

SATURN OIL & GAS INC.

2025 MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is a review of the operational and financial results and outlook for Saturn Oil & Gas Inc. ("Saturn" or the "Company") as at December 31, 2025 and 2024 and for the three months and years ended December 31, 2025 and 2024. This MD&A is dated and based on information available as at March 11, 2026 and should be read in conjunction with the Company's audited consolidated financial statements ("financial statements") and the notes thereto as at December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024. Additional information relating to Saturn, including Saturn's Annual Information Form for the year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.ca and Saturn's website at www.saturnoil.com.

Throughout this MD&A and in other materials disclosed by the Company, Saturn adheres to generally accepted accounting principles ("GAAP") and IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"), however the Company also uses various specified financial measures (as defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures* ("NI 52-112")) including "non-GAAP financial measures", "non-GAAP ratios", "capital management measures" and "supplementary financial measures" to analyze financial performance including: "adjusted EBITDA", "adjusted funds flow", "adjusted funds flow per share", "annualized quarterly adjusted funds flow", "free funds flow", "free funds flow per share", "capital expenditures", "finding and development expenditures", "finding, development, and acquisition expenditures", "gross petroleum and natural gas sales", "royalties as a percentage of gross petroleum and natural gas sales", "net operating expense", "operating netbacks", "operating netback, net of derivatives", "adjusted working capital", "net debt", "net debt to annualized quarterly adjusted funds flow" and "enterprise value". These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Saturn's performance.

Readers are cautioned that the MD&A should be read in conjunction with disclosures in the sections entitled "Non-GAAP and Other Financial Measures" and "Advisories and Forward-Looking Information".

DESCRIPTION OF THE BUSINESS

Saturn 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 focus is to advance the development of its oil and gas properties in Alberta and Saskatchewan.

Q4 2025 HIGHLIGHTS

- Achieved quarterly average production of 43,657 boe/d, compared to 41,051 boe/d in the fourth quarter of 2024 reflecting production contributions from the acquisitions of oil and gas properties in Southeast Saskatchewan, which closed on July 31, 2025, Clearview Resources Ltd. in Central Alberta, which closed October 20, 2025 and new well production additions from the Company's drilling programs;
- Recognized petroleum and natural gas sales of \$233.6 million, compared to \$268.8 million in the fourth quarter of 2024;
- Generated quarterly adjusted EBITDA⁽¹⁾ of \$140.9 million, compared to \$152.8 million in the fourth quarter of 2024;
- Achieved quarterly adjusted funds flow⁽¹⁾ of \$120.7 million or \$0.64/share, compared to \$129.2 million or \$0.64/share, in the fourth quarter of 2024;
- Invested \$64.8 million in capital expenditures⁽¹⁾ during the fourth quarter of 2025, drilling 30 gross (22.1 net) wells; including 20 in Southeast Saskatchewan; six in Southwest Saskatchewan; and four in Central Alberta;
- Generated free funds flow⁽¹⁾ of \$55.9 million, up from \$23.8 million in the fourth quarter of 2024;
- Completed the acquisition of Clearview Resources Ltd. with assets located in Central Alberta for \$22.7 million;
- Exited the fourth quarter of 2025 with \$761.5 million of net debt⁽¹⁾, equating to a net debt to annualized quarterly adjusted funds flow⁽¹⁾ of 1.6x; and
- Repurchased 4,789,900 common shares for cancellation under the Company's Normal Course Issuer Bid ("NCIB") at a weighted average price of \$2.58 per share for a cost of \$12.3 million.

⁽¹⁾ See Non-GAAP and Other Financial Measures

FINANCIAL AND OPERATING HIGHLIGHTS

| (\$000s, except per share amounts) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|--|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| FINANCIAL HIGHLIGHTS | | | | | |
| Petroleum and natural gas sales | 233,554 | 235,344 | 268,845 | 983,691 | 908,296 |
| Cash flow from operating activities | 76,065 | 126,097 | 91,157 | 457,399 | 311,937 |
| Operating netback, net of derivatives ⁽¹⁾ | 136,600 | 128,565 | 152,616 | 554,565 | 472,236 |
| Adjusted EBITDA ⁽¹⁾ | 140,854 | 123,571 | 152,823 | 549,322 | 482,997 |
| Adjusted funds flow ⁽¹⁾ | 120,697 | 103,282 | 129,205 | 463,954 | 380,091 |
| per share - Basic ⁽¹⁾ | 0.64 | 0.54 | 0.64 | 2.40 | 2.10 |
| - Diluted ⁽¹⁾ | 0.61 | 0.51 | 0.63 | 2.28 | 2.05 |
| Free funds flow ⁽¹⁾ | 55,933 | 15,943 | 23,785 | 222,714 | 133,775 |
| per share - Basic ⁽¹⁾ | 0.30 | 0.08 | 0.12 | 1.15 | 0.74 |
| - Diluted ⁽¹⁾ | 0.28 | 0.08 | 0.12 | 1.09 | 0.72 |
| Net income (loss) | 31,230 | 3,466 | (26,318) | 167,569 | 54,106 |
| per share - Basic | 0.17 | 0.02 | (0.13) | 0.87 | 0.30 |
| - Diluted | 0.16 | 0.02 | (0.13) | 0.82 | 0.29 |
| Acquisitions, net of cash acquired | 23,469 | 65,212 | 26,011 | 93,813 | 564,407 |
| Proceeds from dispositions | - | - | 576 | - | (25,132) |
| Capital expenditures ⁽¹⁾ | 64,764 | 87,339 | 105,420 | 241,240 | 246,316 |
| Total assets | 2,190,825 | 2,214,611 | 2,161,578 | 2,190,825 | 2,161,578 |
| Net debt ⁽¹⁾ , end of period | 761,476 | 782,514 | 860,155 | 761,476 | 860,155 |
| Shareholders' equity | 946,591 | 924,514 | 803,972 | 946,591 | 803,972 |
| Common shares outstanding, end of period | 184,084 | 190,020 | 199,555 | 184,084 | 199,555 |
| Weighted average, basic | 187,135 | 192,520 | 201,484 | 193,402 | 180,864 |
| Weighted average, diluted | 197,604 | 202,785 | 206,205 | 203,842 | 185,607 |
| OPERATING HIGHLIGHTS | | | | | |
| Average production volumes | | | | | |
| Crude oil (bbls/d) | 31,287 | 29,152 | 30,449 | 30,430 | 24,885 |
| NGLs (bbls/d) | 4,052 | 4,180 | 3,381 | 3,718 | 2,954 |
| Natural gas (mcf/d) | 49,906 | 46,860 | 43,328 | 45,478 | 38,093 |
| Total boe/d | 43,657 | 41,142 | 41,051 | 41,728 | 34,188 |
| % Oil and NGLs | 81% | 81% | 82% | 82% | 81% |
| Average realized prices | | | | | |
| Crude oil (\$/bbl) | 72.52 | 81.71 | 89.13 | 81.05 | 92.63 |
| NGLs (\$/bbl) | 38.72 | 37.49 | 46.74 | 41.84 | 44.89 |
| Natural gas (\$/mcf) | 2.44 | 0.67 | 1.41 | 1.84 | 1.43 |
| Processing expenses (\$/boe) | (0.21) | (0.30) | (0.27) | (0.25) | (0.31) |
| Petroleum and natural gas sales (\$/boe) | 58.15 | 62.18 | 71.18 | 64.59 | 72.59 |
| Operating netback (\$/boe) | | | | | |
| Petroleum and natural gas sales | 58.15 | 62.18 | 71.18 | 64.59 | 72.59 |
| Royalties | (6.65) | (7.70) | (8.71) | (7.75) | (9.12) |
| Net operating expenses ⁽¹⁾ | (19.24) | (19.24) | (18.35) | (19.09) | (19.01) |
| Transportation expenses | (1.57) | (1.49) | (1.07) | (1.57) | (1.39) |
| Operating netback ⁽¹⁾ | 30.69 | 33.75 | 43.05 | 36.18 | 43.07 |
| Realized gain (loss) on derivatives | 3.32 | 0.22 | (2.64) | 0.23 | (5.33) |
| Operating netback, net of derivatives ⁽¹⁾ | 34.01 | 33.97 | 40.41 | 36.41 | 37.74 |

⁽¹⁾ See Non-GAAP and Other Financial Measures.

ACQUISITIONS AND DISPOSITIONS

Clearview Resources Ltd.

On October 20, 2025, the Company completed the acquisition of Clearview Resources Ltd. (the “Clearview Acquisition”) for total cash consideration of \$22.7 million. The Company passed the optional IFRS 3 *Business Combinations* (“IFRS 3”) concentration test which resulted in the acquisition being recorded at cost with associated capitalized transaction costs of \$0.4 million.

Southeast Saskatchewan Acquisition

On July 31, 2025, the Company acquired certain oil and gas properties primarily in Southeast Saskatchewan for approximately \$63.4 million (the “Southeast Saskatchewan Acquisition”). The Company passed the optional IFRS 3 concentration test which resulted in the acquisition being recorded at cost with associated capitalized transaction costs of \$1.9 million.

Capital Energy Corp

On June 6, 2025, the Company completed the acquisition of Capital Energy Corp. (the “CEC Acquisition”) for total cash consideration of \$4.5 million. The Company passed the optional IFRS 3 concentration test which resulted in the acquisition being recorded at cost with associated capitalized transaction costs of \$0.7 million.

Brazeau Acquisition

On October 1, 2024, the Company acquired certain oil and gas properties in the Brazeau area of Alberta (the “Brazeau Acquisition”). 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. The Company passed the optional IFRS 3 concentration test which resulted in the acquisition being recorded at cost.

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 (the “Swan Hills Disposition”) for cash consideration of \$25.1 million with a carrying value of \$25.6 million resulting in a loss of \$0.5 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 passed the optional IFRS 3 concentration test which resulted in the acquisition being recorded at cost.

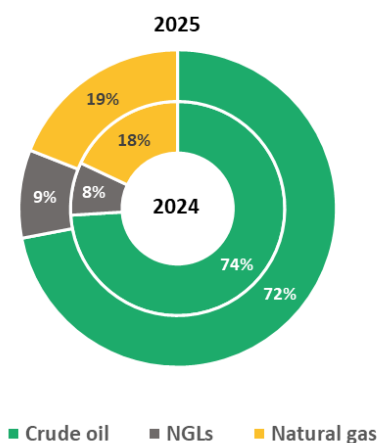
PRODUCTION

| | Three months ended | | | Year ended | |
|------------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Crude oil (bbls/d) ⁽¹⁾ | 31,287 | 29,152 | 30,449 | 30,430 | 24,885 |
| NGLs (bbls/d) ⁽¹⁾ | 4,052 | 4,180 | 3,381 | 3,718 | 2,954 |
| Natural gas (mcf/d) ⁽¹⁾ | 49,906 | 46,860 | 43,328 | 45,478 | 38,093 |
| Total boe/d ⁽²⁾ | 43,657 | 41,142 | 41,051 | 41,728 | 34,188 |
| Oil and liquids % | 81% | 81% | 82% | 82% | 81% |

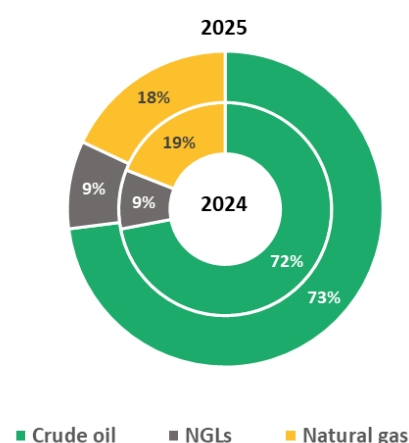
(1) “Crude oil” refers to light and medium crude oil and heavy crude oil combined. Natural gas liquids (“NGLs”) refers to ethane, propane, butane, and pentane combined. “Natural gas” refers to conventional natural gas. For further breakdown of crude oil and natural gas production volumes, refer to the “Product Type Information” section of this MD&A.

