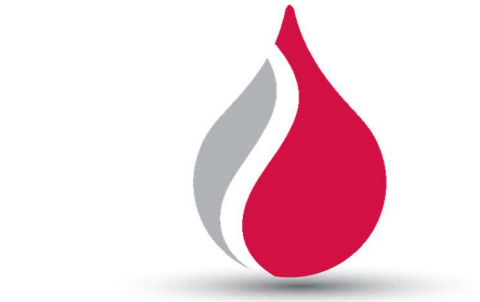


CARDINAL
ENERGY LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

As at and for the three and nine months ended

September 30, 2026 and 2025

CONDENSED INTERIM BALANCE SHEET

As at, *(Unaudited, CA$ thousands)*	*Note*		**September 30, 2026**		December 31, 2025
ASSETS					
Current assets					
Trade and other receivables		**$**	**83,818**	$	53,694
Deposits and prepaid expenses			**6,462**		4,162
Fair value of financial instruments	13		**1,267**		1,205
			91,547		59,061
Non-current assets					
Fair value of financial instruments	13		**111**		150
Exploration and evaluation assets	3		**23,848**		14,982
Property, plant and equipment	4		**1,358,182**		1,283,010
Total assets		**$**	**1,473,688**	$	1,357,203
LIABILITIES					
Current liabilities					
Trade and other payables		**$**	**123,844**	$	90,963
Dividends payable	10		**11,113**		10,187
Lease liabilities	7		**1,959**		1,751
Decommissioning obligation	8		**5,634**		7,462
			142,550		110,363
Non-current liabilities					
Lease liabilities	7		**2,864**		2,636
Bank debt	5		**9,406**		138,610
Debentures	6		**100,858**		100,034
Deferred tax			**102,035**		61,869
Decommissioning obligation	8		**115,642**		108,225
			330,805		411,374
Total liabilities			**473,355**		521,737
SHAREHOLDERS' EQUITY					
Share capital	9		**1,249,418**		1,126,137
Treasury shares	9		**(4,047)**		(3,410)
Warrants	6, 9		**628**		1,032
Contributed surplus			**14,527**		13,880
Deficit			**(260,193)**		(302,173)
Total shareholders' equity			**1,000,333**		835,466
Total liabilities and shareholders' equity		**$**	**1,473,688**	$	1,357,203
Contractual obligations	14				

The accompanying notes are an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF EARNINGS AND COMPREHENSIVE EARNINGS

(Unaudited, CA$ thousands except per share amounts)	*Note*	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Revenue					
Petroleum and natural gas revenue	12	**$ 215,614**	$ 127,021	**$ 613,901**	$ 404,166
Royalties		**(35,164)**	(24,050)	**(99,253)**	(77,437)
Realized gain (loss) on commodity contracts	13	**1,058**	(1,107)	**(21,465)**	(1,867)
Unrealized (loss) gain on commodity contracts	13	**(726)**	1,773	**23**	498
Processing and other revenue	12	**1,107**	1,184	**3,578**	3,506
		181,889	104,821	**496,784**	328,866
Expenses					
Operating		**51,262**	47,148	**150,962**	142,067
Transportation		**4,892**	1,487	**14,883**	5,286
General and administrative		**6,416**	5,415	**19,781**	16,716
Share-based compensation	11	**3,347**	2,502	**9,554**	7,034
Finance		**4,986**	4,355	**17,444**	13,048
Depletion and depreciation	4	**34,271**	25,806	**102,732**	77,848
		105,174	86,713	**315,356**	261,999
Earnings before deferred tax		**76,715**	18,108	**181,428**	66,867
Deferred tax expense		**18,388**	4,310	**43,966**	16,151
Earnings and comprehensive earnings		**$ 58,327**	$ 13,798	**$ 137,462**	$ 50,716
Earnings per share	9				
Basic		**$ 0.33**	$ 0.09	**$ 0.79**	$ 0.32
Diluted		**$ 0.33**	$ 0.09	**$ 0.78**	$ 0.31

