SATURN OIL & GAS INC.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

(unaudited)

As at ($000s)	**June 30, 2025**	December 31, 2024
ASSETS		
Cash	**49,253**	48,418
Accounts receivable	**92,407**	112,947
Deposits and prepaid expenses	**28,563**	24,184
Financial derivatives (note 14)	**34,050**	11,347
Total current assets	**204,273**	196,896
Property, plant and equipment (note 4)	**1,826,478**	1,877,675
Right-of-use assets (note 5)	**71,602**	76,490
Financial derivatives (note 14)	**1,218**	10,517
Total assets	**2,103,571**	2,161,578
LIABILITIES		
Accounts payable	**101,627**	171,116
Debt (note 8)	**85,518**	90,410
Lease liabilities (note 6)	**8,574**	8,381
Decommissioning obligations (note 7)	**9,124**	13,902
Financial derivatives (note 14)	**11,487**	21,080
Total current liabilities	**216,330**	304,889
Debt (note 8)	**677,913**	784,178
Lease liabilities (note 6)	**64,538**	68,874
Decommissioning obligations (note 7)	**146,006**	143,375
Deferred tax liability	**68,747**	32,293
Financial derivatives (note 14)	**464**	23,997
Total liabilities	**1,173,998**	1,357,606
SHAREHOLDERS’ EQUITY		
Share capital (note 9)	**417,199**	426,146
Contributed surplus (note 9)	**63,155**	54,280
Warrants (note 9)	**-**	7,200
Retained earnings	**449,219**	316,346
Total shareholders’ equity	**929,573**	803,972
Total liabilities and shareholders’ equity	**2,103,571**	2,161,578

Commitments (note 15)

Subsequent events (note 9)

See accompanying notes to the condensed consolidated interim financial statements

SATURN OIL & GAS INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
($000s, except per share amounts)	**2025**	2024	**2025**	2024
REVENUE				
Petroleum and natural gas sales (note 10)	**236,712**	208,853	**514,793**	377,072
Processing income (note 10)	**3,836**	3,231	**7,377**	6,700
Royalties	**(28,239)**	(26,002)	**(62,132)**	(47,191)
	212,309	186,082	**460,038**	336,581
Realized loss on derivatives (note 14)	**(3,337)**	(19,765)	**(10,672)**	(24,366)
Unrealized gain (loss) on derivatives (note 14)	**64,082**	11,398	**65,770**	(91,840)
	273,054	177,715	**515,136**	220,375
EXPENSES				
Operating	**71,062**	52,923	**148,044**	103,955
Transportation	**6,077**	4,035	**11,922**	7,190
General and administrative	**5,214**	3,248	**11,209**	6,773
Depletion, depreciation and amortization (notes 4,5)	**72,640**	48,150	**146,738**	90,379
Share based payments (note 9)	**3,165**	2,888	**5,200**	5,140
Financing (note 11)	**27,273**	21,975	**55,964**	46,472
Foreign exchange gain	**(27,515)**	(963)	**(29,713)**	(930)
Gain on acquisition	**-**	(41,102)	**-**	(41,102)
Transaction costs	**-**	14,428	**-**	14,428
Loss on debt extinguishment (note 8)	**-**	31,720	**-**	31,720
Gain on repayment of Senior Notes (note 8)	**(2,802)**	-	**(2,802)**	-
	155,114	137,302	**346,562**	264,025
Net income (loss) before taxes	**117,940**	40,413	**168,574**	(43,650)
Current tax recovery	**(252)**	-	**(252)**	-
Deferred tax expense (recovery)	**23,138**	(1,392)	**35,953**	(22,473)
Net income (loss) and comprehensive income (loss)	**95,054**	41,805	**132,873**	(21,177)
Net income (loss) per share (note 9)				
Basic	**0.49**	0.25	**0.67**	(0.13)
Diluted	**0.46**	0.24	**0.64**	(0.13)

See accompanying notes to the condensed consolidated interim financial statements

SATURN OIL & GAS INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited)

($000s)	Number of Shares	Share Capital	Contributed Surplus	Warrants	Retained earnings	Total
Balance, December 31, 2023	139,313	292,388	46,834	7,200	262,240	608,662
Equity financings	64,777	150,004	-	-	-	150,004
Cash share issue costs (recovery)	-	(7,787)	-	-	-	(7,787)
Tax impact on share issue costs	-	1,946	-	-	-	1,946
Share based payments	-	-	6,223	-	-	6,223
Share based award exercises	9	-	-	-	-	-
Treasury shares, net of tax	(58)	(122)	(915)	-	-	(1,037)
Tax adjustment on share based payments	-	-	230	-	-	230
Net loss for the period	-	-	-	-	(21,177)	(21,177)
Balance, June 30, 2024	**204,041**	**436,429**	**52,372**	**7,200**	**241,063**	**737,064**
Balance, December 31, 2024	199,555	426,146	54,280	7,200	316,346	803,972
Share based payments	-	-	6,620	-	-	6,620
Treasury shares, net of tax	46	200	(4,444)	-	-	(4,244)
Tax adjustment on share based payments	-	-	(501)	-	-	(501)
NCIB share repurchases	(4,792)	(9,147)	-	-	-	(9,147)
Warrant expiry	-	-	7,200	(7,200)	-	-
Net income for the period	-	-	-	-	132,873	132,873
Balance, June 30, 2025	**194,809**	**417,199**	**63,155**	**-**	**449,219**	**929,573**

See accompanying notes to the condensed consolidated interim financial statements