(2) Disclosure of production on a per boe basis in this MD&A consists of the constituent product types and their respective quantities disclosed in the “Product Type Information” section of this MD&A. Also refer to the “BOE Presentation” section of this MD&A.

**Production by Volume
Three Months Ended December 31,**



**Production by Volume
Year Ended December 31,**



For the three months and year ended December 31, 2025, production volumes increased to 43,657 boe/d and 41,728 boe/d respectively from 41,051 boe/d and 34,188 boe/d in the comparative 2024 periods. The increase is attributed to production contributions from acquisitions completed during 2025 and new well production additions from the 2025 development capital program, which more than offset natural well declines. The Southeast Saskatchewan Acquisition increased the amount of natural gas volumes in the production mix, reducing the crude oil and liquids ratio to 81% in the fourth quarter of 2025 from 82% in the comparative quarter of 2024.

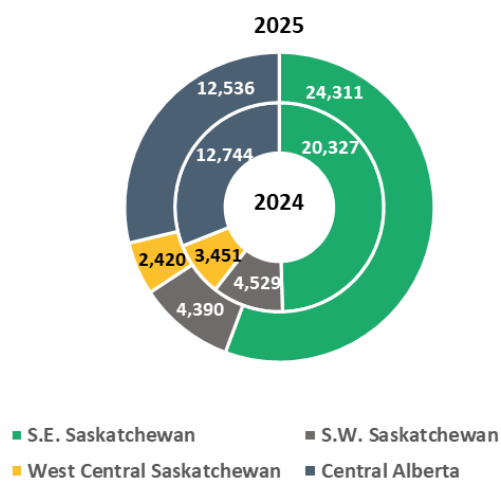
Production volumes increased by 2,515 boe/d during the three months ended December 31, 2025 compared to the three months ended September 30, 2025, due to a full quarter of production contribution from wells added in the Southeast Saskatchewan Acquisition, production additions from the Clearview Acquisition, and new well development during the fourth quarter, partially offset by natural declines.

The following table summarizes Saturn’s average production by business unit for the three months and year ended December 31, 2025 and 2024:

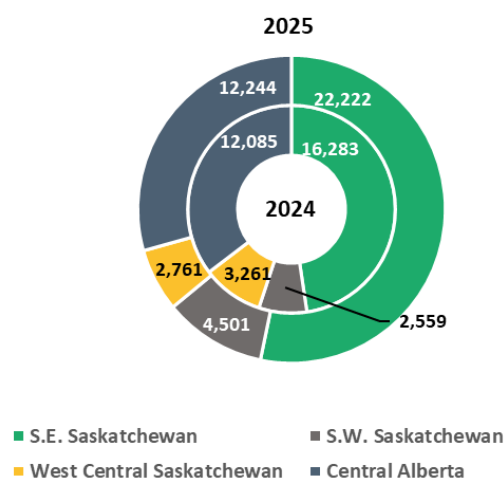
| | Three months ended December 31, 2025 | | | | Three months ended December 31, 2024 | | | |
|---------------------------|--------------------------------------|---------------|---------------------|---------------|--------------------------------------|---------------|---------------------|---------------|
| | Crude oil (bbls/d) | NGLs (bbls/d) | Natural gas (mcf/d) | Total (boe/d) | Crude oil (bbls/d) | NGLs (bbls/d) | Natural gas (mcf/d) | Total (boe/d) |
| Southeast Saskatchewan | 19,632 | 2,228 | 14,704 | 24,311 | 17,387 | 1,610 | 7,979 | 20,327 |
| Southwest Saskatchewan | 4,358 | 1 | 185 | 4,390 | 4,491 | 2 | 218 | 4,529 |
| West Central Saskatchewan | 2,285 | 29 | 638 | 2,420 | 3,356 | 25 | 419 | 3,451 |
| Central Alberta | 5,012 | 1,794 | 34,379 | 12,536 | 5,215 | 1,744 | 34,712 | 12,744 |
| Total boe/d | 31,287 | 4,052 | 49,906 | 43,657 | 30,449 | 3,381 | 43,328 | 41,051 |

| | Year ended December 31, 2025 | | | | Year ended December 31, 2024 | | | |
|---------------------------|------------------------------|---------------|---------------------|---------------|------------------------------|---------------|---------------------|---------------|
| | Crude oil (bbls/d) | NGLs (bbls/d) | Natural gas (mcf/d) | Total (boe/d) | Crude oil (bbls/d) | NGLs (bbls/d) | Natural gas (mcf/d) | Total (boe/d) |
| Southeast Saskatchewan | 18,407 | 2,006 | 10,853 | 22,222 | 14,023 | 1,255 | 6,031 | 16,283 |
| Southwest Saskatchewan | 4,470 | 1 | 180 | 4,501 | 2,545 | - | 83 | 2,559 |
| West Central Saskatchewan | 2,603 | 30 | 767 | 2,761 | 3,150 | 27 | 502 | 3,261 |
| Central Alberta | 4,950 | 1,681 | 33,678 | 12,244 | 5,167 | 1,672 | 31,477 | 12,085 |
| Total boe/d | 30,430 | 3,718 | 45,478 | 41,728 | 24,885 | 2,954 | 38,093 | 34,188 |

Production by Area
Three Months Ended December 31,



Production by Area
Year Ended December 31,



Southeast Saskatchewan

The Company's core producing properties in Southeast Saskatchewan include our Oxbow assets, which are geologically concentrated within the Mississippian-aged, Midale and Frobisher oil formations and also the Bakken and Flat Lake assets geologically concentrated in the Bakken formation of Southeast Saskatchewan. For the three months ended December 31, 2025, Southeast Saskatchewan produced 24,311 boe/d, an increase of 20% from 20,327 boe/d in the prior year comparative period. The increase is attributed to acquired production and new well production from our 2025 capital program. For the year ended December 31, 2025, Southeast Saskatchewan produced 22,222 boe/d, an increase of 36% from 16,283 boe/d in the 2024 comparative period. The increase is primarily attributed to a full year of production contribution from the Flat Lake assets acquired as part of the South Saskatchewan Acquisition in June 2024, which contributed an average of 7,191 boe/d during 2025 compared to an average of 4,254 boe/d in 2024.

Southwest Saskatchewan

The core producing properties in Southwest Saskatchewan include our low decline oil-weighted Battrum assets, which are geologically concentrated within the Success and Roseray formations. For the three months ended December 31, 2025, Southwest Saskatchewan produced 4,390 boe/d compared to 4,529 boe/d in the prior year comparative period. The decrease is attributed to natural well declines on account of limited new well development in this business unit during 2025. For the year ended December 31, 2025, Southwest Saskatchewan produced 4,501 boe/d compared to 2,559 boe/d in the 2024 comparative period. The increase is primarily attributed to a full year of production contribution from the Battrum assets acquired as part of the South Saskatchewan Acquisition in June 2024.

West Central Saskatchewan

The core producing properties in West Central Saskatchewan consist of our Viking assets, which produced 2,420 boe/d for the three months ended December 31, 2025, compared to 3,451 boe/d in the prior year comparative period. For the year ended December 31, 2025, West Central Saskatchewan produced 2,761 boe/d, a decrease of 15% from 3,261 boe/d in the comparative 2024 period. The decrease is attributed to natural declines exceeding new well production on account of reduced development capital directed towards the West Central Saskatchewan business unit during 2025.

Central Alberta

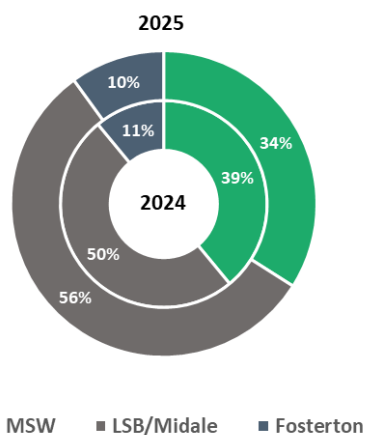
The core producing properties in Central Alberta consist of our Cardium assets and our Kaybob assets located in the Montney formation. For the three months ended December 31, 2025, Central Alberta produced 12,536 boe/d, which was slightly below production of 12,744 boe/d in the prior year comparative period as natural well declines more than offset production additions from new well development and the Clearview Acquisition. For the year ended December 31, 2025, Central Alberta produced 12,244 boe/d, an increase of 1% from 12,085 boe/d in the 2024 comparative period. The increase is attributed to new well production additions in the Cardium and in Kaybob during the second half of 2025, which offset the impact of natural declines.

