank debt	**$**	**29,796**	$	138,610
Debentures		**100,579**		100,034
Adjusted working capital deficiency [1]		**42,292**		43,294
Net debt	**$**	**172,667**	$	281,938
Cash flow from operating activities	**$**	**259,505**	$	206,820
Change in non-cash working capital		**3,155**		(11,655)
Funds flow	**$**	**262,660**	$	195,165
Decommissioning obligation expenditures		**14,629**		9,964
Adjusted funds flow	**$**	**277,289**	$	205,129
Net debt to adjusted funds flow		**0.6**		1.4

(1) See Non-GAAP and other financial measures

Cardinal's ratio of net debt to adjusted funds flow as at June 30, 2026 was 0.6 to 1, which decreased over the level at December 31, 2025 and is below the Company's target of 1.0. This ratio decreased due to higher commodity prices and the Company completed a bought deal offering of common shares in the first quarter of 2026 and was able to use the net proceeds to initially repay and reduce outstanding indebtedness under the Facilities. Cardinal expects this ratio will continue to fluctuate with volatility in oil prices and as the second SAGD project at Reford 2 requires significant up-front capital until it comes onstream.

As discussed below in the *Liquidity* section, the Company currently believes it 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 $42.3 million at June 30, 2026 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 the 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, E&E expenditures, decommissioning obligations and dividend payments for the 2026 fiscal year and beyond.

DIVIDENDS

	Three months ended June 30,			Six months ended June 30,		
	2026	2025	%	**2026**	2025	%
Dividends declared	**32,179**	28,896	11	**63,270**	57,634	10
Dividends declared per share	**$ 0.18**	$ 0.18	-	**$ 0.36**	$ 0.36	-

During the three months ended June 30, 2026, the Company declared dividends of $32.2 million ($0.18 per common share) (2025 – $28.9 million or $0.18 per common share), of which $21.1 million (2025 – $19.3 million) was paid in cash and $11.1 million (2025 – $9.6 million) was recognized as a liability at June 30, 2026. The dividend payable was settled on July 15, 2026.

During the first six months of 2026, $63.3 million ($0.36 per common share) (2025 – $57.6 million or $0.36 per common share) of dividends were declared, of which $52.2 million (2025 – $48.0 million) was paid in cash and $11.1 million (2025 – $9.6 million) was recognized as a liability at June 30, 2026. In the first six months of 2026, the Company also paid dividends of $10.2 million which was recognized as a liability at December 31, 2025.

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 the first six months of 2026, the trustee purchased 0.1 million common shares for $1.0 million (2025 – 0.2 million common shares for $1.1 million) for the settlement of future vesting RAs and PAs.

In the first half of 2026, upon the vesting of 1.0 million (2025 – 0.8 million) RAs and 0.5 million (2025 – 0.5 million) PAs, when taking into account the performance multiplier for PAs, the Company utilized 0.3 million (2025 – 0.3 million) treasury shares and issued 1.5 million (2025 – 1.3 million) common shares.

In the six months ended June 30, 2026, Cardinal granted 1.0 million (2025 – 1.1 million) RAs and 0.6 million (2025 – 0.6 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 the first half of 2026, 1,248,985 warrants were exercised. As of the date of this MD&A, an additional 85,350 warrants were exercised.

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 proceeds of approximately $104.7 million, before transaction costs of $4.6 million.

Equity instruments as at	Jul 28, 2026	Jun 30, 2026	Dec 31, 2025
Common shares, issued	176,079,574	175,994,224	161,175,737
Treasury shares	(330,239)	(330,239)	(525,247)
Warrants	2,445,140	2,530,490	3,779,475
RAs	2,122,923	2,122,923	2,010,734
PAs	1,102,084	1,102,084	1,027,386

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 June 30, 2026, the Company had contractual obligations as follows:

	2026	2027	2028	2029	2030	Thereafter
Trade and other payables	114,000	-	-	-	-	-
Dividend payable	11,126	-	-	-	-	-
Lease liabilities	1,260	1,874	1,302	614	451	-
Bank debt	-	-	29,796	-	-	-
Thermal facility construction and engineering	48,570	14,955	-	-	-	-
Power purchase commitment (1)	6,001	11,904	-	-	-	-
Debentures (2)	4,216	8,363	8,385	8,363	108,923	-
Total contractual obligations	**185,173**	**37,096**	**39,483**	**8,977**	**109,374**	**-**

(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

There have been no changes in Cardinal's material accounting estimates in the three and six months ended June 30, 2026. Further information on the Company's material accounting policies and estimates can be found in the notes to the annual financial statements and MD&A for the year ended December 31, 2025.