SATURN OIL & GAS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
($000s)	**2025**	2024	**2025**	2024
OPERATING ACTIVITIES				
Net income (loss) for the period	**95,054**	41,805	**132,873**	(21,177)
Items not affecting cash:				
Depletion, depreciation and amortization (notes 4,5)	**72,640**	48,150	**146,738**	90,379
Share based payments (note 9)	**3,165**	2,888	**5,200**	5,140
Deferred income tax expense (recovery)	**23,138**	(1,392)	**35,953**	(22,473)
Unrealized (gain) loss on commodity derivatives (note 14)	**(64,082)**	(11,398)	**(65,770)**	91,840
Unrealized gain on foreign exchange (notes 8,14)	**(24,984)**	(1,040)	**(26,533)**	(1,040)
Gain on repayment of Senior Notes (note 8)	**(2,802)**	-	**(2,802)**	-
Gain on acquisition	**-**	(41,102)	**-**	(41,102)
Loss on debt extinguishment	**-**	31,720	**-**	31,720
Non-cash financing expenses (note 11)	**6,475**	4,584	**13,102**	9,106
Realized foreign exchange loss on repayment of Senior Notes (note 8)	**250**	-	**1,214**	-
Decommissioning expenditures (note 7)	**(3,921)**	(1,426)	**(4,778)**	(5,947)
Change in non-cash working capital (note 12)	**(15,068)**	(22,244)	**20,040**	(15,679)
Cash from operating activities	**89,865**	50,545	**255,237**	120,767
FINANCING ACTIVITIES				
Proceeds from Senior Notes (note 8)	**-**	890,695	**-**	890,695
Debt issue costs	**(147)**	(16,065)	**(147)**	(16,065)
Repayment of debt (note 8)	**(41,983)**	(381,050)	**(65,214)**	(457,135)
Early retirement fees (note 8)	**-**	(27,355)	**-**	(27,355)
Repurchase of common shares (note 9)	**(3,303)**	-	**(9,147)**	-
Purchase of treasury shares, net of tax	**(3,218)**	(136)	**(4,244)**	(1,037)
Lease payments (note 6)	**(4,089)**	(1,519)	**(8,075)**	(2,979)
Proceeds from share issuance	**-**	100,002	**-**	150,004
Share issue costs	**-**	(5,208)	**-**	(7,787)
Change in non-cash working capital (note 12)	**580**	7,717	**(121)**	7,717
Cash from (used in) financing activities	**(52,160)**	567,081	**(86,948)**	536,058
INVESTING ACTIVITIES				
Acquisitions, net of cash acquired (note 3)	**(5,132)**	(543,145)	**(5,132)**	(543,145)
Proceeds from dispositions	**-**	25,708	**-**	25,708
Capital expenditures (note 4)	**(15,842)**	(22,549)	**(89,137)**	(56,515)
Change in non-cash working capital (note 12)	**(46,960)**	(12,371)	**(73,185)**	(28,097)
Cash used in investing activities	**(67,934)**	(552,357)	**(167,454)**	(602,049)
Change in cash, during the period	**(30,229)**	65,269	**835**	54,776
Cash, beginning of period	**79,482**	15,967	**48,418**	26,460
Cash, end of period	**49,253**	81,236	**49,253**	81,236

Cash interest paid (note 11)

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS

Saturn Oil & Gas Inc. (“Saturn” or the “Company”) is a Canadian resource company engaged in the business of acquisition, exploration and development of petroleum and natural gas resource deposits in Western Canada. The Company’s current focus is to advance the exploration and development of its oil and gas properties in Alberta and Saskatchewan. The common shares of the Company are listed on the Toronto Stock Exchange (“TSX”) and trade under the symbols “SOIL”.

The Company’s corporate headquarters are at 2800, 525 - 8th Ave SW, Calgary, AB, T2P 1G1.

2. BASIS OF PREPARATION

Statement of compliance
These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and in accordance with IAS 34 – Interim Financial Reporting. The unaudited condensed consolidated interim financial statements do not include all information required for annual consolidated financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024. These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies as the Company’s audited consolidated financial statements for the year ended December 31, 2024.

These unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Company’s Board of Directors on July 30, 2025.

Operating environment
The marketability and price of oil and natural gas that may be produced, acquired or discovered by the Company continues to be affected by global events. International conflicts, shifts in social opinion, geopolitical instability, changes to political regimes and tariffs may have a significant impact on the price of crude oil and natural gas and Saturn's petroleum and natural gas sales. While the specific impact to the Company would depend on the nature of the occurrence, any major event can cast uncertainty over future financial performance.

Basis of measurement, functional and presentation currency
The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value through profit or loss.

The unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

Significant judgements, estimates, fair values and accounting policies
The preparation of the unaudited condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies impacting fair value and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. Significant judgments, estimates and assumptions made by management in these unaudited condensed consolidated interim financial statements are outlined in note 2 of the Company’s December 31, 2024 annual consolidated financial statements. There have been no changes in the Company’s judgments, estimates, accounting policies or determination of fair values applied during the interim period ended June 30, 2025, relative to those described in the most recent annual consolidated financial statements as at and for the year ended December 31, 2024. Revisions to accounting estimates are recognized in the year in which the estimates are revised and for any future years affected.

3. ACQUISITIONS AND DISPOSITIONS

For the three months ended June 30, 2025, the Company executed a corporate acquisition in the Southeast Saskatchewan business unit for approximately $5.0 million. The acquisition resulted in an increase in PP&E of approximately $7.6 million and the assumption of $2.6 million in decommissioning liabilities.

Brazeau Acquisition

On October 1, 2024, the Company acquired certain oil and gas properties in the Brazeau area of Alberta. During the three months ended June 30, 2025, final adjustments to the purchase price of $0.1 million were paid resulting in total cash consideration of $20.6 million.

South Saskatchewan Acquisition

On June 14, 2024, the Company acquired certain oil and gas properties in southern Saskatchewan (the “South Saskatchewan Acquisition”) for total cash consideration of $534.2 million. The South Saskatchewan Acquisition comprised of two distinct asset packages including Battrum area assets located in Southwest Saskatchewan and Flat Lake area assets located in Southeast Saskatchewan. The South Saskatchewan Acquisition was accounted for as a business combination using the acquisition method of accounting, whereby the assets acquired and liabilities assumed are recorded at the estimated fair value on the acquisition date.

Swan Hills Disposition

On June 4, 2024, the Company disposed of its non-core Deer Mountain property in North Alberta for cash consideration of $25.7 million with a carrying value of $25.6 million resulting in a gain of $0.1 million.

Adonai Resources II Corp

On May 6, 2024, the Company completed the acquisition of Adonai Resources II Corp. (the “Adonai Acquisition”) for total cash consideration of $8.3 million. The Company applied the optional IFRS 3 concentration test which resulted in acquisition being accounted for as an asset acquisition recorded at cost.