BENCHMARK AND REALIZED PRICES

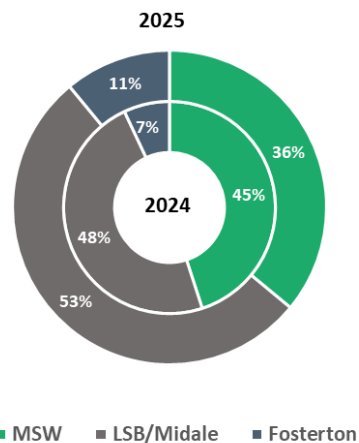
| | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|---|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Average benchmark prices | | | | | |
| WTI (US\$/bbl) ⁽¹⁾ | 59.14 | 64.95 | 70.27 | 64.77 | 75.72 |
| Exchange rate (US\$/CA\$) | 1.39 | 1.38 | 1.40 | 1.40 | 1.37 |
| WTI (CA\$/bbl) | 82.49 | 89.44 | 98.31 | 90.59 | 103.70 |
| MSW (\$/bbl) ⁽²⁾ | 76.57 | 86.41 | 94.90 | 85.58 | 97.56 |
| Midale (\$/bbl) ⁽³⁾ | 74.50 | 82.43 | 91.41 | 82.81 | 94.01 |
| LSB (\$/bbl) ⁽⁴⁾ | 75.50 | 84.77 | 92.55 | 84.13 | 95.56 |
| Fosterton (\$/bbl) ⁽⁵⁾ | 67.98 | 76.34 | 81.72 | 76.14 | 85.06 |
| WCS (\$/bbl) ⁽⁶⁾ | 66.87 | 75.15 | 80.75 | 75.01 | 83.53 |
| AECO (\$/mcf) ⁽⁷⁾ | 2.23 | 0.66 | 1.48 | 1.68 | 1.46 |
| Average differentials | | | | | |
| MSW (US\$/bbl) ⁽²⁾ | (4.25) | (2.20) | (2.43) | (3.56) | (4.51) |
| WCS (US\$/bbl) ⁽⁶⁾ | (11.21) | (10.37) | (12.56) | (11.13) | (14.75) |
| Midale (\$/bbl) ⁽³⁾ | (8.00) | (7.01) | (6.90) | (7.78) | (9.69) |
| LSB (\$/bbl) ⁽⁴⁾ | (6.99) | (4.67) | (5.76) | (6.45) | (8.14) |
| Average realized prices | | | | | |
| Crude oil (\$/bbl) | 72.52 | 81.71 | 89.13 | 81.05 | 92.63 |
| NGLs (\$/bbl) | 38.72 | 37.49 | 46.74 | 41.84 | 44.89 |
| Natural gas (\$/mcf) | 2.44 | 0.67 | 1.41 | 1.84 | 1.43 |
| Processing expenses (\$/boe) | (0.21) | (0.30) | (0.27) | (0.25) | (0.31) |
| Petroleum and natural gas sales (\$/boe) | 58.15 | 62.18 | 71.18 | 64.59 | 72.59 |

- (1) West Texas Intermediate (“WTI”)
- (2) Mixed Sweet Blend (“MSW”) Par at Edmonton
- (3) Midale Par at Cromer
- (4) Light Sour Blend (“LSB”) Par at Cromer
- (5) Fosterton Par at Regina
- (6) Western Canadian Select (“WCS”) at Hardisty
- (7) Alberta Energy Company (“AECO”) 5A Daily Index Price for natural gas

Crude Oil Sales by Index
Three Months Ended December 31,



Crude Oil Sales by Index
Year Ended December 31,



For the three months and year ended December 31, 2025, the Company realized an average combined price for petroleum and natural gas sales of \$58.15 per boe and \$64.59 per boe versus \$71.18 per boe and \$72.59 per boe in the comparative 2024 periods. The decrease in average combined price was primarily due to weakness in benchmark crude oil prices.

Most of the Company's revenue is from the sale of crude oil which varies based on sales point and certain par prices. The Company's realized price for crude oil from Southeast Saskatchewan is primarily based on the LSB and Midale par prices at Cromer which historically trades at a small discount to the MSW par price at Edmonton. Realized prices for heavier crude oil produced by our Battrum assets in Southwest Saskatchewan are based on Fosterton which historically trades at a small premium to the WCS par price at Hardisty. Realized prices for crude oil in Central Alberta and West Central Saskatchewan are primarily based on the MSW par price at Edmonton.

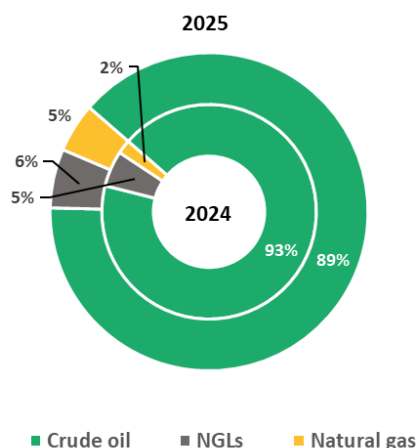
The Company's average realized oil price for the three months ended December 31, 2025 was \$72.52 per bbl, a 19% decrease from \$89.13 per bbl in the prior year comparative period. The Company's average realized oil price for the year ended December 31, 2025 was \$81.05 per bbl, a 13% decrease from \$92.63 per bbl in the comparative 2024 period. The decrease in realized pricing for 2025 is consistent with the decrease in US\$WTI crude oil benchmark price, partially offset by the impact of a weaker Canadian dollar on crude oil sales denominated in US dollars and narrower Canadian crude oil differentials. The Company's average realized oil price decreased 11% during the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due primarily to a decrease in the US\$WTI benchmark price and widening Canadian crude oil differentials.

PETROLEUM AND NATURAL GAS SALES

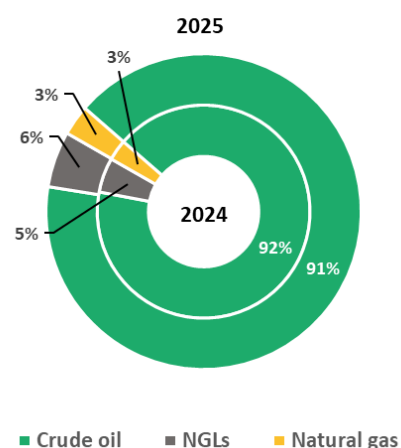
| (\$000s) | Three months ended | | | Year ended | |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Crude oil | 208,749 | 219,149 | 249,690 | 900,197 | 843,704 |
| NGLs | 14,435 | 14,415 | 14,541 | 56,783 | 48,533 |
| Natural gas | 11,210 | 2,900 | 5,637 | 30,592 | 19,947 |
| Gross petroleum and natural gas sales ⁽¹⁾ | 234,394 | 236,464 | 269,868 | 987,572 | 912,184 |
| Less: Processing expenses | (840) | (1,120) | (1,023) | (3,881) | (3,888) |
| Petroleum and natural gas sales | 233,554 | 235,344 | 268,845 | 983,691 | 908,296 |

(1) See "Non-GAAP and Other Financial Measures".

Petroleum and Natural Gas Sales
Three Months Ended December 31,



Petroleum and Natural Gas Sales
Year Ended December 31,



Gross petroleum and natural gas sales decreased for the three months ended December 31, 2025 compared to the prior year comparative period, due to lower average realized commodity prices, partially offset by increased volumes. Gross petroleum and natural gas sales increased for the ended December 31, 2025 compared to 2024, due to increased volumes, partially offset by lower average realized commodity prices.

Gross petroleum and natural gas sales decreased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due primarily to the decrease in average realized crude oil prices from the decrease in US\$WTI benchmark price and wider Canadian crude oil differentials, partially offset by increased natural gas prices driven by higher AECO benchmark pricing and the increase in production volumes. Certain gas processing expenses are deducted from gross realized prices received due to product custody transfer at the gas processing terminal inlet. The Company presents this on a gross and net basis to demonstrate the actual realized prices received prior to netting. The above adjustments do not have an impact on the Company's operating netback.

ROYALTIES

| (\$000s, except per boe amounts) | Three months ended | | | Year ended | |
|---|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Royalties | 26,710 | 29,134 | 32,881 | 117,976 | 114,080 |
| % of gross petroleum and natural gas sales ⁽¹⁾ | 11.4% | 12.3% | 12.2% | 11.9% | 12.5% |
| \$ per boe | 6.65 | 7.70 | 8.71 | 7.75 | 9.12 |

(1) See "Non-GAAP and Other Financial Measures".

Royalties decreased for the three months ended December 31, 2025 compared to prior year, on a total basis, consistent with lower petroleum and natural gas sales. Royalties increased for the year ended December 31, 2025 compared to prior year, on a total basis, due to higher petroleum and natural gas sales. Royalties as a percentage of gross petroleum and natural gas sales decreased for the three months and year ended December 31, 2025 compared to prior year, due to royalty incentives on newer wells in Alberta and the impact of the sliding scale royalty framework from lower commodity pricing. Royalties decreased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due to lower crude oil sales and decreased royalty rate associated with royalty incentives on new wells drilled in Alberta during the fourth quarter. Saturn pays royalties to the provincial governments, freehold landowners and other third parties by way of contractual overriding royalties.

NET OPERATING EXPENSES

| (\$000s, except per boe amounts) | Three months ended | | | Year ended | |
|---------------------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Operating expenses | 81,040 | 77,620 | 72,443 | 306,704 | 250,394 |
| Less: processing income | (3,768) | (4,789) | (3,136) | (15,934) | (12,499) |
| Net operating expenses ⁽¹⁾ | 77,272 | 72,831 | 69,307 | 290,770 | 237,895 |
| \$ per boe ⁽¹⁾ | 19.24 | 19.24 | 18.35 | 19.09 | 19.01 |

(1) See "Non-GAAP and Other Financial Measures".

Net operating expenses increased for the three months and year ended December 31, 2025 compared to prior year, due to increased costs associated with expanded field activity following the Southeast Saskatchewan Acquisition. Net operating expenses per boe increased for the three months and year ended December 31, 2025 compared to prior year, due to higher initial operating costs associated with the Southeast Saskatchewan Acquisition and the Clearview Acquisition. Net operating expenses increased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due to expanded operations with the Clearview Acquisition. Net operating expenses per boe remained flat compared to the three months ended September 30, 2025 due to added fixed costs associated with the Clearview Acquisition which offset the dilutive effect of adding production.

TRANSPORTATION EXPENSES

| (\$000s, except per boe amounts) | Three months ended | | | Year ended | |
|----------------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Transportation expenses | 6,317 | 5,639 | 4,056 | 23,878 | 17,370 |
| \$ per boe | 1.57 | 1.49 | 1.07 | 1.57 | 1.39 |

Transportation expenses increased for the three months and year ended December 31, 2025 compared to prior year, on a total basis, due to the increase in pipeline tariffs and clean oil trucking costs associated with increased production volumes as a result of the South Saskatchewan Acquisition. Transportation expenses increased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due to a full quarter of pipeline tariffs and clean oil trucking costs associated with properties added in the South Saskatchewan Acquisition. Certain pipeline shipping arrangements result in pipeline tariffs being included in transportation expenses. Conversely, pipeline tariffs incurred by commodity purchasers subsequent to delivery of the Company's product are charged back to Saturn and are netted against petroleum and natural gas sales.

RISK MANAGEMENT AND COMMODITY FINANCIAL DERIVATIVES

| (\$000s, except per boe amounts) | Three months ended | | | Year ended | |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Realized gain (loss) on derivatives | 13,345 | 825 | (9,985) | 3,498 | (66,715) |
| Unrealized gain (loss) on derivatives | 8,055 | (6,333) | (25,980) | 67,492 | (20,994) |
| Realized gain (loss) on derivatives \$ per boe | 3.32 | 0.22 | (2.64) | 0.23 | (5.33) |

The Company uses commodity risk management contracts which are classified as financial derivatives to manage exposure to commodity price volatility. Details of open commodity contracts as at December 31, 2025 are described in the "Market Risk" section below. Unrealized gains on derivatives reflect a non-cash increase in value resulting from a decline in future estimated commodity prices relative to the Company's contract positions. Realized gains occur on commodity derivative contracts when market prices for crude oil or natural gas settle at levels below those set in the Company's derivative contracts. Realized gains occur on differential derivative contracts when crude oil differentials settle at levels above those set in the Company's derivative contracts.