NEW ACCOUNTING STANDARDS

The International Accounting Standards Board issued amendments to IFRS 7 *Financial Instruments: Disclosure* and IFRS 9 *Financial Instruments* with the intention to clarify the date of recognition and derecognition of some financial assets and liabilities. The Company adopted the amendments on their effective date of January 1, 2026. This adoption had no material impact on the Company's condensed interim financial statements.

INTERNAL CONTROLS UPDATE

Cardinal is required to comply with National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The certificate requires that Cardinal disclose in the interim MD&A any change in the Company's internal control over financial reporting ("ICOFR") that occurred during the period that has materially affected, or is reasonably likely to materially affect Cardinal's ICOFR. As of the date of this MD&A, Cardinal confirms that there have been no such changes in Cardinal's ICOFR during the second quarter of 2026.

OUTLOOK

The strong operational and financial performance generated in the second quarter of 2026 not only highlights the compelling netbacks that can be delivered from our existing assets, it has also provided a step-change in financial flexibility for the Company moving forward. Even after expanding our capital budget by $50 million in May, the adjusted funds flow in the second quarter and continued strength observed in the crude oil price futures curve, looks to have Cardinal on track to exit 2026 with net debt levels well below those projected in the original budget released in January.

While we continue to monitor crude oil prices to help guide our pace of development, the enhanced financial flexibility solidifies our ability to organically fund our compelling and growing list of thermal project opportunities while also offering a meaningful return of capital to shareholders through a predictable monthly dividend.

As we remain focused on our Reford 2 project progressing on time and on budget, we are excited to be advancing several other future thermal projects in our portfolio at the same time. Our latest stratigraphic drilling program is currently being tied to our existing geotechnical and engineering understanding to frame development plans for each opportunity, and we look forward to sharing these results with shareholders once fully evaluated.

QUARTERLY DATA

	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025
Production				
Crude oil (bbl/d)	**22,865**	23,175	20,630	17,626
Natural gas (mcf/d)	**11,650**	11,881	12,297	13,594
NGL (bbl/d)	**829**	793	834	880
Oil equivalent (boe/d)	**25,636**	25,948	23,514	20,772
Financial				
Petroleum and natural gas revenue	**231,641**	166,646	129,502	127,021
Earnings / (loss)	**68,390**	10,745	(29,915)	13,798
Basic ($ per share)	**0.39**	0.06	(0.19)	0.09
Diluted ($ per share)	**0.38**	0.06	(0.18)	0.09
Cash flow from operating activities	**114,900**	45,625	43,491	55,489
Total assets	**1,432,940**	1,395,227	1,357,203	1,402,995
Bank debt	**29,796**	64,725	138,610	111,042
Debentures	**100,579**	100,305	100,034	99,757
Total long-term liabilities	**330,094**	340,560	411,374	395,693
Shareholders' equity	**969,619**	925,377	835,466	890,764
Dividends declared	**32,179**	31,091	29,459	29,448
Dividends declared ($ per share)	**0.18**	0.18	0.18	0.18
Common shares outstanding, net (000s) (1)	**175,664**	174,925	160,650	160,576
Diluted shares outstanding, net (000s) (1)	**181,419**	181,536	167,468	167,466

	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Production				
Crude oil (bbl/d)	18,154	18,846	18,827	18,230
Natural gas (mcf/d)	13,190	13,688	13,569	12,719
NGL (bbl/d)	832	878	827	778
Oil equivalent (boe/d)	21,184	22,005	21,916	21,128
Financial				
Petroleum and natural gas revenue	127,377	149,768	147,778	147,991
Earnings	15,516	21,402	25,817	25,136
Basic ($ per share)	0.10	0.13	0.16	0.16
Diluted ($ per share)	0.10	0.13	0.16	0.16
Cash flow from operating activities	43,591	64,249	53,075	83,635
Total assets	1,382,019	1,354,445	1,296,975	1,250,585
Bank debt	94,649	8,253	85,610	69,134
Debentures	99,482	99,227	-	-
Total long-term liabilities	372,942	280,239	250,875	210,151
Shareholders' equity	903,004	914,371	918,259	918,402
Dividends declared	28,896	28,738	28,656	28,653
Dividends declared ($ per share)	0.18	0.18	0.18	0.18
Common shares outstanding, net (000s) (1)	160,562	160,596	159,203	159,187
Diluted shares outstanding, net (000s) (1)	167,535	167,648	161,836	161,846

(1) Net of treasury shares

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 then 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. In the first quarter of 2026, Cardinal achieved increased production as the Reford SAGD project had a full quarter of run time and the Company was able to reduce bank debt by 53% as a result of the equity issuance. In the second quarter of 2026, oil prices increased allowing the Company to progress with its Reford 2 SAGD project while reducing bank debt.