The accompanying notes are an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, CA$ thousands except for number of common shares)	*Note*	Common Shares, net of treasury shares	Share Capital	Treasury Shares	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
As at January 1, 2025		159,203,353	$ 1,114,959	$ (3,650)	$ -	$ 13,383	$ (206,433)	$ 918,259
Purchase of common shares for RA[1] and PA[2] settlements	9	(264,427)	-	(1,610)	-	-	-	(1,610)
Settlement of RA[1] and PA[2]	11	1,568,872	10,197	1,850	-	(12,157)	-	(110)
Issuance of warrants	6, 9	-	-	-	1,065	-	-	1,065
Exercise of warrants	9	67,925	494	-	(19)	-	-	475
Share-based compensation		-	-	-	-	8,547	-	8,547
Tax adjustment on excess value of RA[1] and PA[2]		-	-	-	-	543	-	543
Share issue costs, net of deferred tax of $12		-	(39)	-	-	-	-	(39)
Dividends ($0.54 per share)	10	-	-	-	-	-	(87,082)	(87,082)
Earnings for the period		-	-	-	-	-	50,716	50,716
As at September 30, 2025		**160,575,723**	**$ 1,125,611**	**$ (3,410)**	**$ 1,046**	**$ 10,316**	**$ (242,799)**	**$ 890,764**
As at January 1, 2026		160,650,490	$ 1,126,137	$ (3,410)	$ 1,032	$ 13,880	$ (302,173)	$ 835,466
Issuance of common shares	9	12,100,000	104,665	-	-	-	-	104,665
Purchase of common shares for RA[1] and PA[2] settlements	9	(221,839)	-	(2,500)	-	-	-	(2,500)
Settlement of RA[1] and PA[2]	11	1,793,016	11,371	1,863	-	(13,234)	-	-
Exercise of warrants	9	1,480,820	10,770	-	(404)	-	-	10,366
Share-based compensation		-	-	-	-	11,190	-	11,190
Tax adjustment on excess value of RA[1] and PA[2]		-	-	-	-	2,691	-	2,691
Share issue costs, net of deferred tax of $1,109	9	-	(3,525)	-	-	-	-	(3,525)
Dividends ($0.54 per share)	10	-	-	-	-	-	(95,482)	(95,482)
Earnings for the period		-	-	-	-	-	137,462	137,462
As at September 30, 2026		**175,802,487**	**$ 1,249,418**	**$ (4,047)**	**$ 628**	**$ 14,527**	**$ (260,193)**	**$ 1,000,333**

[1] Restricted Bonus Award ("RA")
[2] Performance Bonus Award ("PA")

The accompanying notes are an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