For the three months ended December 31, 2025, the Company realized a gain on its financial commodity contracts of \$13.3 million, compared to a loss of \$10.0 million in the prior year comparative period. The realized gain on derivatives reflects the decrease in market prices from those in the comparative 2024 period. For the year ended December 31, 2025, the Company realized a gain on its financial commodity contracts of \$3.5 million, compared to a loss of \$66.7 million in the prior year period. The realized gain on derivatives reflects the decrease in market prices from those in the comparative 2024 period. The increase in realized gain on derivatives during the three months ended December 31, 2025 compared to the three months ended September 30, 2025 is due to the decrease in market prices combined with the favourable impact of widening crude oil differentials on our differential derivative contracts.

Saturn has not designated any financial commodity contracts as hedges, and as a result the unrealized gains and losses reflect the non-cash change in the mark-to-market values period over period. At December 31, 2025, the outstanding financial commodity contracts had a net asset value of \$26.8 million (December 31, 2024 - \$43.2 million liability).

GENERAL AND ADMINISTRATIVE EXPENSES

| (\$000s, except per boe amounts) | Three months ended | | | Year ended | |
|-------------------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| General and administrative expenses | 6,567 | 5,625 | 2,766 | 23,401 | 12,483 |
| \$ per boe | 1.64 | 1.49 | 0.73 | 1.54 | 1.00 |

General and administrative ("G&A") expenses increased for the three months and year ended December 31, 2025, due to increased personnel and office related costs as a result of the Company's growth combined with the decrease in capital overhead recoveries resulting from the reduction in development capital spending compared to the prior year. G&A expenses increased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025, due to increased personnel costs associated with increased employees and contractors.

DEPLETION, DEPRECIATION AND AMORTIZATION

| (\$000s, except per boe amounts) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|--|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Depletion, depreciation and amortization | 79,921 | 73,710 | 75,150 | 300,369 | 229,028 |
| \$ per boe | 19.90 | 19.47 | 19.90 | 19.72 | 18.30 |

Saturn records depletion, depreciation and amortization (“DD&A”) on its property, plant and equipment (“PP&E”) over the useful lives of the assets employing the unit of production method using proved plus probable oil and natural gas reserves and associated future development capital required for its petroleum and natural gas assets, and a straight line method for its corporate administrative assets.

DD&A expense increased for the three months and year ended December 31, 2025 compared to prior year, due to an increase in the carrying value of PP&E attributed to the Company’s acquisitions and associated increase in production volumes. The increase in DD&A on a per boe basis for the three months and year ended December 31, 2025 compared to prior year, reflects a higher relative increase in the depletable base compared to reserve value as a result of the Company’s acquisitions. DD&A expense increased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due to increased production volumes.

SHARE BASED PAYMENTS

| (\$000s, except per boe amounts) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|----------------------------------|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Share based payments | 2,366 | 2,252 | 3,075 | 9,818 | 10,351 |
| \$ per boe | 0.59 | 0.59 | 0.81 | 0.64 | 0.83 |

The Company has an omnibus Long Term Incentive Plan, under which it is authorized to grant stock options, restricted share units (“RSUs”), deferred share units (“DSUs”) and performance share units (“PSUs”) to directors, officers, employees and consultants of Saturn.

Share based payments expense decreased for the three months and year ended December 31, 2025 compared to prior year, due to graded vesting of performance warrants granted in January 2023, partially offset by annual grants of RSUs, PSUs and DSUs in 2025. Share based payments expense increased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due to additional grants of RSUs to new employees in the fourth quarter of 2025.

FINANCING EXPENSES

| (\$000s) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|--|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Interest expense, cash | 20,332 | 20,652 | 24,135 | 84,920 | 85,190 |
| Interest income | (175) | (363) | (909) | (1,612) | (2,714) |
| Amortization of original issue discount and debt issue costs | 1,216 | 933 | 803 | 3,714 | 2,926 |
| Accretion, debt instruments | - | - | - | - | 22 |
| Accretion, leases | 1,758 | 1,800 | 1,968 | 7,357 | 5,399 |
| Accretion, decommissioning obligations | 5,073 | 4,962 | 3,934 | 17,773 | 14,824 |
| Financing expenses | 28,204 | 27,984 | 29,931 | 112,152 | 105,647 |

Financing expenses decreased for the three months ended December 31, 2025 compared to prior year, due to lower debt service costs on the Company's Senior Notes associated with a reduced principal balance following debt repayments made throughout 2025, partially offset by non-cash amortization and accretion charges. Financing expenses increased for the year ended December 31, 2025 compared to 2024, primarily due to increased accretion on leases attributed to a third party gas handling agreement entered into during the third quarter of 2024, which qualified for lease recognition and a full year of accretion on decommissioning obligations that were added as part of the South Saskatchewan Acquisition.

FOREIGN EXCHANGE

| (\$000s, except per boe amounts) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|--|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Realized gain (loss) on foreign exchange | 10,837 | 267 | 1,457 | 14,284 | 2,081 |
| Unrealized gain (loss) on foreign exchange | 4,654 | (8,982) | (34,982) | 22,205 | (22,365) |
| Foreign exchange gain (loss) | 15,491 | (8,715) | (33,525) | 36,489 | (20,284) |

The Company is exposed to fluctuations in the US dollar to Canadian dollar exchange rate with respect to its US dollar denominated Senior Notes and financial derivatives. Unrealized foreign exchange gains (losses) reflect a non-cash change in value of the Senior Notes upon translation from US dollars to Canadian dollars at the end of each reporting period. Realized foreign exchange gains (losses) occur upon principal repayment of US dollar denominated Senior Notes or settlement of US dollar denominated commodity derivative contracts.

For the three months and year ended December 31, 2025, the Company realized foreign exchange gains of \$10.8 million and \$14.3 million respectively, compared to foreign exchange gains of \$1.5 million and \$2.1 million in the prior year comparative periods. The increase in realized foreign exchange gain is due to the monetization of foreign exchange risk management contracts during the fourth quarter of 2025, resulting in a realized gain on settlement of \$10.7 million.

For the three months and year ended December 31, 2025, the Company recorded an unrealized foreign exchange gain of \$4.7 million and \$22.2 million respectively, compared to an unrealized foreign exchange loss of \$35.0 million and \$22.4 million in the prior year comparative period. The unrealized foreign exchange gain is due to the impact of a stronger Canadian dollar on the Senior Notes at December 31, 2025 compared to December 31, 2024.

GAIN ON REPAYMENT OF SENIOR NOTES

During the year ended December 31, 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.

LOSS ON DEBT EXTINGUISHMENT

On June 14, 2024, the Company early retired its senior term loan ("Senior Term Loan") with a principal amount outstanding of \$364.7 million and associated early retirement fees of \$27.4 million paid to the lender. In addition, \$4.3 million of non-cash original issue discount and debt issue costs were accelerated and expensed in profit or loss.

DEFERRED TAXES

For the three months and year ended December 31, 2025, the Company recognized deferred tax expense of \$11.9 million and \$48.3 million respectively, compared to deferred tax expense of \$3.8 million and \$13.7 million in the comparative 2024 period. The deferred tax expense relates to the non-cash change in the Company's deferred tax liabilities, resulting from the change in unrealized derivative contracts during the year.

FINANCIAL RESULTS OF OPERATIONS

| (\$000s, except per boe amounts) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|-------------------------------------|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Cash flow from operating activities | 76,065 | 126,097 | 91,157 | 457,399 | 311,937 |
| per share - Basic | 0.41 | 0.65 | 0.45 | 2.37 | 1.72 |
| - Diluted | 0.38 | 0.62 | 0.44 | 2.24 | 1.68 |
| Adjusted funds flow ⁽¹⁾ | 120,697 | 103,282 | 129,205 | 463,954 | 380,091 |
| per share - Basic ⁽¹⁾ | 0.64 | 0.54 | 0.64 | 2.40 | 2.10 |
| - Diluted ⁽¹⁾ | 0.61 | 0.51 | 0.63 | 2.28 | 2.05 |
| Free funds flow ⁽¹⁾ | 55,933 | 15,943 | 23,785 | 222,714 | 133,775 |
| per share - Basic ⁽¹⁾ | 0.30 | 0.08 | 0.12 | 1.15 | 0.74 |
| - Diluted ⁽¹⁾ | 0.28 | 0.08 | 0.12 | 1.09 | 0.72 |
| Net income (loss) | 31,230 | 3,466 | (26,318) | 167,569 | 54,106 |
| per share - Basic | 0.17 | 0.02 | (0.13) | 0.87 | 0.30 |
| - Diluted | 0.16 | 0.02 | (0.13) | 0.82 | 0.29 |

(1) See "Non-GAAP and Other Financial Measures".

Adjusted funds flow decreased for the three months ended December 31, 2025 compared to prior year, due to decreased petroleum and natural gas sales, increased net operating expense and increased transportation expense, offset in part by a realized gain on derivatives compared to a realized loss previously, increased realized foreign exchange gain and decreased royalties.

Adjusted funds flow increased for the year ended December 31, 2025 compared to prior year, due to increased petroleum and natural gas sales, increased realized foreign exchange gain and a realized gain on derivatives compared to a loss previously, offset in part by increased royalties, increased net operating expense and increased transportation expense.

Adjusted funds flow increased during the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due to an increased realized gain on derivatives, an increased realized foreign exchange gain, and decreased royalties, offset in part by decreased petroleum and natural gas sales, increased net operating expenses, and increased transportation expenses.

Net income increased for the three months ended December 31, 2025 compared to the prior year, primarily due to realized and unrealized gains on derivatives compared to realized and unrealized losses on in the prior year period, an unrealized foreign exchange gain on the Company's Senior Notes compared to an unrealized loss in the prior year period, offset by decreased petroleum and natural gas sales, increased net operating expense and increased DD&A.

Net income increased for the year ended December 31, 2025 compared to the prior year, due to increased petroleum and natural gas sales, realized and unrealized gains on derivatives compared to realized and unrealized losses in the prior year, an unrealized foreign exchange gain on the Company's Senior Notes compared to an unrealized loss in the prior year, no transaction costs, and no loss on debt extinguishment, offset by increased DD&A, increased net operating expense and a gain recognized on the South Saskatchewan Acquisition in the prior year.

Net income increased for the three months ended December 31, 2025 compared to the three months ended September 30, 2025, due to an increased realized gain on derivatives, an unrealized gain on derivative contracts compared to an unrealized loss previously, and an unrealized foreign exchange gain on the Company's Senior Notes compared to an unrealized loss previously, partially offset by increased DD&A and increased net operating expense.

CAPITAL EXPENDITURES

| (\$000s) | Three months ended | | | | Year ended |
|---|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Drilling and Completions | 52,363 | 58,088 | 76,063 | 168,840 | 183,403 |
| Facilities | 10,938 | 8,676 | 21,654 | 41,926 | 40,515 |
| Land and lease | (158) | 18,160 | 3,299 | 20,270 | 8,368 |
| Seismic | 257 | 69 | 792 | 1,677 | 1,149 |
| F&D expenditures⁽¹⁾ | 63,400 | 84,993 | 101,808 | 232,713 | 233,435 |
| Capitalized G&A and other | 1,364 | 2,346 | 3,612 | 8,527 | 12,881 |
| Capital expenditures | 64,764 | 87,339 | 105,420 | 241,240 | 246,316 |
| Capitalized G&A and other | (1,364) | (2,346) | (3,612) | (8,527) | (12,881) |
| Corporate acquisition, net of cash acquired | 23,469 | - | - | 28,500 | 8,319 |
| Property acquisitions | - | 65,212 | 26,011 | 65,313 | 556,088 |
| Property disposition | - | - | 576 | - | (25,132) |
| FD&A expenditures⁽¹⁾ | 86,869 | 150,205 | 128,395 | 326,526 | 772,710 |

(1) Finding and development (“F&D”) and finding, development and acquisition (“FD&A”) expenditures. See “Non-GAAP and Other Financial Measures”.