4. PROPERTY, PLANT AND EQUIPMENT

Cost ($000s)	**Oil and gas properties**	**Exploration and evaluation assets**	**Other assets**	**Total**
As at December 31, 2023	1,408,479	5,613	1,900	1,415,992
Additions	245,287	-	1,029	246,316
Acquisitions	654,491	-	-	654,491
Disposition	(32,968)	-	-	(32,968)
Capitalized share based payments	2,245	-	-	2,245
Expiries	-	(1,305)	-	(1,305)
Change in decommissioning obligations	24,824	-	-	24,824
As at December 31, 2024	2,302,358	4,308	2,929	2,309,595
Additions	**88,449**	**-**	**688**	**89,137**
Acquisitions (note 3)	**7,682**	**-**	**-**	**7,682**
Capitalized share based payments	**1,420**	**-**	**-**	**1,420**
Expiries	**-**	**(397)**	**-**	**(397)**
Change in decommissioning obligations	**(7,719)**	**-**	**-**	**(7,719)**
As at June 30, 2025	**2,392,190**	**3,911**	**3,617**	**2,399,718**
Accumulated depletion, depreciation and amortization				
As at December 31, 2023	216,934	-	1,089	218,023
Depletion, depreciation and amortization	219,437	-	682	220,119
Disposition	(6,222)	-	-	(6,222)
As at December 31, 2024	430,149	-	1,771	431,920
Depletion, depreciation and amortization	**140,978**	**-**	**342**	**141,320**
As at June 30, 2025	**571,127**	**-**	**2,113**	**573,240**
Net book value				
As at December 31, 2024	1,872,209	4,308	1,158	1,877,675
As at June 30, 2025	**1,821,063**	**3,911**	**1,504**	**1,826,478**

As at June 30, 2025, the calculation of depletion includes estimated forecasted future development costs relating to the development of proved and probable oil and gas reserves of $1,739.9 million (December 31, 2024 - $1,806.4 million). The Company capitalized $4.1 million of general and administrative costs for the period ended June 30, 2025 (December 31, 2024 - $10.4 million) and capitalized $1.4 million of share based compensation expense for the period ended June 30, 2025 (December 31, 2024 - $2.2 million).

At June 30, 2025 and December 31, 2024, there were no indicators of impairment identified. Accordingly, an impairment test was not performed.

5. RIGHT-OF-USE ASSETS

The Company recognizes right-of-use assets and corresponding lease liabilities related to certain office facilities and vehicles. See note 6 for additional information regarding the Company's leases.

Cost ($000s)	**Gas Processing**	**Offices**	**Vehicles**	**Total**
As at December 31, 2023	-	8,525	2,995	11,520
Additions	61,293	8,559	7,689	77,541
As at December 31, 2024	61,293	17,084	10,684	89,061
Additions	-	179	(46)	133
As at June 30, 2025	**61,293**	**17,263**	**10,638**	**89,194**
Accumulated depreciation				
As at December 31, 2023	-	3,480	1,487	4,967
Depreciation	3,352	2,390	1,862	7,604
As at December 31, 2024	3,352	5,870	3,349	12,571
Depreciation	2,873	1,073	1,075	5,021
As at June 30, 2025	**6,225**	**6,943**	**4,424**	**17,592**
Net book value				
As at December 31, 2024	57,941	11,214	7,335	76,490
As at June 30, 2025	**55,068**	**10,320**	**6,214**	**71,602**

6. LEASES

The following table reconciles the changes in the lease liability for the periods:

($000s)	**June 30, 2025**	December 31, 2024
Balance, beginning of period	**77,255**	5,767
Net additions	**133**	77,541
Lease payment	**(8,075)**	(11,452)
Accretion	**3,799**	5,399
Carrying value, end of period	**73,112**	77,255
Current	**8,574**	8,381
Long-term	**64,538**	68,874

As at June 30, 2025, the estimated undiscounted cash flows required to settle the Company's lease liability was $110.6 million (December 31, 2024 - $116.6 million).

7. DECOMMISSIONING OBLIGATIONS

The decommissioning obligation represents costs to reclaim and abandon the Company's wells and facilities and the estimated timing of the costs to be incurred in future periods. Management of the Company has estimated that the total undiscounted cash flows required to settle the obligations will be $589.3 million (December 31, 2024 - $576.9 million) which has been inflated at 2.0% (December 31, 2024 - 2.0%) and discounted using the credit adjusted risk-free rate of 10.0% (December 31, 2024 - 10.0%) with an estimated timeline to abandoned between 1 and 49 years.

($000s)	June 30, 2025	December 31, 2024
Balance, beginning of period	**157,277**	100,655
Acquired (note 3)	**2,612**	34,441
Disposed	**-**	(1,157)
Obligations incurred	**276**	517
Change in estimates	**(7,995)**	(13,498)
Change in discount rate	**-**	37,805
Cash settlements	**(4,778)**	(16,310)
Accretion	**7,738**	14,824
Balance, end of period	**155,130**	157,277
Current	**9,124**	13,902
Long-term	**146,006**	143,375

The Company's assets in both Saskatchewan and Alberta are subject to provincial programs that mandate the minimum spend targets on the Company's decommissioning obligations. These amounts have been moved to current decommissioning obligations, net of current year spend.

8. DEBT

($000s)	June 30, 2025	December 31, 2024
Senior Notes [(1)]	**775,945**	888,520
Unamortized debt issue costs	**(12,514)**	(13,932)
Total Debt	**763,431**	874,588
Current	**85,518**	90,410
Long-term	**677,913**	784,178

(1) As at June 30, 2025, the Senior Notes were translated into Canadian dollars at the period end exchange rate of US $1.00 = CA $1.3643 (December 31, 2024 - US $1.00 = CA $1.4389).

Senior Secured Notes

On June 14, 2024, Saturn issued US$650 million of Senior Secured Notes (the "Senior Notes"). The Senior Notes bear interest at 9.625% per annum, payable semi-annually in arrears, have mandatory repayments of 10% per annum, payable quarterly, and have an original 5-year term maturing on June 15, 2029. As at June 30, 2025, the principal balance on the Senior Notes was $775.9 million (US$568.8 million).

As at December 31, 2024, the principal balance on the Senior Notes was $888.5 million (US$617.5 million).