(Unaudited, CA$ thousands)	*Note*	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Cash provided by (used in)					
Operating activities					
Earnings for the period		**$ 58,327**	$ 13,798	**$ 137,462**	$ 50,716
Adjustments for:					
Share-based compensation	11	**3,347**	2,502	**9,554**	7,034
Depletion and depreciation	4	**34,271**	25,806	**102,732**	77,848
Unrealized loss (gain) on commodity contracts	13	**726**	(1,773)	**(23)**	(498)
Deferred tax expense		**18,388**	4,310	**43,966**	16,151
Accretion	6,7,8	**2,691**	2,673	**7,884**	7,730
Decommissioning expenditures	8	**(6,127)**	(3,566)	**(13,137)**	(5,911)
Change in non-cash working capital		**(12,651)**	11,739	**(28,941)**	10,259
		98,972	55,489	**259,497**	163,329
Investing activities					
Exploration and evaluation expenditures	3	**(478)**	(21,232)	**(8,778)**	(128,588)
Exploration and evaluation acquisitions	3	**-**	-	**-**	(5,000)
Property, plant and equipment expenditures	4	**(60,409)**	(26,672)	**(157,732)**	(53,200)
Property acquisitions	4	**-**	-	**(4,834)**	-
Change in non-cash working capital		**14,814**	5,852	**29,633**	(12,672)
		(46,073)	(42,052)	**(141,711)**	(199,460)
Financing activities					
Issuance of common shares	9	**-**	-	**104,665**	-
Issuance of debentures, net of transaction costs	6	**-**	-	**-**	100,075
Dividends	10	**(32,225)**	(28,897)	**(94,556)**	(86,449)
Payment of lease liabilities	7	**(642)**	(609)	**(1,688)**	(1,524)
Share issue costs	9	**-**	-	**(4,634)**	(51)
Purchase of common shares for RA and PA settlements and withholding tax	11	**(1,500)**	(500)	**(2,500)**	(1,720)
Warrants exercised	9	**1,623**	466	**10,366**	475
(Decrease) increase in bank debt		**(20,390)**	15,747	**(129,204)**	24,786
Change in non-cash working capital		**235**	356	**(235)**	539
		(52,899)	(13,437)	**(117,786)**	36,131
Change in cash and cash equivalents		**-**	-	**-**	-
Cash and cash equivalents, beginning of period		**-**	-	**-**	-
Cash and cash equivalents, end of period		**$ -**	$ -	**$ -**	$ -

The accompanying notes are an integral part of these condensed interim financial statements.

1 REPORTING ENTITY

Cardinal Energy Ltd. ("Cardinal" or the "Company") was incorporated pursuant to the Business Corporations Act (Alberta) on December 21, 2010 and commenced activity on May 30, 2012. The Company's principal business activity is the acquisition, exploration and production of petroleum and natural gas in the provinces of Alberta, British Columbia and Saskatchewan. Cardinal's principal place of business is located at 600, 400 – 3rd Avenue SW, Calgary, Alberta, Canada, T2P 4H2.

2 BASIS OF PREPARATION

Statement of Compliance
These condensed interim financial statements ("financial statements") have been prepared in accordance with statement IAS 34 – Interim Financial Reporting of the IFRS Accounting Standards. The financial statements were prepared using the same accounting policies, critical judgements and key estimates, except as noted below, which the Company applied in its annual financial statements for the year ended December 31, 2025 and do not include certain disclosures that are normally required to be included in annual financial statements which have been condensed or omitted. Accordingly, these financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2025.

The financial statements were authorized for issue by the Board of Directors on November 5, 2026.

New Accounting Standards
The International Accounting Standards Board ("IASB") issued amendments to IFRS 7 *Financial Instruments: Disclosures* 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.

Future Accounting Changes
In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18") to replace IAS 1 *Presentation of Financial Statements*. IFRS 18 sets out requirements for the presentation and disclosure of information in the financial statements, including new totals, subtotals, and categories for income and expenses in the statement of income, disclosure of management-defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. IFRS 18 does not alter the recognition and measurement of items included in the statement of earnings and comprehensive earnings, however, it does change how items are presented. IFRS 18 will be effective on January 1, 2027, with earlier adoption permitted, and it must be adopted on a retrospective basis. Impacts of adopting IFRS 18 on Cardinal will include:

- The statement of earnings and comprehensive earnings will include three categories: operating, investing and financing. Items such as finance costs will be included in the financing section and items such as interest income on cash and cash equivalents will be included in the investing section;
- Increased disclosures in the financial statements around management performance measures such as netback and net operating expenses;
- There are consequential amendments to the statement of cash flow whereby the starting point for the statement of cash flow will be a new subtotal referred to as operating earnings and the policy option with respect to reporting of finance costs in operating activities has been removed (finance costs paid will be required to be reported in the financing section of the cash flow).

Cardinal is completing the evaluation of the impact of adopting IFRS 18 on the financial statements.

Use of Estimates and Judgements

The timely preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. 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 Stated 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 uncertainty. As such, actual results may differ from these estimates as future confirming events occur. 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.