Capital expenditures decreased for the three months ended December 31, 2025, compared to the fourth quarter of 2024, due primarily to decreased drilling and completions activity and reduced spending on facilities in light of the prevailing commodity price environment and current market conditions.

Capital expenditures decreased for the year ended December 31, 2025, compared to prior year, due to a decreased drilling program, offset by increased facility infrastructure development and increased land expenditures. The Company’s operated drilling program was heavily focused on development in Southeast Saskatchewan. Facility expenditures during the year included continued investment in our waterflood projects. Land expenditures during the year consisted primarily of crown land purchases in Saskatchewan.

Capital expenditures decreased during the three months ended December 31, 2025 compared to the three months ended September 30, 2025 due primarily to the decrease in crown land expenditures.

During the three months ended December 31, 2025, the Company drilled 30 gross (22.1 net) wells: 20 in Southeast Saskatchewan; six in Southwest Saskatchewan, and four in Central Alberta compared to 33 gross (26.2 net) wells in the prior year comparative period: 22 in Southeast Saskatchewan; four in Southwest Saskatchewan; one in West Central Saskatchewan; and six in Central Alberta.

During the year ended December 31, 2025, the Company drilled 93 gross (71.4 net) wells: 70 in Southeast Saskatchewan; seven in Southwest Saskatchewan; five in West Central Saskatchewan; and eleven in Central Alberta compared to 97 gross (81.6 net) wells in the prior year comparative period: 54 in Southeast Saskatchewan; four in Southwest Saskatchewan; 23 in West Central Saskatchewan; and 16 in Central Alberta.

| | Three months ended December 31, | | | | Year ended December 31, | | | |
|---------------|---------------------------------|------|-------|------|-------------------------|------|-------|------|
| | 2025 | | 2024 | | 2025 | | 2024 | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| Wells drilled | 30 | 22.1 | 33 | 26.2 | 93 | 71.4 | 97 | 81.6 |

CAPITAL RESOURCES AND LIQUIDITY

Senior Secured Notes

The Company has US\$536.3 million of Senior Notes outstanding (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 December 31, 2025, the principal balance on the Senior Notes was \$735.0 million (US\$536.3 million). The mandatory repayments are 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, at any time and from time to time, seek to retire or purchase our outstanding debt through cash purchases and/or exchanges, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Revolving Credit Facility

At December 31, 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 credit agreement (the "Credit Agreement") governing the Credit Facility includes an additional \$100.0 million accordion feature allowing for the expansion up to \$250.0 million in total, subject to certain conditions. The Credit Facility is committed on a revolving basis until June 30, 2027, at which time it may be extended at the lenders' option. 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 June 30, 2026.

As at December 31, 2025, the Company had \$34.5 million drawn on the Credit Facility. 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, or Secured Overnight Financing Rate 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.

There were no 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 December 31, 2025, \$10.8 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.

Liquidity

| (\$000s) | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
| Credit Facility ⁽¹⁾ | 115,467 | 150,000 |
| Adjusted working capital (deficit) surplus ⁽²⁾ | (2,966) | 14,433 |
| Total Liquidity | 112,501 | 164,433 |

(1) Represents \$34.5 million drawn on the \$150.0 million Credit Facility (December 31, 2024 - \$nil).

(2) Adjusted working capital is calculated as cash, accounts receivable, deposits and prepaids net of accounts payable.

The Company relies on a combination of internal profitability measured by adjusted funds flow, undrawn balance on its Credit Facility, debt financing and equity issuances to fund its capital requirements and provide liquidity. To the extent possible, Saturn has attempted to mitigate certain risks by entering into financial derivative commodity and foreign exchange contracts to reduce the financial impact of downward commodity price movements on a portion of the Company's anticipated production and the financial impact of Canadian dollar weakness upon settlement of the Company's US denominated debt. Future liquidity depends primarily on profitability and the ability to access debt and equity markets. All principal repayments on the Senior Notes that are due within twelve months are presented as current liabilities on the balance sheet with the remainder classified as non-current. The Company believes that the capital structure of the Company coupled with the projected adjusted funds flow will satisfy continuing operations.

Net Debt, Enterprise Value and Leverage

Management considers net debt a key measure in assessing the Company's liquidity. Saturn's net debt totaled \$761.5 million as at December 31, 2025 compared to \$860.2 million as at December 31, 2024. The Company's net debt to annualized quarterly adjusted funds flow was 1.6x as at December 31, 2025.

| (\$000s) | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
| Net debt ⁽¹⁾ | 761,476 | 860,155 |
| Total market capitalization ⁽²⁾ | 447,324 | 431,039 |
| Enterprise value ⁽¹⁾ | 1,208,800 | 1,291,194 |
| Net debt as a percentage of enterprise value | 63% | 67% |
| Annualized quarterly adjusted funds flow ⁽¹⁾ | 482,788 | 516,820 |
| Net debt to annualized quarterly adjusted funds flow ⁽¹⁾ | 1.6x | 1.7x |

(1) See "Non-GAAP and Other Financial Measures".

(2) Calculated as 184,083,623 Common shares outstanding as of December 31, 2025 multiplied by the TSX closing share price of \$2.43 per share on the last day of trading of the period.

Off-balance Sheet Transactions

The Company is not party to any material arrangements that would be excluded from the balance sheets other than disclosed in the "Commitments and Contractual Obligations" section of this MD&A.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

On August 25, 2025, the TSX approved the renewal of the Company's NCIB. Pursuant to the NCIB, the Company may purchase for cancellation, from time to time, as it considers advisable, up to a maximum of 12,078,583 common shares between August 27, 2025 and August 26, 2026.

For the three months ended, December 31, 2025, the Company repurchased 4,789,900 common shares under its NCIB at a weighted average price of \$2.58 per share for a cost of \$12.3 million. For the year ended December 31, 2025, the Company repurchased 12,841,768 common shares under its NCIB at a weighted average price of \$2.33 per share for a cost of \$29.9 million plus \$0.7 million in fees and taxes. Subsequent to December 31, 2025, the Company repurchased an additional 3,240,820 common shares at a weighted average price of \$3.09 per share for a total cost of \$10.0 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. The SIB expired on July 16, 2025 with 1,608,182 common shares being tendered and taken up under the SIB for an aggregate purchase price of \$3.5 million plus \$0.1 million in fees and taxes.

As at the date of this MD&A, December 31, 2025 and December 31, 2024, the following common shares are outstanding and/or remain issuable upon exercise of the underlying securities.

| (000s) Number of securities | March 11, 2026 | December 31, 2025 | December 31, 2024 |
|----------------------------------|----------------|-------------------|-------------------|
| Common shares outstanding | 180,809 | 184,084 | 199,555 |
| Warrants | - | - | 6,871 |
| Performance warrants | 7,000 | 7,000 | 7,000 |
| Restricted share units | 8,758 | 8,772 | 4,088 |
| Stock options | 579 | 589 | 718 |
| Deferred share units | 423 | 423 | - |
| Performance share units | 1,245 | 1,245 | 622 |
| Fully diluted shares outstanding | 198,814 | 202,113 | 218,854 |

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company has the following contractual obligations and commitments as at March 11, 2026:

| (\$000s) | Less than 1 year | 1-3 years | 3-5 years | Greater than 5 years | Total |
|----------------------------------|---------------------|----------------|----------------|-------------------------|------------------|
| Senior Notes ⁽¹⁾ | 89,089 | 178,178 | 467,716 | - | 734,983 |
| Credit Facility | - | 20,000 | - | - | 20,000 |
| Interest payments ⁽²⁾ | 72,680 | 119,454 | 24,467 | - | 216,601 |
| Lease liabilities ⁽³⁾ | 6,011 | 8,815 | 4,872 | 280 | 19,978 |
| Gas processing contracts | 12,532 | 23,567 | 20,729 | 42,280 | 99,108 |
| | 180,312 | 350,014 | 517,784 | 42,560 | 1,090,670 |

- (1) Represents the remaining principal amount of US\$536.3 million owing on the Company's Senior Notes converted at the period end exchange rate of 1.3706.
- (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 *Leases*

RISKS AND UNCERTAINTIES

Factors beyond Saturn's control may determine whether any oil and gas reserves the Company discovers are economically viable to be developed. The determination of whether petroleum and natural gas deposits are economic is affected by numerous factors beyond Saturn's control. These factors include market fluctuations for oil and gas; the costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of resources and environmental protection.

Land reclamation requirements for exploration and development properties may be burdensome. Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on companies in extractive industries such as oil and gas or mining in order to minimize long-term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance landforms and vegetation. In order to carry out reclamation obligations imposed on the Company in connection with ongoing exploration and development, Saturn must allocate financial resources that might otherwise be spent on further exploration and development programs.

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; shown in the "Market Risk" section below, 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.

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

favour 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.

Counterparties to financial instruments expose the Company to credit losses in the event of non-performance. Counterparties for derivative instrument transactions are limited to investment grade counterparties.

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 US dollar exchange rate. Prices for oil are determined in global markets and generally denominated in US 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 \$73.3 million change to net income before tax (December 31, 2024 – \$89.4 million) assuming all other variables remain constant. The exposure of realized price fluctuations of the US dollar and Canadian dollar exchange rate, serves as a natural hedge to US dollar denominated financial derivatives.

The Company is exposed to currency risk in relation to its US dollar denominated Senior Notes. To mitigate its exposure to changes in the Canadian to US dollar exchange rate, the Company has entered into foreign exchange contracts with respect to its US denominated interest and principal repayments.

The Company had the following outstanding foreign exchange contracts as at March 11, 2026:

| Period | Forward Rate Contracts- USD/CAD | | |
|---------|---------------------------------|--------|----------------------------|
| | Notional Amount (\$000s, US\$) | Rate | Contract Type |
| Q1 2026 | 17,100 | 1.3484 | Average rate currency swap |
| Q2 2026 | 43,500 | 1.3484 | Average rate currency swap |
| Q3 2026 | 17,100 | 1.3484 | Average rate currency swap |
| Q4 2026 | 41,900 | 1.3484 | Average rate currency swap |
| Q1 2027 | 17,100 | 1.3484 | Average rate currency swap |
| Q2 2027 | 23,300 | 1.3484 | Average rate currency swap |

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.

Market Risk

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 realized and unrealized gains and losses are recognized on the statement of income and comprehensive income net of option premiums. The Company assesses the effects of movement in commodity prices on income before tax. A ten percent increase or decrease in commodity prices would have resulted in a \$18.8 million change to unrealized gains or (losses) on risk management contracts and net income (loss) before tax assuming all other variables remain constant.