The Senior Notes are not subject to any financial covenants and are secured by a second priority lien on substantially all of the assets of the Company. Subject to certain exceptions and qualifications, the Senior Notes contain certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, and make certain restricted payments, dispositions and transfers of assets. In addition, the Company is subject to certain minimum hedging requirements that are consistent with the Company's risk management policy. As at June 30, 2025, the Company is in compliance with all covenants.

The Senior Notes have mandatory repayments equal to 10% per annum of principal amount of the notes outstanding on the Issue Date, due quarterly no later than 30 days after the end of each fiscal quarter, beginning September 30, 2024 at a redemption price of 104.813%. The Company may redeem up to an additional 10% of the aggregate principal amount during any 12-month period at a redemption price equal to 103%. Additionally, at any time prior to June 15, 2026, the Company may redeem up to 35% of the aggregate principal amount of the Senior Notes at a redemption rate of 109.625% via proceeds from an equity offering; provided that at least 50% of the aggregate principal amount of the notes remain outstanding immediately following the redemption. On or after June 15, 2026, the Company may redeem all or a part of the notes at the following redemption prices: June 15, 2026 to June 14, 2027 at 104.813%, June 15, 2027 to June 14, 2028 at 102.406% and June 15, 2028 to June 15, 2029 at 100%.

The following table reconciles changes in the Senior Notes principal outstanding for the period:

Principal ($000s)	Senior Notes (US$)	Senior Notes (CA$)
As at December 31, 2023	**-**	**-**
Proceeds on issuance(1)	650,000	890,695
Principal repayments	(32,500)	(45,268)
Realized foreign exchange loss on repayment	-	733
Unrealized foreign exchange loss	-	42,360
As at December 31, 2024	**617,500**	**888,520**
Principal repayments	(48,750)	(65,214)
Realized foreign exchange loss on repayment	-	1,214
Gain on repayment of Senior Notes	-	(2,802)
Unrealized foreign exchange gain	-	(45,773)
As at June 30, 2025(2)	**568,750**	**775,945**

(1) As at June 14, 2024, exchange rate was US $1.00 = CA $1.3703.
(2) As at June 30, 2025, exchange rate was US $1.00 = CA $1.3643 (December 31, 2024 - US $1.00 = CA $1.4389).

For the six months ended June 30, 2025, the Company made additional principal repayments by purchasing US$16.3 million of Senior Notes in the open market at a discount to par value for $19.8 million, resulting in a $2.8 million realized gain on repayment.

As at June 30, 2025, the fair value of the Senior Notes was $779.4 million (US$571.3 million) based on observable market quoted prices (Level 1).

Revolving Credit Facility

At June 30, 2025, Saturn has a $150.0 million credit facility (the "Credit Facility") with a syndicate of banks consisting of a $100.0 million reserve-based credit facility and a $50.0 million operating facility. The agreement governing the Credit Facility includes an additional $100 million accordion feature allowing for the expansion up to $250 million in total, subject to certain conditions. The Credit Facility is committed on a revolving basis until June 14, 2026, at which time it may be extended at the lenders' option. If the revolving period is not extended, the undrawn portion of the facility will be cancelled and any amounts outstanding would be repayable at the end of the non-revolving term. The Credit Facility is subject to a semi-annual borrowing base review, occurring by June 30th and November 30th of each year, with the next scheduled borrowing base review to occur by November 30, 2025. The borrowing base is determined based on the lenders' evaluation of the Company's petroleum and natural gas reserves and their commodity price outlook at the time of each renewal.

The Credit Facility is secured by a first priority security interest on all present and after acquired property of the Company and is senior in priority to the Senior Notes. The Credit Facility contains certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, make certain restricted payments, and dispose of or transfer assets. As at June 30, 2025, the Company is in compliance with all covenants.

As at June 30, 2025, amounts borrowed under the Credit Facility bear interest at a floating rate based on the applicable Canadian prime rate, US base rate, Canadian Overnight Repo Rate Average ("CORRA"), or Secured Overnight Financing Rate ("SOFR") plus a margin and standby fee based on the Company's Net Debt to Consolidated EBITDA Ratio as defined in the Credit Agreement, currently between 2.50% to 3.50% and 0.88%, respectively.

As at June 30, 2025, the Company had no amounts drawn nor any of letters of credit outstanding under the Credit Facility.

Unsecured letter of credit facility

The Company has a $20.0 million unsecured demand letter of credit facility (the "LC Facility") with a Canadian bank. Saturn's obligations under the LC Facility are supported by a performance security guarantee ("PSG") from Export Development Canada. At June 30, 2025, $8.7 million was drawn under the LC Facility (December 31, 2024 - $7.9 million). The PSG is subject to annual renewal with the next scheduled renewal date of June 30, 2026.

Senior Term Loan

On June 14, 2024, the Company early retired its Senior Term Loan with a principal amount outstanding of $364.7 million and incurred a loss on debt extinguishment, consisting of early retirement fees of $27.4 million paid to the lender and a $4.4 million of non-cash original issue discount and debt issue costs which were accelerated and expensed in profit or loss.

9. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares with no par value. As at June 30, 2025 there are 194,809,345 common shares outstanding.

Issued and outstanding

		June 30, 2025		December 31, 2024
(000s)	**Shares**	**Amount**	Shares	Amount
Balance, beginning of period	**199,555**	**426,146**	139,313	292,388
Common shares issued for cash proceeds	**-**	**-**	64,777	150,004
Cash share issue costs, net of tax recovery	**-**	**-**	-	(5,862)
Normal Course Issuer Bid	**(4,792)**	**(9,147)**	(4,480)	(10,240)
Restricted share unit exercise	**-**	**-**	8	(4)
Stock option exercise	**-**	**-**	100	435
Treasury shares	**46**	**200**	(163)	(575)
Balance, end of period	**194,809**	**417,199**	199,555	426,146

On August 23, 2024, the TSX approved the commencement of the Company's Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, the Company may purchase for cancellation, from time to time, as it considers advisable, up to a maximum of 11,306,825 common shares of the Company between August 27, 2024 and August 26, 2025.

For the six months ended June 30, 2025, the Company repurchased 4,791,704 common shares under its NCIB at a weighted average price of $1.90 per share for a total cost of $9.1 million. Subsequent to June 30, 2025, the Company repurchased an additional 368,256 common shares at a weighted average price of $2.26 per share for a total cost of $0.8 million.