3 EXPLORATION AND EVALUATION ASSETS ("E&E")

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

	Nine months ended September 30, 2026	Year ended December 31, 2025
Balance, beginning of period	**$ 14,982**	$ 99,179
Additions	**8,866**	130,552
Transfers to PP&E	**-**	(227,822)
Capitalized interest	**-**	7,405
Acquisitions	**-**	5,064
Changes in decommissioning obligation	**-**	604
Balance, end of period	**$ 23,848**	$ 14,982

Included in E&E additions for the nine months ended September 30, 2026 are costs to acquire additional acreage and continued delineation costs with the drilling of stratigraphic test wells.

For the nine months ended September 30, 2026, Cardinal capitalized nil (December 31, 2025 – $1.4 million) of general and administrative expenses and nil (December 31, 2025 – $0.7 million) of share-based compensation expenses within E&E assets.

At September 30, 2026, there were no indicators of impairment for the Company's E&E assets. At December 31, 2025, Cardinal tested the E&E assets for impairment prior to transferring to PP&E and concluded there was no impairment.

4 PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas assets	Right-of-use assets	Corporate assets	Total
Cost				
As at January 1, 2025	$ 2,106,561	$ 6,924	$ 6,706	$ 2,120,191
Additions	79,847	1,883	(125)	81,605
Transfers from E&E assets	227,822	-	-	227,822
Dispositions	(7,741)	(1,875)	-	(9,616)
Changes in decommissioning obligation	5,422	-	-	5,422
As at December 31, 2025	2,411,911	6,932	6,581	2,425,424
Additions	159,874	2,187	51	162,112
Acquisitions	7,646	-	-	7,646
Dispositions	-	(1,692)	-	(1,692)
Changes in decommissioning obligation	8,283	-	-	8,283
As at September 30, 2026	**$ 2,587,714**	**$ 7,427**	**$ 6,632**	**$ 2,601,773**
Accumulated depletion and depreciation				
As at January 1, 2025	$ (981,149)	$ (2,581)	$ (4,907)	$ (988,637)
Depletion and depreciation	(106,105)	(2,052)	(604)	(108,761)
Disposition	3,296	1,688	-	4,984
Impairment	(50,000)	-	-	(50,000)
As at December 31, 2025	(1,133,958)	(2,945)	(5,511)	(1,142,414)
Depletion and depreciation	(100,955)	(1,667)	(110)	(102,732)
Disposition	-	1,555	-	1,555
As at September 30, 2026	**$ (1,234,913)**	**$ (3,057)**	**$ (5,621)**	**$ (1,243,591)**
Net book value				
As at December 31, 2025	$ 1,277,953	$ 3,987	$ 1,070	$ 1,283,010
As at September 30, 2026	**$ 1,352,801**	**$ 4,370**	**$ 1,011**	**$ 1,358,182**

The calculation of depletion for the period ended September 30, 2026 includes forecasted future development costs of $699.1 million (December 31, 2025 – $710.0 million) associated with the development of the Company's proved and probable oil and natural gas reserves.

For the nine months ended September 30, 2026, Cardinal capitalized $2.7 million (December 31, 2025 – $2.0 million) of general and administrative expenses and $1.6 million (December 31, 2025 – $1.2 million) of share-based compensation within property, plant and equipment.

As at September 30, 2026, $94.4 million (December 31, 2025 – nil) of PP&E was not subject to depletion or depreciation as the underlying oil and gas assets were not ready for use in the manner intended by management, inclusive of $1.8 million (December 31, 2025 – nil) of interest that was capitalized.

Impairment and impairment reversal

At September 30, 2026, there were no indicators of impairment or impairment reversal for any of the Company's petroleum and natural gas cash generating units ("CGUs").

At December 31, 2025, Cardinal determined that the carrying amount of the Alberta Central CGU exceeded the estimated recoverable amount of $339.0 million. Accordingly, an aggregate non-cash impairment loss of $50.0 million was recorded.