The Company had the following outstanding financial derivative commodity contracts as at March 11, 2026:

| Period | WTI Collars | | | | WTI Swaps | | | | NGL Propane Swaps | |
|---------|------------------|----------------------------------|------------------|-----------------------------------|------------------|----------------------------------|------------------|----------------------------------|-------------------|----------------------------------|
| | Volume bbls/d | Price ⁽¹⁾ 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⁾ US\$/bbl |
| Q1 2026 | 1,080 | 65.00-68.10 | 9,156 | 74.73-94.00 | 3,215 | 67.47 | 5,981 | 84.46 | 375 | 49% WTI |
| Q2 2026 | - | - | 12,000 | 78.29-98.75 | 5,213 | 70.07 | 5,820 | 84.31 | - | - |
| Q3 2026 | - | - | 9,000 | 76.64-97.14 | - | - | 4,649 | 83.51 | - | - |
| Q4 2026 | - | - | 7,500 | 75.80-95.45 | - | - | 4,463 | 83.47 | - | - |
| Q1 2027 | - | - | 3,000 | 76.50-94.83 | - | - | - | - | - | - |
| Q2 2027 | - | - | 2,500 | 76.00-93.46 | - | - | - | - | - | - |

(1) Weighted average prices for the period.

| Period | MSW Differential | | WCS Differential | | LSB Differential | |
|---------|------------------|----------------------------------|------------------|----------------------------------|------------------|----------------------------------|
| | Volume bbls/d | Price ⁽¹⁾ US\$/bbl | Volume bbls/d | Price ⁽¹⁾ US\$/bbl | Volume bbls/d | Price ⁽¹⁾ US\$/bbl |
| Q1 2026 | 12,000 | (4.59) | 2,000 | (14.25) | 138 | (6.05) |
| Q2 2026 | 17,500 | (3.39) | 2,000 | (13.05) | - | - |
| Q3 2026 | 17,500 | (3.16) | 2,000 | (14.00) | - | - |
| Q4 2026 | 12,000 | (4.18) | 2,000 | (15.08) | - | - |

(1) Weighted average prices for the period.

| Period | Natural Gas Swaps | | | | Natural Gas Collars | |
|---------|-------------------|---------------------------------|----------------|---------------------------------|---------------------|---------------------------------|
| | Volume GJ/d | Price ⁽¹⁾ CA\$/GJ | Volume GJ/d | Price ⁽²⁾ CA\$/GJ | Volume GJ/d | Price ⁽¹⁾ CA\$/GJ |
| Q1 2026 | 11,500 | 2.82 | 10,550 | Index | - | - |
| Q2 2026 | 15,000 | 2.69 | 10,550 | Index | - | - |
| Q3 2026 | 15,000 | 2.69 | 10,550 | Index | - | - |
| Q4 2026 | 21,630 | 3.03 | 3,555 | Index | 3,315 | 3.20-3.70 |
| Q1 2027 | 15,000 | 3.40 | - | - | 5,000 | 3.20-3.70 |
| Q2 2027 | 5,000 | 2.70 | - | - | - | - |
| Q3 2027 | 5,000 | 2.70 | - | - | - | - |
| Q4 2027 | 1,685 | 2.70 | - | - | - | - |

(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 year ended December 31, 2025, the Company terminated certain 2026 and 2027 WTI swap contracts with an average price of CA\$81.35/bbl for \$2.3 million. During the year ended December 31, 2024, the Company realized derivative contract termination payments of \$20.4 million.

General Risks

Petroleum and natural gas exploration and production can involve environmental risks such as litigation, physical and regulatory risks. Physical risks include pollution of the environment, climate change and destruction of natural habitat, as well as safety risks such as personal injury. The Company works hard to identify the potential environmental impacts of its new projects in the planning stage and during operations. The Company conducts its operations with high standards in order to protect the environment, its employees and consultants, and the general public. Saturn maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds the Company has available and result in financial distress.

Climate Change Risks

Climate change may have actual or perceived adverse impacts on the Company's operations, business, and financial results, including an increase in the frequency of extreme climatic conditions. Weather and climate affect demand for crude oil and natural gas, and therefore, the predictability of weather and climate affects the Company's ability to accurately forecast supply and demand. In addition, the Company's operations, including exploration, production and construction operations, and the operations of major customers, suppliers and service providers, can be affected by acute and chronic physical climate risks, such as floods, forest fires, earthquakes, hurricanes, landslides, and other extreme weather events, natural disasters or long-term shifts in weather patterns. This may result in cessation or diminishment or production, delay of exploration and development activities or delay in executing the Company's capital expenditure plans, which may require the Company to adopt increased or additional mitigation requirements. Growing concerns over climate change have also led to an increase in climate and environment-centric disputes and litigation in various jurisdictions, including at a federal and provincial level, alleging various claims and registering complaints, including that energy producers contribute to climate change, that such entities are not reasonably managing business risks associated with climate change, and that such entities have not adequately disclosed business risks of climate change. The outcome and ramifications of any such litigation is uncertain and may materially impact the Company's business, financial condition or results of operations. The Company may also be subject to negative or damaging publicity associated with such matters, which may adversely affect the public sentiment and the Company's reputation, regardless of whether the Company is ultimately found responsible for claims alleged. The Company may be required to incur significant expenses or devote significant resources in defense against any such litigation.

SUMMARY OF ANNUAL RESULTS

| (\$000s, except per boe amounts) | 2025 | 2024 | 2023 |
|-------------------------------------|-----------|-----------|-----------|
| Financial: | | | |
| Petroleum and natural gas sales | 983,691 | 908,296 | 693,891 |
| Cash flow from operations | 457,399 | 311,937 | 283,988 |
| Adjusted funds flow ⁽¹⁾ | 463,954 | 380,091 | 278,138 |
| Basic (\$/share) | 2.40 | 2.10 | 2.20 |
| Diluted (\$/share) | 2.28 | 2.05 | 2.15 |
| Net income (loss) | 167,569 | 54,106 | 290,623 |
| Basic (\$/share) | 0.87 | 0.30 | 2.30 |
| Diluted (\$/share) | 0.82 | 0.29 | 2.25 |
| Acquisitions | 93,813 | 564,407 | 466,662 |
| Dispositions | - | (25,132) | - |
| Capital expenditures ⁽¹⁾ | 241,240 | 246,316 | 130,573 |
| Total assets | 2,190,825 | 2,161,578 | 1,335,216 |
| Common shares outstanding (000s) | 184,084 | 199,555 | 139,313 |
| Operational: | | | |
| Average daily production | | | |
| Crude oil (bbls/d) | 30,430 | 24,885 | 18,177 |
| NGLs (bbls/d) | 3,718 | 2,954 | 1,992 |
| Natural gas (mcf/d) | 45,478 | 38,093 | 24,559 |
| Total (boe/d) | 41,728 | 34,188 | 24,262 |

(1) See Non-GAAP and Other Financial Measures

During the year ended 2025, the Company delivered strong operating and financial results while continuing to pursue asset acquisitions at attractive metrics. The Company achieved record annual adjusted funds flow of \$464.0 million driven by record annual production of 41,728 boe/d and an operating netback, net of derivatives of \$36.41 per boe. The Company invested \$241.2 million in capital expenditures, drilling 93 wells (71.4 net) while also expanding our waterflood program. As a result, the Company generated record free funds flow of \$222.7 allowing for ongoing debt repayment, share buybacks and tuck-in acquisitions, including the CEC acquisition for \$4.5 million during the second quarter of 2025, the Southeast Saskatchewan Acquisition for \$63.4 million, closing in the third quarter of 2025, and the Clearview Acquisition for \$22.7 million closing in the fourth quarter of 2025. The Company repurchased 12,841,768 common shares under its NCIB at a weighted average price of \$2.33 per share for a cost of \$29.9 million plus \$0.7 million in fees and taxes and purchased 1,608,182 common shares for cancellation under its SIB at a purchase price of \$2.15 per share for an aggregate purchase

price of \$3.5 million plus \$0.1 million in fees and taxes. Principal repayments of \$110.1 million (US\$81.3 million) were made on the Senior Notes, resulting in net debt of \$761.5 million at year end.

During the year ended 2024, the Company continued its growth trajectory through increased acquisitions and dispositions (“A&D”) activity and a reorganization of its debt structure. As a result, the Company surpassed several operating and financial milestones. Saturn’s annual results were enhanced by several acquisitions including the Adonai Acquisition for \$8.3 million and the South Saskatchewan Acquisition for cash consideration of \$534.2 million, both closing in the second quarter of 2024, and the Brazeau Acquisition for \$20.5 million closing in the fourth quarter of 2024. Additional liquidity was provided through the disposition of non-core assets in Deer Mountain for net cash proceeds of \$25.1 million also during the second quarter. Concurrent with the second quarter acquisitions, the Company completed a refinancing issuing US\$650 in Senior Notes, closed a \$100.0 million equity financing and extinguished its Senior Term Loan. The Company achieved annual adjusted funds flow of \$380.1 million driven by annual production of 34,188 boe/d and an operating netback, net of derivatives of \$37.74 per boe. The Company invested \$246.3 million in capital expenditures, drilling 97 wells (81.6 net). Principal repayments of \$45.3 million (US\$32.6 million) were made on the Senior Notes, resulting in net debt of \$860.2 million at year end.

During the year ended 2023, the Company delivered strong operating and financial results. Saturn’s annual results include ten months of operations following the acquisition of Ridgeback Resources Inc. for total consideration of \$525 million, comprised of \$475 million in cash, and 19,406,167 common shares. The cash portion of the purchase price was funded through the net proceeds of a \$125 million bought deal equity financing and a \$375 million expansion to the Senior Term Loan. The Company achieved record adjusted funds flow of \$278.1 million driven by record production of 24,262 boe/d and an operating netback, net of derivatives of \$43.23 per boe. We invested \$130.6 million in capital expenditures, drilling 59 wells (48.8 net). Principal repayments on the Senior Term Loan of \$164.5 million were made resulting in net debt of \$460.5 million at year end.