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Operating expenses	**48,962**	45,573	**99,700**	94,919
Less: Processing and other revenue	**(1,413)**	(1,158)	**(2,471)**	(2,322)
Net operating expenses	**47,549**	44,415	**97,229**	92,597

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Petroleum and natural gas revenue	**231,641**	127,377	**398,287**	277,145
Royalties	**(39,610)**	(23,174)	**(64,089)**	(53,387)
Net operating expenses	**(47,549)**	(44,415)	**(97,229)**	(92,597)
Transportation expenses	**(5,072)**	(1,684)	**(9,991)**	(3,799)
Netback	**139,410**	58,104	**226,978**	127,362

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Cash flow from investing activities	**50,743**	99,699	**95,635**	157,408
Change in non-cash working capital	**20,843**	(45,654)	**14,822**	(18,524)
E&E expenditures	**(8,011)**	(36,339)	**(8,300)**	(107,356)
E&E acquisitions	**-**	(5,000)	**-**	(5,000)
Capital expenditures	**63,575**	12,706	**102,157**	26,528
Capitalized G&A	**(722)**	(305)	**(1,969)**	(977)
Other assets	**(86)**	271	**(188)**	221
Acquisitions	**(3,907)**	-	**(4,834)**	-
Development capital expenditures	**58,860**	12,672	**95,166**	25,772

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	Jun 30, 2026	Dec 31, 2025
Working capital deficiency	**48,634**	51,302
Less current portion of:		
Lease liabilities	**1,921**	1,751
Decommissioning liabilities	**6,180**	7,462
Fair value of financial instruments	**(1,759)**	(1,205)
Adjusted working capital deficiency	**42,292**	43,294

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	Jun 30, 2026	Dec 31, 2025
Bank debt	**29,796**	138,610
Debentures	**100,579**	100,034
Adjusted working capital deficiency	**42,292**	43,294
Net debt	**172,667**	281,938

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Cash flow from operating activities	**114,900**	43,591	**160,525**	107,840
Change in non-cash working capital	**5,331**	5,181	**16,290**	1,480
Funds flow	**120,231**	48,772	**176,815**	109,320
Decommissioning expenditures	**3,128**	647	**7,010**	2,345
Adjusted funds flow	**123,359**	49,419	**183,825**	111,665
Development capital expenditures	**(58,860)**	(12,672)	**(95,166)**	(25,772)
Free cash flow	**64,499**	36,747	**88,659**	85,893

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Petroleum and natural gas revenue	**99.29**	66.08	**85.32**	70.91
Royalties	**(16.98)**	(12.02)	**(13.73)**	(13.66)
Net operating expenses	**(20.38)**	(23.04)	**(20.83)**	(23.69)
Transportation expenses	**(2.17)**	(0.87)	**(2.14)**	(0.97)
Netback per boe	**59.76**	30.15	**48.62**	32.59

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;
- the expected cost certainty related to the agreement for engineering, fabrication and construction of Reford 2;
- 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 asset base;
- expectations regarding the business environment, industry conditions, future commodity prices and differentials;
- Cardinal's capital management strategies;
- Cardinal's outlook, including the compelling netbacks that can be delivered from our existing assets, the step-change in financial flexibility for the Company, the continued strength in the crude oil price futures curve, plans to exit 2026 with net debt levels well below those projected in Cardinal’s original 2026 budget, the Company’s ability to organically fund a compelling and growing list of thermal project opportunities while offering a meaningful return of capital to shareholders through a predictable monthly dividend, the Reford 2 project progressing on time and on budget, plans to advance several other future thermal projects at the same time, our latest stratigraphic drilling program and our plans to share these results once fully evaluated; 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 our Reford projects 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; supply route disruptions for energy products; 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 2024, 2025 and 2026 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)
Q2/26	**38%**	**51%**	**3%**	**8%**	**25,636**
Q1/26	39%	50%	3%	8%	25,948
Q4/25	44%	43%	4%	9%	23,514
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
1H/26	**38%**	**51%**	**3%**	**8%**	**25,791**
1H/25	48%	38%	4%	10%	21,593

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_2"	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