5 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.

Letters of credit for $4.5 million were outstanding at September 30, 2026 (December 31, 2025 – $2.6 million) that reduced the amount otherwise available to be drawn on the operating line credit facility.

Cardinal was in compliance with the terms of the Facilities at September 30, 2026. For the nine months ended September 30, 2026, the effective interest rate on the Company's bank debt was 6.0% (September 30, 2025 – 6.5%).

6 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 are redeemable by the Company on or after March 31, 2028 subject to certain conditions. 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 are redeemable by the Company on or after September 30, 2028 subject to certain conditions. The 8.25% Debentures were initially recognized at fair value, net of directly related transaction costs ($2.0 million), of $43.0 million.

	7.75% Debentures	8.25% Debentures	Total
As at January 1, 2025	-	-	-
Issuance	60,000	45,000	105,000
Transaction costs	(2,868)	(2,057)	(4,925)
Allocated to warrants	(1,065)	-	(1,065)
Accretion	724	300	1,024
As at December 31, 2025	56,791	43,243	100,034
Accretion	552	272	824
As at September 30, 2026	**$ 57,343**	**$ 43,515**	**$ 100,858**

For the nine months ended September 30, 2026, Cardinal recognized $3.5 million of interest (September 30, 2025 – $3.5 million) related to the 7.75% Debentures and $2.8 million of interest (September 30, 2025 – $2.1 million) related to the 8.25% Debentures. At September 30, 2026, the fair value of the 7.75% Debentures was $61.7 million (December 31, 2025 – $61.0 million) and the fair value of the 8.25% Debentures was $46.6 million (December 31, 2025 – $45.9 million), which was determined based on the trading values on the Toronto Stock Exchange at the reporting date.

The 7.75% Debentures and 8.25% Debentures have been classified as a liability and were initially recorded at fair value net of transaction costs. The liability will accrete up to the principal balance at maturity. The accretion and interest are expensed on the statement of earnings and comprehensive earnings.

7 LEASE LIABILITIES

	Nine months ended September 30, 2026	Year ended December 31, 2025
Balance, beginning of period	**$ 4,387**	$ 4,700
Additions	**2,187**	1,883
Dispositions	**(137)**	(187)
Accretion	**74**	114
Finance cost	**133**	203
Lease payments	**(1,821)**	(2,326)
Balance, end of period	**$ 4,823**	$ 4,387

The Company had future commitments relating to lease liabilities as follows:

	As at September 30, 2026	As at December 31, 2025
Less than 1 year	**$ 2,175**	$ 1,970
1 – 3 years	**2,433**	1,976
4 – 5 years	**620**	914
Thereafter	**-**	-
Total undiscounted future lease payments	**5,228**	4,860
Amounts representing financing	**(405)**	(473)
Present value of net lease payments	**4,823**	4,387
Less: current portion of lease liabilities	**(1,959)**	(1,751)
Non-current portion of lease liabilities	**$ 2,864**	$ 2,636

The Company has lease liabilities for contracts related to office space, vehicles and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Discount rates for leases outstanding during the nine months ended September 30, 2026 were between 5% and 9% (December 31, 2025 – between 5% and 9%), depending on the duration of the lease term.

8 DECOMMISSIONING OBLIGATION

	Nine months ended September 30, 2026	Year ended December 31, 2025
Balance, beginning of period	**$ 115,687**	$ 113,161
Liabilities incurred	**645**	962
Liabilities acquired	**2,812**	64
Liabilities disposed	**-**	(3,839)
Change in estimates	**8,283**	6,026
Decommissioning expenditures	**(13,137)**	(9,964)
Accretion	**6,986**	9,277
Balance, end of period	**$ 121,276**	$ 115,687

The Company's decommissioning obligation results from its ownership interest in petroleum and natural gas assets including well sites and facilities. At September 30, 2026, the total estimated amount to settle Cardinal's decommissioning obligation was $413.3 million (December 31, 2025 – $411.1 million) on an uninflated and undiscounted basis and $943.3 million (December 31, 2025 – $826.6 million) on an inflated and undiscounted basis. The majority of the costs are expected to be incurred over the next 50 years.