SUMMARY OF QUARTERLY RESULTS

| (\$000s, except per boe amounts) | 2025 | | | | 2024 | | | |
|-------------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Financial: | | | | | | | | |
| Petroleum and natural gas sales | 233,554 | 235,344 | 236,712 | 278,081 | 268,845 | 262,379 | 208,853 | 168,219 |
| Cash flow from operations | 76,065 | 126,097 | 89,865 | 165,372 | 91,157 | 100,013 | 50,545 | 70,222 |
| Adjusted funds flow ⁽¹⁾ | 120,697 | 103,282 | 108,854 | 131,121 | 129,205 | 94,065 | 88,643 | 68,178 |
| Basic (\$/share) ⁽¹⁾ | 0.64 | 0.54 | 0.56 | 0.66 | 0.64 | 0.46 | 0.52 | 0.46 |
| Diluted (\$/share) ⁽¹⁾ | 0.61 | 0.51 | 0.53 | 0.65 | 0.63 | 0.45 | 0.51 | 0.45 |
| Net income (loss) | 31,230 | 3,466 | 95,054 | 37,819 | (26,318) | 101,601 | 41,805 | (62,982) |
| Basic (\$/share) | 0.17 | 0.02 | 0.49 | 0.19 | (0.13) | 0.50 | 0.25 | (0.42) |
| Diluted (\$/share) | 0.16 | 0.02 | 0.46 | 0.19 | (0.13) | 0.49 | 0.24 | (0.42) |
| Acquisitions | 23,469 | 65,212 | 5,132 | - | 26,011 | (4,749) | 543,145 | - |
| Dispositions | - | - | - | - | 576 | - | (25,708) | - |
| Capital expenditures ⁽¹⁾ | 64,764 | 87,339 | 15,842 | 73,295 | 105,420 | 84,381 | 22,549 | 33,966 |
| Total assets | 2,190,825 | 2,214,611 | 2,103,571 | 2,188,307 | 2,161,578 | 2,155,632 | 2,024,432 | 1,326,721 |
| Common shares outstanding (000s) | 184,084 | 190,020 | 194,809 | 196,212 | 199,555 | 203,103 | 204,041 | 161,206 |
| Operational: | | | | | | | | |
| Average daily production | | | | | | | | |
| Crude oil (bbls/d) | 31,287 | 29,152 | 30,150 | 31,142 | 30,449 | 28,994 | 21,010 | 18,981 |
| NGLs (bbls/d) | 4,052 | 4,180 | 3,310 | 3,318 | 3,381 | 3,407 | 2,673 | 2,344 |
| Natural gas (mcf/d) | 49,906 | 46,860 | 41,740 | 43,319 | 43,328 | 39,885 | 38,664 | 30,416 |
| Total (boe/d) | 43,657 | 41,142 | 40,417 | 41,680 | 41,051 | 39,049 | 30,127 | 26,394 |

(1) See “Non-GAAP and Other Financial Measures”.

In the fourth quarter of 2025, the Company achieved adjusted funds flow of \$120.7 million driven by quarterly production of 43,657 boe/d and an operating netback, net of derivatives of \$34.01 per boe. The Company invested \$64.8 million in capital expenditures, drilling 30 wells (22.1 net) with the remainder of spending primarily directed towards facilities and closed a corporate acquisition for \$22.7 million. The Company repurchased 4,789,900 common shares for cancellation under its NCIB at a weighted average price of \$2.58 per share for a cost of \$12.3 million. The Company made principal repayments of \$22.3 million (US\$16.3 million) on the Senior Notes and ended the quarter with net debt of \$761.5 million. Changes in quarterly sales, pricing, production, net income, cash flow from operations, adjusted funds flow and capital expenditures are all discussed in the previous sections of this MD&A.

In the third quarter of 2025, the Company achieved adjusted funds flow of \$103.3 million driven by quarterly production of 41,142 boe/d and an operating netback, net of derivatives of \$33.97 per boe. The Company invested \$87.3 million in capital expenditures, drilling 29 wells (24.7 net) with the remainder of spending primarily directed towards land purchases and closed an asset acquisition for \$65.3 million. The Company repurchased 3,260,164 common shares for cancellation under its NCIB at a weighted average price of \$2.61 per share for a cost of \$8.5 million and purchased 1,608,182 common shares for cancellation under its SIB at a purchase price of \$2.15 per share for an aggregate purchase price of \$3.5 million. The Company made principal repayments of \$22.6 million (US\$16.3 million) on the Senior Notes and ended the quarter with net debt of \$782.5 million.

In the second quarter of 2025, the Company achieved adjusted funds flow of \$108.9 million driven by quarterly production of 40,417 boe/d and an operating netback, net of derivatives of \$35.84 per boe. The Company invested \$15.8 million in capital expenditures, drilling one well (0.2 net) with the remainder of spending primarily directed towards facilities and land acquisitions and closed a corporate acquisition for \$5.2 million. The Company repurchased 1,998,180 common shares for cancellation under its NCIB at a weighted average price of \$1.65 per share for a cost of \$3.3 million. The Company made principal repayments of \$42.0 million (US\$32.5 million) on the Senior Notes and ended the quarter with net debt of \$694.8 million.

In the first quarter of 2025, the Company achieved record adjusted funds flow of \$131.1 million driven by record quarterly production of 41,680 boe/d and an operating netback, net of derivatives of \$41.99 per boe. The Company invested \$73.3 million in capital expenditures, drilling 33 wells (24.4 net). The Company repurchased 2,793,524 common shares for cancellation under its NCIB at a weighted average price of \$2.08 per share for a cost of \$5.8 million. The Company made principal repayments of \$23.2 million (US\$16.3 million) on the Senior Notes and ended the quarter with net debt of \$813.9 million.

In the fourth quarter of 2024, the Company closed the Brazeau Acquisition for \$20.5 million. The Company achieved adjusted funds flow of \$129.2 million driven by quarterly production of 41,051 boe/d and an operating netback, net of derivatives of \$40.41 per boe. The Company invested a record \$105.4 million in capital expenditures, drilling 33 wells (26.2 net). The Company repurchased 3,385,052 common shares for cancellation under its NCIB at a weighted average price of \$2.21 per share for a cost of \$7.5 million. The Company made principal repayments of \$23.4 million (US\$16.3 million) on the Senior Notes and ended the quarter with net debt of \$860.2 million.

In the third quarter of 2024, the Company achieved adjusted funds flow of \$94.1 million driven by quarterly production of 39,049 boe/d in the first full quarter following the South Saskatchewan Acquisition. The Company invested \$84.4 million in capital expenditures, drilling 48 wells (41.2 net). The Company received TSX approval for the commencement of the NCIB and repurchased 1,095,236 common shares for cancellation at a weighted average price of \$2.50 per share for a cost of \$2.7 million. The Company's initial principal repayment of US\$16.3 million was made on the Senior Notes and ended the quarter with net debt of \$779.0 million.

In the second quarter of 2024, the Company closed the Adonai Acquisition for \$8.3 million, closed the South Saskatchewan Acquisition for cash consideration of \$534.8 million and closed the non-core Swan Hills Disposition for net cash proceeds of \$25.7 million. Concurrent with the acquisitions, the Company completed a refinancing issuing US\$650 in Senior Notes, closed a \$100.0 million equity financing and extinguished its Senior Term Loan. The Company realized adjusted funds flow of \$88.6 million and invested \$22.5 million in capital expenditures. The Company generated quarterly petroleum and natural gas sales of \$208.9 million, driven primarily by record average production of 30,127 boe/d.

In the first quarter of 2024, the Company achieved adjusted funds flow of \$68.2 million driven by strong production of 26,394 boe/d and an operating netback, net of derivatives of \$38.18 per boe. The Company invested \$34.0 million in capital expenditures, drilling 9 wells (8.3 net). The Company made principal repayments on the Senior Term Loan of \$76.1 million

and ended the quarter with net debt of \$386.4 million. The Company enhanced liquidity with the completion of a bought-deal equity financing, issuing 22,223,000 common shares for gross proceeds of \$50.0 million.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* (“IFRS 18”) which replaces IAS 1 *Presentation of Financial Statements* effective for annual reporting periods beginning on or after January 1, 2027 and is required to be adopted retrospectively with early adoption permitted. The standard introduces a defined structure to the Statement of Net Income and Comprehensive Income with related specific disclosure requirements. The Company is assessing the impact of IFRS 18 on its consolidated financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING (“ICFR”)

ICFR is a set of processes designed to provide reasonable assurance that all assets are safeguarded, transactions are appropriately authorized, and facilitate the preparation of relevant, reliable, and timely information. Because of its inherent limitations, ICFR may not prevent or detect misstatements. Management has designed and assessed the effectiveness of Saturn’s ICFR as defined in Canada by National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“NI 52-109”). The assessment was based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. NI 52-109 requires that Saturn disclose in its MD&A any material weaknesses relating to design existing at the end of the period in Saturn’s ICFR and/or any changes in Saturn’s ICFR that occurred during the period that have materially affected, or are reasonably likely to materially affect, Saturn’s ICFR. Management confirms there were no changes in Saturn’s ICFR during the year ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, the Company’s ICFR.

USE OF ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheets date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

- The recoverability of accounts receivable, which is included in the consolidated balance sheets;
- The determination of the fair value of stock options and warrants using stock pricing models requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s outstanding stock based compensation;
- Fair values of petroleum and natural gas properties, depletion and depreciation expense and amounts used in impairment calculations are based on estimates of proved and probable oil and gas reserves are based upon a number of significant assumptions, such as forecasted production volumes, forecasted oil and gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. By their nature, estimates of proved and probable oil and gas reserves and the related future cash flows are subject to measurement uncertainty, and the impact of differences between actual and estimated amounts on the consolidated financial statements of future periods could be material;
- Amounts recorded for asset retirement obligation liabilities including estimates around timing and amount of expenditures required to settle liabilities and the credit-adjusted risk-free discount rate used;
- Financial derivative commodity and foreign exchange contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include Black-Scholes valuation model and forward pricing and swap models. The models incorporate various inputs including the credit quality of counterparties, forecast benchmark commodity prices, and foreign exchange;

- The determination of the estimated acquisition-date fair value of oil and gas properties involves significant estimates, including proved and probable oil and gas reserves and discount rates. The estimate of proved and probable reserves includes significant assumptions related to forecasted oil and gas commodity prices, forecasted production volumes, forecasted operating costs, forecasted royalty costs and forecasted future development costs. Changes in the assumptions or estimates used in determining the estimated acquisition date fair value of the acquired assets and liabilities could impact the allocation of the purchase price between assets and liabilities recorded on the balance sheets and revenue and expenses recorded on the statement of comprehensive income; and
- The determination of income tax liabilities includes estimates around future utilization of tax pools. All tax filings are subject to audit and potential reassessment after the lapse of considerable time.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this MD&A and in other materials disclosed by the Company, Saturn employs certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Saturn's performance.

Non-GAAP Financial Measures and Ratios

NI 52-112 defines a non-GAAP financial measure as a financial measure that: (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (iii) is not disclosed in the financial statements of the entity, and (iv) not a ratio, fraction, percentage or similar representation. NI 52-112 defines a non-GAAP ratio as a financial ratio that: (i) is in the form of a ratio, fraction, percentage or similar representation, (ii) has a non-GAAP financial measure as one or more of its components, and (iii) is not disclosed in the financial statements of the entity. The Company has presented the following non-GAAP financial measures and ratios within this MD&A.