For the year ended December 31, 2024, the Company repurchased 4,480,288 shares under its NCIB at a weighted average price of $2.28 per share for a total cost of $10.2 million.

On June 5, 2025, the Company initiated a Substantial Issuer Bid ("SIB"). Pursuant to the SIB, the Company offered to purchase up to 7,000,000 common shares from holders of the Company's common shares for cancellation at a purchase price of $2.15 per common share between June 11, 2025 and July 16, 2025, for an aggregate purchase price not exceeding $15.1 million. Subsequent to June 30, 2025, the SIB expired with 1,608,182 common shares being tendered and taken up under the SIB for an aggregate purchase price of $3.5 million.

Warrants

		June 30, 2025		December 31, 2024
(000s, except per warrant price)	**Warrants**	**Weighted average exercise price**	Warrants	Weighted average exercise price
Balance, beginning of period	**6,871**	**4.00**	6,871	4.00
Expired	**(6,871)**	**4.00**	-	-
Balance, end of period	**-**	**-**	6,871	4.00

Stock options

The Company has an omnibus long term incentive plan ("LTIP") under which it is authorized to grant stock options to directors, officers, employees and consultants of Saturn, enabling them to acquire common shares of the Company upon exercise. The stock options are generally granted for maximum term of five years, and vest in thirds on each of the first, second and third anniversary after the grant date. Vesting conditions are determined by the Board of Directors.

(000s, except per option price)	June 30, 2025 Stock options	 Weighted average exercise price	December 31, 2024 Stock options	 Weighted average exercise price
Balance, beginning of period	**718**	**2.41**	1,048	2.52
Exercised	**-**	**-**	(100)	2.40
Expired	**(104)**	**2.40**	(230)	-
Balance, end of period	**614**	**2.47**	718	2.41

As at June 30, 2025, the following stock options were outstanding and exercisable:

(000s, except per option price and life remaining)	Stock options outstanding Number outstanding	 Weighted average exercise price	 Weighted average life remaining (years)	Stock options exercisable Number exercisable	 Weighted average exercise price	 Weighted average life remaining (years)
2.00	25	2.00	0.4	-	-	-
2.01 - 2.40	480	2.40	1.1	-	-	-
2.41 - 3.00	109	2.90	1.0	-	-	-
	614	**2.47**	**1.0**	**-**	**-**	**-**

Restricted Share Units

In accordance with the LTIP, the Company is authorized to grant Restricted Share Units ("RSUs") to directors, officers, employees and consultants of Saturn. The RSUs are granted for a term of three years and vest in thirds on each of the first, second and third anniversary after the grant date. The RSUs may be cash or equity settled upon vesting as determined by the Board of Directors. The fair value per RSU is equivalent to the market price at which the common shares of the Company traded on the day immediately preceding the grant date.

(000s, except life remaining)	June 30, 2025 RSUs	December 31, 2024 RSUs
Balance, beginning of period	**4,088**	2,282
Issued	**6,331**	2,975
Exercised	**(1,447)**	(924)
Forfeited	**(208)**	(245)
Balance, end of period	**8,764**	4,088
Weighted average life remaining (years)	**1.6**	1.1

Performance share units

In accordance with the LTIP, the Company is authorized to grant Performance Share Units ("PSUs") to directors, officers, and employees of Saturn. The PSUs are granted for a term of one year with certain performance measures specified at the grant date and may be cash or equity settled upon vesting as determined by the Company's Board of Directors. Based upon the achievement of the performance measures, a pre-determined adjustment factor between 0.5-1.5x is applied to the PSUs eligible to vest at the end of the performance period. The fair value per PSU is equivalent to the market price at which the common shares of the Company traded on the day immediately preceding the grant date.

(000s, except life remaining)	June 30, 2025 PSUs	December 31, 2024 PSUs
Balance, beginning of period	**622**	667
Issued	**1,245**	622
Exercised	**(622)**	(667)
Balance, end of period	**1,245**	622
Weighted average life remaining (years)	**0.80**	0.3

Deferred share units

In accordance with the LTIP, the Company is authorized to grant Deferred Share Units ("DSUs") to non-management directors. The DSUs are fully vested on issuance and may be cash or equity settled upon vesting as determined by the Company's Board of Directors. The fair value per DSU is equivalent to the market price at which the common shares of the Company traded on the day immediately preceding the grant date.

(000s, except life remaining)	**June 30, 2025 DSUs**	December 31, 2024 DSUs
Balance, beginning of period	**-**	-
Issued	**387**	-
Exercised	**-**	-
Balance, end of period	**387**	-
Weighted average life remaining (years)	**-**	-

Performance warrants

The Company has issued performance warrants to certain officers and directors enabling them to acquire common shares of the Company upon exercise. The performance warrants will vest upon certain vesting threshold conditions, based on the 5-day volume weighted average trading price ("VWAP") of the Company's common shares listed on the TSX. Once vested, the performance warrants may be exercised by the holder at any time from the date of vesting to the expiry date. A summary of the changes in performance warrants outstanding is as follows:

	June 30, 2025		December 31, 2024	
(000s, except per performance warrant price)	**Performance warrants**	**Weighted average exercise price**	Performance warrants	Weighted average exercise price
Balance, beginning of period	**7,000**	**2.50**	7,000	2.50
Balance, end of period	**7,000**	**2.50**	7,000	2.50

As at June 30, 2025, the following performance warrants were outstanding:

(000s, except per performance warrant price, years and VWAP)	**Performance warrants outstanding**			**Performance warrants exercisable**		
Exercise Price	**Number outstanding**	**Vesting threshold VWAP**	**Weighted average life remaining (years)**	**Number exercisable**	**Vesting threshold VWAP**	**Weighted average life remaining (years)**
2.50	2,333	4.00	4.6	-	-	-
2.50	2,333	6.00	4.6	-	-	-
2.50	2,334	8.00	4.6	-	-	-
	7,000		**4.6**	**-**	**-**	**-**

Per share amounts

Basic net income (loss) per share is calculated using the weighted-average number of common shares outstanding during the reporting period. Diluted net income per share is calculated using the weighted-average number of common shares outstanding adjusted for the dilutive effect of all potentially dilutive securities, including stock options, performance warrants, RSUs, and DSUs. Where applicable, diluted net loss per share is equal to basic net loss per share as the effect of all potential dilutive securities are anti-dilutive. The components of basic and diluted net income (loss) per share are as follows:

(000s, except per share amounts)	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Weighted average shares outstanding				
Basic	**195,644**	169,267	**196,872**	158,780
Diluted	**206,040**	174,723	**207,268**	164,215
Per share income (loss)				
Basic	**0.49**	0.25	**0.67**	(0.13)
Diluted	**0.46**	0.24	**0.64**	(0.13)

The following securities were excluded from the calculation of diluted earnings per share as their effect was anti-dilutive:

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Warrants	**-**	6,871	**-**	6,871
Stock options	**614**	314	**614**	314
Performance warrants	**7,000**	7,000	**7,000**	7,000

10. REVENUE

($000s)	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Crude oil	**218,712**	194,132	**472,299**	347,233
NGLs	**11,439**	10,074	**26,515**	18,786
Natural gas	**6,561**	4,647	**15,979**	11,053
Petroleum and natural gas sales	**236,712**	208,853	**514,793**	377,072
Processing income	**3,836**	3,231	**7,377**	6,700
	240,548	212,084	**522,170**	383,772

Petroleum and natural gas sales represent the proceeds received from the sale of oil, natural gas, and NGLs production under variable price contracts. The transaction price is based on a benchmark commodity price, adjusted for quality, location, processing charges or other factors, whereby each component of the pricing formula (apart from the benchmark commodity price) can be either fixed or variable, depending on the contract terms. Revenue is typically collected on the 25th day of the month following the prior month’s production, with revenue being recorded once the product is delivered to a contractually agreed upon delivery point.

Included in accounts receivable as at June 30, 2025 is $75.9 million (December 31, 2024 - $83.1 million) of accrued petroleum and natural gas sales related to June 2025 production.

Saturn generates oil treating, gas processing, and other services revenue from fees charged to third parties provided at facilities where Saturn has an ownership interest. This revenue is recorded as processing income.

11. FINANCING

($000s)	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Interest expense	**21,274**	17,787	**43,936**	38,192
Interest income	**(476)**	(396)	**(1,074)**	(826)
Amortization of original issue discount and debt issue costs	**781**	690	**1,565**	1,364
Accretion, debt instruments	**-**	9	**-**	22
Accretion, leases (note 6)	**1,881**	556	**3,799**	905
Accretion, decommissioning obligations (note 7)	**3,813**	3,329	**7,738**	6,815
Financing expenses	**27,273**	21,975	**55,964**	46,472

12. SUPPLEMENTAL CASH FLOW INFORMATION

($000s)	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Change in non-cash working capital:				
Accounts receivable	**17,930**	(17,344)	**20,540**	(20,427)
Deposits and prepaid expenses	**(5,032)**	(6,321)	**(4,379)**	(6,798)
Accounts payable	**(74,408)**	(2,894)	**(69,489)**	(8,495)
Non-cash working capital acquired	**62**	(339)	**62**	(339)
	(61,448)	(26,898)	**(53,266)**	(36,059)
Related to:				
Operating activities	**(15,068)**	(22,244)	**20,040**	(15,679)
Financing activities	**580**	7,717	**(121)**	7,717
Investing activities	**(46,960)**	(12,371)	**(73,185)**	(28,097)
Total change in non-cash working capital	**(61,448)**	(26,898)	**(53,266)**	(36,059)

13. CAPITAL MANAGEMENT

The Company manages its capital to safeguard its ability to continue as a going concern, so that it may provide adequate returns to shareholders, benefits to other stakeholders and have sufficient funds on hand for business opportunities as they arise. The Company's capital structure may be adjusted by issuing or repurchasing equity instruments, issuing or repurchasing debt, modifying capital spending programs and disposing of assets; the availability of any such means being dependent upon market conditions. Management reviews its approach to capital management on an ongoing basis and believes that this approach is appropriate. The Company uses the terms adjusted EBITDA, adjusted funds flow, free funds flow, net debt, capital expenditures and adjusted working capital as key capital management measures which are described and calculated below. These capital management measures are not standardized and therefore may not be comparable with the calculation of similar measures by other entities.

Adjusted EBITDA

The Company considers Adjusted EBITDA ("Adjusted EBITDA") (defined in the credit agreement as Consolidated EBITDA) to be a key capital management measure as it is both used within Company's Revolving Credit Facility (note 8) and demonstrates Saturn's standalone profitability, operating and financial performance in terms of cash flow generation, adjusting for interest related to its capital structure. Adjusted EBITDA is defined by the Company as earnings before interest, taxes, depreciation, amortization and other non-cash or extraordinary items.

Adjusted funds flow

The Company considers adjusted funds flow to be a key capital management measure as it demonstrates Saturn's ability to generate the necessary funds to manage production levels and fund future growth through capital investment. Management believes that this measure provides an insightful assessment of Saturn's operations on a continuing basis by eliminating certain non-cash charges, actual settlements of decommissioning obligations, of which the nature and timing of expenditures may vary based on the stage of the Company's assets and operating areas, and transaction costs which vary based on the Company's acquisition and disposition activity.

Free funds flow

The Company considers free funds flow to be a key capital management measure as it is used to determine the efficiency and liquidity of Saturn's business, measuring its funds available after capital investment available for debt repayment, pursue acquisitions and gauge optionality to pay dividends and/or return capital to shareholders through share repurchases. Saturn calculates free funds flow as adjusted funds flow in the period less expenditures on property, plant and equipment and exploration and evaluation assets, together "capital expenditures". By removing the impact of current period capital expenditures from adjusted funds flow, management monitors its free funds flow to inform its capital allocation decisions.

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

($000s)	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash flow from operating activities	**89,865**	50,545	**255,237**	120,767
Change in non-cash working capital	**15,068**	22,244	**(20,040)**	15,679
Decommissioning expenditures	**3,921**	1,426	**4,778**	5,947
Transaction costs	**-**	14,428	**-**	14,428
Terminated derivative contracts	**2,312**	-	**2,312**	-
Current tax recovery	**(252)**	-	**(252)**	-
Net interest[1]	**20,798**	17,391	**42,862**	37,366
Adjusted EBITDA	**131,712**	106,034	**284,897**	194,187
Terminated derivative contracts	**(2,312)**	-	**(2,312)**	-
Current tax recovery	**252**	-	**252**	-
Net interest[1]	**(20,798)**	(17,391)	**(42,862)**	(37,366)
Adjusted funds flow	**108,854**	88,643	**239,975**	156,821
Capital expenditures	**(15,842)**	(22,549)	**(89,137)**	(56,515)
Free funds flow	**93,012**	66,094	**150,838**	100,306

(1) Calculated as interest expense, net of interest income.