The decommissioning obligation was determined by applying an inflation factor of 2.32% (December 31, 2025 – 1.98%) and discounting the inflated amount using Cardinal's credit-adjusted rate of 8.0% (December 31, 2025 – 8.0%). The $8.3 million (December 31, 2025 – $6.0 million) change in estimates for the nine months ended September 30, 2026 is a result of the change in the inflation rate.

9 SHARE CAPITAL

At September 30, 2026, the Company was authorized to issue an unlimited number of common voting shares without nominal or par value. Holders of common shares are entitled to one vote per share.

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.

Treasury Shares

RAs and PAs 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. During the nine months ended September 30, 2026, the trustee purchased 221,839 common shares for $2.5 million (September 30, 2025 – 264,427 common shares for $1.6 million) for the settlement of future vesting RAs and PAs.

During the nine months ended September 30, 2026, the Company utilized 286,940 (September 30, 2025 – 274,698) treasury shares and issued 1,506,076 (September 30, 2025 – 1,294,174) common shares to settle vesting RAs and PAs. As at September 30, 2026, 460,146 (December 31, 2025 – 525,247) common shares remained classified as treasury shares to be potentially used for future settlements.

On January 3, 2025, as part of the 7.75% Debentures offering, Cardinal issued 3,900,000 warrants with an exercise price of $7.00 per warrant for one common share. The warrants entitle the holder to acquire one common share on or before January 3, 2028. The warrants were ascribed a value of $1.1 million (see Note 6).

Warrants

	Number of warrants
As at January 1, 2025	-
Issued	3,900,000
Exercised	(120,525)
As at December 31, 2025	**3,779,475**
Exercised	**(1,480,820)**
As at September 30, 2026	**2,298,655**

Earnings per share

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Earnings for the period	**$ 58,327**	$ 13,798	**$ 137,462**	$ 50,716
Earnings per share				
Basic	**$ 0.33**	$ 0.09	**$ 0.79**	$ 0.32
Diluted	**$ 0.33**	$ 0.09	**$ 0.78**	$ 0.31
Weighted average number of common shares				
Basic	**175,792,383**	160,536,800	**173,261,246**	160,123,002
Diluted	**178,650,871**	162,265,852	**176,077,691**	161,576,859

The weighted average number of common shares is adjusted for treasury shares purchased and held by the trustee.

For the three months ended September 30, 2026, 1,549 RAs (September 30, 2025 – 3,749) were excluded from the calculation of diluted earnings per share as their effect was anti-dilutive.

For the nine months ended September 30, 2026, 1,326 RAs (September 30, 2025 – 659), 5,966 PAs (September 30, 2025 – nil) and nil warrants (September 30, 2025 – 3,832,075) were excluded from the calculation of diluted earnings per share as their effect was anti-dilutive.

10 DIVIDENDS

During the three months ended September 30, 2026, $32.2 million ($0.18 per common share) (September 30, 2025 – $29.5 million) of dividends were declared, of which $21.1 million (September 30, 2025 – $19.3 million) was paid in cash and $11.1 million (September 30, 2025 – $10.2 million) was recognized as a liability at September 30, 2026. The dividend payable was settled on October 15, 2026. In the third quarter of 2026, the Company also paid dividends of $11.1 million which was recognized as a liability at June 30, 2026.

During the nine months ended September 30, 2026, $95.5 million ($0.54 per common share) (September 30, 2025 – $87.1 million) of dividends were declared, of which $84.4 million (September 30, 2025 – $76.9 million) was paid in cash and $11.1 million (September 30, 2025 – $10.2 million) was recognized as a liability at September 30, 2026. In the nine months ended September 30, 2026, the Company also paid dividends of $10.2 million which was recognized as a liability at December 31, 2025.