Capital Expenditures

Saturn uses capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. Saturn's capital budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes or payments under certain lease arrangements. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. The following table reconciles capital expenditures and capital expenditures, net A&D to the nearest GAAP measure, cash flow used in investing activities.

| (\$000s) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|--|--------------------|--------------------|-------------------|-------------------|---------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Cash flow used in investing activities | 104,906 | 102,027 | 114,533 | 374,387 | 749,533 |
| Change in non-cash working capital | (16,673) | 50,524 | 17,474 | (39,334) | 36,058 |
| Capital expenditures, net A&D | 88,233 | 152,551 | 132,007 | 335,053 | 785,591 |
| Acquisitions, net of cash acquired | (23,469) | (65,212) | (26,011) | (93,813) | (564,407) |
| Proceeds from disposition | - | - | (576) | - | 25,132 |
| Capital expenditures | 64,764 | 87,339 | 105,420 | 241,240 | 246,316 |

F&D and FD&A Expenditures

Saturn uses F&D and FD&A expenditures as a basis to monitor its capital efficiency. The Company's F&D expenditures are calculated by removing certain capitalized overhead costs from capital expenditures. The Company's FD&A expenditures are calculated by adding A&D to FD&A expenditures. Both measures calculate the capital cost outlay associated with the Company's exploration and development activities for the purposes of finding, developing and, when desired, acquiring its reserves.

Adjusted Funds Flow per Share

Adjusted funds flow per share is a non-GAAP ratio by management to better analyze the Company's performance against prior periods on a more comparable basis. Adjusted funds flow per share is calculated as adjusted funds flow from operations divided by weighted average shares outstanding during the applicable period on a basic or diluted basis.

Free Funds Flow and Free Funds Flow per Share

Saturn uses free funds flow as an indicator of the efficiency and liquidity of its business, measuring its funds after capital investment available to manage debt levels, pursue acquisitions and gauge optionality to pay dividends and/or return capital to shareholders through activities such as share repurchases. Saturn calculates free funds flow as adjusted funds flow in the period less 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. Free funds flow is also presented on a per share basis as a non-GAAP financial ratio. The following table reconciles adjusted funds flow to free funds flow.

| (\$000s) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|----------------------|--------------------|--------------------|-------------------|-------------------|---------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Adjusted funds flow | 120,697 | 103,282 | 129,205 | 463,954 | 380,091 |
| Capital expenditures | (64,764) | (87,339) | (105,420) | (241,240) | (246,316) |
| Free funds flow | 55,933 | 15,943 | 23,785 | 222,714 | 133,775 |

Gross Petroleum and Natural Gas Sales

Gross petroleum and natural gas sales is calculated by adding crude oil, natural gas and NGLs revenue, before deducting certain gas processing expenses in arriving at petroleum and natural gas revenue as required under IFRS 15 *Revenue from Contracts with Customers*. These processing expenses associated with the processing of natural gas and NGLs revenue are a result of the Company transferring custody of the product at the terminal inlet, and therefore receiving net prices. This metric is used by management to quantify and analyze the realized price received before required processing deductions, against benchmark prices. The calculation of the Company's gross petroleum and natural gas sales is shown within the "Petroleum and Natural Gas Sales" section within this MD&A.

Royalties as a Percentage of Gross Petroleum and Natural Gas Sales

Royalties as a percentage of gross petroleum and natural gas sales is calculated as royalties divided by gross petroleum and natural gas sales. This metric is used by management to quantify the Company's royalty costs as they relate to revenue before deducting certain processing expenses and to better analyze how royalty rates change over time and compare to prior periods.

Net Operating Expenses

Net operating expense is calculated by deducting processing income primarily generated by processing third party production at processing facilities where the Company has an ownership interest, from operating expenses presented on the Statement of income (loss). Where the Company has excess capacity at one of its facilities, it will process third-party volumes to reduce the cost of ownership in the facility. The Company's primary business activities are not that of a midstream entity whose activities are focused on earning processing and other infrastructure-based revenues, and as such third-party processing revenue is netted against operating expenses in this MD&A. This metric is used by management to evaluate the Company's net operating expenses on a unit of production basis. Net operating expense per boe is a non-GAAP financial ratio and is calculated as net operating expense divided by total barrels of oil equivalent produced over a specific

period of time. The calculation of the Company's net operating expenses is shown within the "Net Operating Expenses" section within this MD&A.

Operating Netback and Operating Netback, Net of Derivatives

The Company's operating netback is determined by deducting royalties, net operating expenses and transportation expenses from petroleum and natural gas sales. The Company's operating netback, net of derivatives is calculated by adding or deducting realized financial derivative commodity contract gains or losses from the operating netback. Derivative contract termination payments are included in realized derivative commodity contract gains or losses for the purposes of calculating the operating netback. The Company's operating netback and operating netback, net of derivatives are used in operational and capital allocation decisions. Presenting operating netback and operating netback, net of derivatives on a per boe basis is a non-GAAP financial ratio and allows management to better analyze performance against prior periods on a per unit of production basis. The calculation of the Company's operating netbacks and operating netback, net of derivatives are summarized as follows.

| (\$000s) | Three months ended | | | December 31, 2025 | Year ended December 31, 2024 |
|---------------------------------------|--------------------|--------------------|-------------------|-------------------|------------------------------|
| | December 31, 2025 | September 30, 2025 | December 31, 2024 | | |
| Petroleum and natural gas sales | 233,554 | 235,344 | 268,845 | 983,691 | 908,296 |
| Royalties | (26,710) | (29,134) | (32,881) | (117,976) | (114,080) |
| Net operating expenses | (77,272) | (72,831) | (69,307) | (290,770) | (237,895) |
| Transportation expenses | (6,317) | (5,639) | (4,056) | (23,878) | (17,370) |
| Operating netback | 123,255 | 127,740 | 162,601 | 551,067 | 538,951 |
| Realized gain (loss) on derivatives | 13,345 | 825 | (9,985) | 3,498 | (66,715) |
| Operating netback, net of derivatives | 136,600 | 128,565 | 152,616 | 554,565 | 472,236 |
| (\$ per boe amounts) | | | | | |
| Petroleum and natural gas sales | 58.15 | 62.18 | 71.18 | 64.59 | 72.59 |
| Royalties | (6.65) | (7.70) | (8.71) | (7.75) | (9.12) |
| Net operating expenses | (19.24) | (19.24) | (18.35) | (19.09) | (19.01) |
| Transportation expenses | (1.57) | (1.49) | (1.07) | (1.57) | (1.39) |
| Operating netback | 30.69 | 33.75 | 43.05 | 36.18 | 43.07 |
| Realized gain (loss) on derivatives | 3.32 | 0.22 | (2.64) | 0.23 | (5.33) |
| Operating netback, net of derivatives | 34.01 | 33.97 | 40.41 | 36.41 | 37.74 |

Enterprise value

The Company's enterprise value is calculated as total market capitalization plus net debt. Enterprise value is used to assess the valuation of the Company. Refer to the *Liquidity and Capital Resources* section in this MD&A for further information.

Capital Management Measures

NI 52-112 defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity. Please refer to note 16 "Capital Management" in Saturn's financial statements as at and for the year ended December 31, 2025, for additional disclosure on: adjusted working capital deficit (surplus), net debt, adjusted EBITDA, adjusted funds flow, free funds flow, annualized quarterly adjusted funds flow, and net debt to annualized quarterly adjusted funds flow, each of which are capital management measures used by the Company in this MD&A.

Supplementary Financial Measures

NI 52-112 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.

Product Type Information

The Company's aggregate average production for the years ended December 31, 2025, 2024, and 2023, and the references to "crude oil", "NGLs", and "natural gas" reported in this MD&A consist of the following product types, as defined in NI 51-101 and using a conversion ratio of 1 Bbl : 6 Mcf where applicable:

| | 2025 | 2024 | 2023 |
|-----------------------------------|--------|--------|--------|
| Average daily production | | | |
| Light & medium crude oil (bbls/d) | 27,047 | 22,877 | 18,177 |
| Heavy crude oil (bbls/d) | 3,383 | 2,008 | - |
| NGLs (bbls/d) | 3,718 | 2,954 | 1,992 |
| Conventional natural gas (mcf/d) | 45,478 | 38,093 | 24,559 |
| Total (boe/d) | 41,728 | 34,188 | 24,262 |

The Company's aggregate average production for the past eight quarters and the references to "crude oil", "NGLs", and "natural gas" reported in this MD&A consist of the following product types, as defined in NI 51-101 and using a conversion ratio of 1 Bbl : 6 Mcf where applicable:

| | 2025 | | | | 2024 | | | |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Average daily production | | | | | | | | |
| Light & medium crude oil (bbls/d) | 27,962 | 25,825 | 26,712 | 27,697 | 27,330 | 24,992 | 18,346 | 18,981 |
| Heavy crude oil (bbls/d) | 3,325 | 3,327 | 3,438 | 3,445 | 3,119 | 4,002 | 2,664 | - |
| NGLs (bbls/d) | 4,052 | 4,180 | 3,310 | 3,318 | 3,381 | 3,407 | 2,673 | 2,344 |
| Conventional natural gas (mcf/d) | 49,906 | 46,860 | 41,740 | 43,319 | 43,328 | 39,885 | 38,664 | 30,416 |
| Total (boe/d) | 43,657 | 41,142 | 40,417 | 41,680 | 41,051 | 39,049 | 30,127 | 26,394 |

BOE PRESENTATION

Boe means barrel of oil equivalent. All boe conversions in this MD&A are derived by converting gas to oil at the ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("Bbl") of oil. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Bbl : 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Bbl : 6 Mcf, utilizing a conversion ratio of 1 Bbl : 6 Mcf may be misleading as an indication of value.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary in the determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this report the Company had the following directors and executive officers:

| | |
|------------------|--------------------------------------|
| John Jeffrey | Chief Executive Officer and Director |
| Scott Sanborn | Chief Financial Officer |
| Justin Kaufmann | Chief Development Officer |
| Grant MacKenzie | Chief Legal Officer |
| Ivan Bergerman | Director |
| Andrew Claugus | Director |
| Thomas Gutschlag | Director |
| Lynn A. Peterson | Director |
| Jim Payne | Director |
| Christopher Ryan | Director |
| S. Janet Yang | Director |

ADVISORIES AND FORWARD-LOOKING INFORMATION

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth and business plans, the effects of the Company's acquisitions and dispositions on the Company's strategy, land holdings and profitability, the continued availability of adequate financing and funds flow to fund the Company's planned expenditures, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial), the impact of hedging on the Company's operations and business prospects (including the timing and development of new reserves and the success of exploration activities) and opportunities, the Company's liquidity needs, including its ability to source its liquidity requirements, the sufficiency of the Company's capital structure and projected adjusted funds flow on its continuing operations, the risks associated with financial instruments and the methods by which the Company manages such risks and the impact of changes to critical accounting estimates and new accounting pronouncements. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) that there are no material delays in the optimization of operations at the properties; (ii) assumptions about operating costs and expenditures; (iii) assumptions about future production recovery and cash flows; (iv) that there is no unanticipated fluctuation in foreign exchange rates; (v) the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration, and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) the risk that additional financing will not be obtained as and when required; (ii) material increases in operating costs; (iii) adverse fluctuations in foreign exchange rates; (iv) commodity price fluctuations; (v) environmental risks and changes in environmental legislation; and (vi) drilling results differing from expectations and plans.

This MD&A (See "*Risks and Uncertainties*") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.