Market capitalization and net debt

Management considers net debt a key capital management measure in assessing the Company’s liquidity. Total market capitalization and net debt to annualized quarterly adjusted funds flow are used by management and the Company's investors in analyzing the Company's balance sheet strength and liquidity. The summary of total market capitalization, net debt, annualized quarterly adjusted funds flow and net debt to annualized quarterly adjusted funds flow is as follows:

($000s)	June 30, 2025	December 31, 2024
Total common shares outstanding (000s)	**194,809**	199,555
Share price[1]	**2.11**	2.16
Total market capitalization	**411,047**	431,039
Adjusted working capital[2]	**(68,596)**	(14,433)
Senior Notes	**763,431**	874,588
Net debt	**694,835**	860,155
Current quarter adjusted funds flow	**108,854**	129,205
Annualized factor	**4**	4
Annualized quarterly adjusted funds flow	**435,416**	516,820
Net debt to annualized quarterly adjusted funds flow	**1.6x**	1.7x

(1) Represents the closing share price on the TSX on the last day of trading of the period.
(2) Adjusted working capital is calculated as cash, accounts receivable, deposits and prepaids net of accounts payable.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Financial derivatives

($000s)	Commodity contracts	FX contracts	Total
As at December 31, 2024	(43,208)	19,995	(23,213)
Realized (loss) gain on settlement	(10,672)	3,077	(7,595)
Change in fair market value	76,442	(22,317)	54,125
As at June 30, 2025	**22,562**	**755**	**23,317**

Saturn manages the risks associated with changes in commodity prices by entering into a variety of risk management commodity contracts classified as financial derivatives. The Company assesses the effects of movement in commodity prices on income (loss) before tax. A ten percent increase or decrease in commodity prices would have resulted in a $44.2 million change to unrealized gains (losses) on risk management contracts and net income (loss) before tax assuming all other variables remain constant.

Saturn manages the risks associated with fluctuations in foreign exchange rates on its US$ denominated Senior Notes by entering into foreign exchange risk management contracts. A ten percent increase or decrease in US$/CA$ exchange rate would have resulted in a $29.8 million change to unrealized gains (losses) on foreign exchange risk management contracts and net income (loss) before tax assuming all other variables remain constant.

The Company had the following outstanding derivative commodity contracts as at June 30, 2025:

	WTI Collars				WTI Swaps				WTI Puts	
Period	Volume bbls/d	Price(1)(2) US$/bbl	Volume bbls/d	Price(1)(2) CA$/bbl	Volume bbls/d	Price(1) US$/bbl	Volume bbls/d	Price(1) CA$/bbl	Volume bbls/d	Price(1)(2) CA$/bbl
Q3 2025	6,729	67.23-84.37	5,000	100.00-110.00	2,753	69.05	4,923	89.10	2,500	100.00
Q4 2025	1,684	65.00-68.10	5,000	100.00-110.00	2,637	68.99	4,674	89.05	-	-
Q1 2026	1,080	65.00-68.10	-	-	3,077	67.21	4,481	85.46	-	-
Q2 2026	-	-	-	-	4,028	67.30	4,320	85.47	-	-
Q3 2026	-	-	-	-	-	-	4,649	83.51	-	-
Q4 2026	-	-	-	-	-	-	4,463	83.47	-	-

(1) Weighted average prices for the period.
(2) For the reporting periods Q3 2025 to Q4 2025, the Company has a weighted average option premium of US$3.41/bbl.

	MSW Differential		WCS Differential		Natural Gas Swaps				NGL Propane Swaps	
Period	Volume bbls/d	Price(1) US$/bbl	Volume bbls/d	Price(1) US$/bbl	Volume GJ/d	Price(1) CA$/GJ	Volume GJ/d	Price(2) CA$/GJ	Volume bbls/d	Price(1) US$/bbl
Q3 2025	19,500	(3.41)	4,000	(12.91)	15,000	2.49	10,550	Index	375	49% of WTI
Q4 2025	9,000	(4.61)	4,000	(13.95)	11,685	2.62	10,550	Index	375	49% of WTI
Q1 2026	5,000	(4.60)	2,000	(14.25)	10,000	2.73	10,550	Index	375	49% of WTI
Q2 2026	5,000	(4.10)	2,000	(13.05)	15,000	2.69	10,550	Index	-	-
Q3 2026	-	-	-	-	15,000	2.69	10,550	Index	-	-
Q4 2026	-	-	-	-	18,315	2.95	3,555	Index	-	-
Q1 2027	-	-	-	-	10,000	3.35	-	-	-	-

(1) Weighted average prices for the period.
(2) Physically settled derivative contracts based off US natural gas index prices (Malin index minus US$1.98/GJ minus AECO 5A) and (NW Rocky index minus US$1.99/GJ minus AECO 5A).

During the three months ended June 30, 2025, the Company terminated certain 2026 and 2027 WTI swap contracts with an average price of CA$81.35/bbl for $2.3 million.

The Company had the following outstanding foreign exchange contracts as at June 30, 2025:

	Forward Rate Contracts- USD/CAD		
Period	**Notional Amount ($000s, US$)**	**Rate**	**Contract Type**
Q3 2025	17,100	1.33935	Average rate currency swap
Q4 2025	45,000	1.33935	Average rate currency swap
Q1 2026	17,100	1.33935	Average rate currency swap
Q2 2026	43,500	1.33935	Average rate currency swap
Q3 2026	17,100	1.33935	Average rate currency swap
Q4 2026	41,900	1.33935	Average rate currency swap
Q1 2027	17,100	1.33935	Average rate currency swap
Q2 2027	23,300	1.33935	Average rate currency swap

(1) Weighted average prices for the period.