11 SHARE-BASED COMPENSATION

The maximum number of common shares issuable under the Company's bonus award plan, in aggregate, cannot exceed five percent of the outstanding common shares. The Company's common shares traded at a weighted average share price of $10.96 per common share (September 30, 2025 – $6.60 per common share) during the nine months ended September 30, 2026.

Bonus Awards

The Company has a bonus award plan whereby RAs and PAs may be granted to directors, officers, employees and other service providers. Awards granted according to the plan vest equally over three years from the date of grant and expire on December 15th of the third year following the year in which the award was granted. 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 are to be settled with either cash, common shares or a combination thereof at the Company's discretion.

	Number of PAs	Number of RAs
As at January 1, 2025	931,301	1,701,201
Granted	603,765	1,126,182
Settled	(500,445)	(850,016)
Adjustment for dividends declared	52,047	60,556
Forfeited	(59,282)	(27,189)
As at December 31, 2025	1,027,386	2,010,734
Granted	596,820	1,038,367
Settled	(522,578)	(997,811)
Adjustment for dividends declared	39,921	50,021
Forfeited	(39,465)	(80,164)
As at September 30, 2026	**1,102,084**	**2,021,147**

For the nine months ended September 30, 2026, upon the vesting of 997,811 (September 30, 2025 – 827,849) RAs and 522,578 (September 30, 2025 – 500,445) PAs, when taking into account the performance multiplier for PAs, the Company utilized 286,940 (September 30, 2025 – 274,698) treasury shares and issued 1,506,076 (September 30, 2025 – 1,294,174) common shares.

The fair value of the granted awards was determined based on the value of the Company's common shares at each grant date. For the nine months ended September 30, 2026, the weighted average market price of the Company's common shares used to value the RAs granted was $10.78 (September 30, 2025 – $6.47) and PAs granted was $10.79 (September 30, 2025 – $6.50).

Share-based Compensation

For the three and nine months ended September 30, 2026, $3.3 million (September 30, 2025 – $2.5 million) and $9.6 million (September 30, 2025 – $7.0 million), respectively, of share-based compensation was expensed and $0.5 million (September 30, 2025 – $0.5 million) and $1.6 million (September 30, 2025 – $1.5 million), respectively, was capitalized.

12 REVENUE

Cardinal sells its production pursuant to variable-priced contracts. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Commodity prices are based on market indices that are determined on a monthly or daily basis. Under its contracts, the Company is required to deliver fixed or variable volumes of crude oil, natural gas and natural gas liquids to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price, whereby any variability in revenue relates specifically to the Company's efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable consideration is considered constrained.

Crude oil, natural gas and natural gas liquids are sold under contracts of varying price and volume terms of up to one year. Revenues are typically collected on the 25th day of the month following production.

The following table details the Company's petroleum and natural gas sales by product, and processing and other revenue generated by processing third-party volume at facilities where the Company has an ownership interest:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Crude oil	**$ 210,908**	$ 123,578	**$ 599,634**	$ 390,507
NGL	**2,978**	2,605	**8,477**	8,129
Natural gas	**1,728**	838	**5,790**	5,530
Petroleum and natural gas revenue	**$ 215,614**	$ 127,021	**$ 613,901**	$ 404,166
Processing and other revenue	**$ 1,107**	$ 1,184	**$ 3,578**	$ 3,506

Included in accounts receivable at September 30, 2026 is $78.0 million (December 31, 2025 – $44.5 million) of accrued petroleum and natural gas revenue.

13 FINANCIAL RISK MANAGEMENT

Cardinal's financial assets and liabilities consist of trade and other receivables, deposits, trade and other payables, dividends payable, fair value of financial instruments, bank debt and debentures.

Fair value of financial instruments assets and liabilities arise from the use of derivative financial instruments.