Financial derivative assets and liabilities are only offset if the Company has the legal right to offset and intends to settle on a net basis. The Company offsets financial instrument assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same. The following table summarizes the gross asset and liability positions of the Company's financial derivative commodity contracts that are offset on the balance sheet as at June 30, 2025:

($000s)	**Gross financial derivative instruments**	**Amount offset**	**Net financial derivative instruments**
Current asset	35,140	(1,090)	34,050
Long term asset	1,218	-	1,218
Current liability	(12,577)	1,090	(11,487)
Long term liability	(464)	-	(464)
Net asset position	**23,317**	**-**	**23,317**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. While the Company is exposed to liquidity risk, that risk is actively managed through strategies such as prudent capital spending, an active commodity risk management program and by continuously monitoring forecast and actual cash flows from operating, financing and investing activities. Management believes it will have sufficient funding to meet foreseeable liquidity requirements. The Company has the following maturities of financial liabilities at June 30, 2025:

($000s)	**Less than 1 year**	**1-3 years**	**3-5 years**	**Greater than 5 years**	**Total**
Senior Notes(1)	88,680	177,359	509,906	-	775,945
Interest payments(2)	76,279	126,894	50,615	-	253,788
Lease liabilities(3)	6,231	8,512	5,581	-	20,324
Gas processing contracts	12,725	23,619	21,151	47,457	104,952
Accounts payable	101,627	-	-	-	101,627
	285,542	**336,384**	**587,253**	**47,457**	**1,256,636**

(1) Represents the remaining principal repayments of US$568.8 million on the Senior Notes converted at the period end exchange rate of 1.3643.

(2) The Senior Notes bear interest at 9.625% per annum, payable semi-annually in arrears, have mandatory prepayments of 10% per annum, payable quarterly.

(3) Represents the remaining undiscounted minimum lease payments on the Company's lease liabilities, excluding gas processing contracts subject to IFRS 16.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations that arise principally from the Company's accounts receivable from oil and natural gas marketers and joint operators in the oil and gas industry. Receivables from oil and natural gas marketers are normally collected on the 25th day of the month following production.

The Company's policy to mitigate credit risk going forward is to maintain marketing relationships with large, established and reputable purchasers that are considered to be creditworthy. The Company attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital and operating expenditures prior to expenditure and in certain circumstances may require cash deposits in advance of incurring financial obligations on behalf of joint venture partners. Joint venture receivables are from partners in the petroleum and natural gas industry who are subject to the risks and conditions of the industry. Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. The Company does not request letters of credit in its favor from joint venture partners; however, the Company has the ability to withhold production from joint operating partners in the event of non-payment or is able to register security on the assets of joint operating partners.

Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum and natural gas sales are conducted in Canada and are denominated in Canadian dollars. Canadian commodity prices are influenced by fluctuations in the Canada to United States dollar exchange rate. Prices for oil are determined in global markets and generally denominated in United States dollars. The Company is exposed to currency risk in relation to its US dollar denominated financial derivatives and Senior Notes. A ten percent change in the US dollar would have resulted in a $77.9 million change to net income (loss) before tax (December 31, 2024 – $89.4 million) assuming all other variables remain constant. The exposure of realized prices fluctuations of the US dollar and Canadian dollar exchange rate, serves as a natural hedge to the US dollar denominated financial derivatives.

Price risk

The Company is exposed to price risk related to commodity and equity prices. Equity price risk is the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatility. The Company's commodity price risk is also impacted by its derivative contracts. The ability of the Company to explore its resource properties and future profitability of the Company are directly related to the market price of commodities. Prices for oil are impacted not only by the relationship between the Canadian and United States dollars but also worldwide economic events that influence supply and demand.

Net debt and capital structure

Management considers net debt a key measure in assessing the Company's liquidity. The Company's net debt and capital structure is as follows:

($000s)	**June 30, 2025**	December 31, 2024
Net debt	**694,835**	860,155
Shareholders' equity	**929,573**	803,972
Total capitalization	**1,624,408**	1,664,127

The Company manages its capital structure to support current and future business plans and periodically adjusts the structure in response to changes in economic conditions, acquisitions or divestitures and the risk characteristics of the Company's underlying assets and operations. The capital structure may be adjusted by issuing or repurchasing shares, issuing or repurchasing debt, modifying capital spending programs and acquisition or disposal of assets, the availability of any such means being dependent upon market conditions.

15. COMMITMENTS

The Company has the following contractual obligations and commitments as at June 30, 2025:

($000s)	Less than 1 year	1-3 years	3-5 years	Greater than 5 years	Total
Senior Notes[1]	88,680	177,359	509,906	-	775,945
Interest payments[2]	76,279	126,894	50,615	-	253,788
Lease liabilities[3]	6,231	8,512	5,581	-	20,324
Gas processing contracts	12,725	23,619	21,151	47,457	104,952
	183,915	**336,384**	**587,253**	**47,457**	**1,155,009**

(1) Represents the remaining principal repayments of US$568.8 million on the Company's Senior Notes converted at the period end exchange rate of 1.3643.

(2) The Senior Notes bear interest at 9.625% per annum, payable semi-annually in arrears, have mandatory prepayments of 10% per annum, payable quarterly.

(3) Represents the remaining undiscounted minimum lease payments on the Company's lease liabilities, excluding gas processing contracts subject to IFRS 16.

CORPORATE INFORMATION

LEADERSHIP TEAM

John Jeffrey
Chief Executive Officer

Scott Sanborn
Chief Financial Officer

Justin Kaufmann
Chief Development Officer

Grant MacKenzie
Chief Legal Officer

BOARD OF DIRECTORS

John Jeffrey(2)(4)
Chief Executive Officer

Ivan Bergerman(3)
Director

Andrew Claugus(2)
Director

Dr. Thomas Gutschlag(1)(3)
Director

Grant MacKenzie(4)
Chief Legal Officer and Director

Jim Payne(1)(4)
Director

Christopher Ryan(2)(4)
Director

S. Janet Yang(1)(3)
Director

(1) Member of the Audit Committee
(2) Member of the Reserve Committee
(3) Member of the Compensation Committee
(4) Member of the Health, Safety, and Environment Committee

BANKERS
National Bank of Canada Financial Inc.
Goldman Sachs
ATB Securities Inc.

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STOCK EXCHANGES
Toronto Stock Exchange - TSX: "SOIL"
OTC Markets Group - OTCQX: "SOILSF"
Frankfurt Stock Exchange - FSE: "SKMA"