The Company classifies fair value according to the following fair value hierarchy based on the number of observable inputs used to value the instrument:

Level 1 - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.
Level 2 - Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 - Fair value is based on inputs for the asset or liability that are not based on observable market data.

Derivative financial instruments are recorded on the balance sheet at fair value at each reporting period with the change in fair value being recognized as an unrealized gain or loss in the statement of earnings. The fair value of forward contracts and swaps is determined by discounting the difference between the contracted prices/rates and published forward price curves as at the balance sheet date, using the remaining contracted volumes/term and a credit adjusted interest rate. The fair value of options and collars is based on option models that use published information with respect to volatility, prices and interest rates.

The Company does not apply hedge accounting for these contracts. The Company's production is usually sold using "spot" or near-term contracts, with prices fixed at the time of transfer of custody or on the basis of a monthly average market price. However, the Company may give consideration in certain circumstances to the appropriateness of entering into long-term, fixed price marketing contracts. The Company does not enter into commodity contracts other than to meet the Company's expected sale requirements.

As at September 30, 2026 and 2025, the only assets or liabilities measured at fair value were the fair value of financial instruments which are classified as level 2 financial instruments.

Carrying amount and fair value of financial assets and liabilities
Trade and other receivables and deposits are classified as financial assets at amortized cost and are reported at amortized cost. Trade and other payables, dividends payable, debentures and bank debt are classified as financial liabilities at amortized cost and are reported at amortized cost. The fair values of trade and other receivables, trade and other payables, dividends payable and fair value of financial instruments approximate their carrying amount due to the short-term maturity of these instruments. The fair value of bank debt approximates the carrying amount

due to the floating rate of interest and the margin charged by the syndicate is indicative of current credit spreads. See Note 6 for the fair value of debentures.

Risk management

Cardinal is exposed to normal market risks inherent in the oil and natural gas business, including, but not limited to, commodity price risk, foreign currency rate risk, credit risk, liquidity risk, interest rate risk and climate change risk. The Company seeks to mitigate these risks through various business processes and management controls and from time to time by using various derivative financial instruments and physical delivery sales contracts.

Commodity price risk

The Company is exposed to commodity price risk on petroleum and natural gas sales. Commodity prices for crude oil and natural gas are impacted by not only the relationship between the Canadian and United States dollar, but also by world economic events that dictate the levels of supply and demand.

At September 30, 2026, the Company had the following commodity financial derivative contracts outstanding:

Type of instrument	Remaining term	Average quantity	Average strike price	Fair value
AECO Swap	October 2026	5,000 gj/d	$ 3.01	238
AECO Swap	October 2026 – December 2026	2,500 gj/d	$ 2.99	257
AECO Swap	November 2026 – December 2027	2,500 gj/d	$ 2.99	883
				$ 1,378

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The financial liabilities on the balance sheet consist of trade and other payables, dividends payable, bank debt and debentures. Trade and other payables and dividends payable are considered due within one year. Bank debt (see Note 5) is considered due in 2028 and the debentures are due in 2030 (see Note 6). The Company anticipates it will continue to have adequate liquidity to fund its financial liabilities. The Company has had no defaults or breaches on its financial liabilities as at September 30, 2026.

14 CONTRACTUAL OBLIGATIONS

At September 30, 2026, the Company had contractual obligations as follows:

	2026	2027	2028	2029	2030	Thereafter
Trade and other payables	$ 123,844	$ -	$ -	$ -	$ -	$ -
Dividend payable	11,113	-	-	-	-	-
Lease liabilities	643	2,048	1,435	651	451	-
Bank debt	-	-	9,406	-	-	-
Thermal facility construction and engineering	35,228	14,955	-	-	-	-
Power purchase commitment [1]	3,000	11,904	-	-	-	-
Debentures [2]	2,108	8,363	8,385	8,363	108,923	-
Total contractual obligations	**$ 175,936**	**$ 37,270**	**$ 19,226**	**$ 9,014**	**$109,374**	**$ -**

[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.