



Annual Information Form

FOR THE YEAR ENDED DECEMBER 31, 2025

Dated: March 11, 2026

2025



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SCHEDULES

SCHEDULE "A" REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR

SCHEDULE "B" REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

SCHEDULE "C" AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE



ABBREVIATIONS

OIL AND NATURAL GAS LIQUIDS

Bbl or bbl	barrel
Bbls or bbls	barrels
Mbbls	thousand barrels
Mmbbl	million barrels
MSTB or mstb	thousand stock tank barrels
Bbl/d or bbl/d	barrels per day
STB/d	stock barrels of oil per day
NGLs	natural gas liquids

NATURAL GAS

Mcf or mcf	thousand cubic feet
Mmcf	million cubic feet
Mcf/d or mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
Mbtu/d	thousand British Thermal Units per day
MMBTU or mmbtu	million British Thermal Units
Bcf or bcf	billion standard cubic feet
GJ	gigajoule

OTHER

BOE or boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 Bbl of crude oil for 6 Mcf of natural gas. Disclosure provided herein in respect of boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 Bbl 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 the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf:1 Bbl, utilizing a conversion ratio at 6 Mcf:1 Bbl may be misleading as an indication of value.
BOE/d, boe/d or boepd	barrel of oil equivalent per day.
m³	cubic metres

In this annual information form (the “**Annual Information Form**”), references to “dollars” and “\$” are to the currency of Canada, unless otherwise indicated and M or M\$ means thousands or thousands of dollars, respectively.

FORWARD-LOOKING STATEMENTS

Certain information contained in this Annual Information Form constitutes forward-looking statements and forward-looking information within the meaning of applicable securities legislation. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “intend”, “forecast”, “plans”, “potential”, “guidance”, “opportunity” and similar expressions is intended to identify forward-looking statements or information.

More particularly and without limitation, this Annual Information Form and the documents incorporated by reference herein contain forward-looking statements and information relating to the following:

- the Corporation’s business objectives and strategies;
- the performance characteristics of the Corporation’s oil and natural gas properties, including those acquired through acquisitions;
- oil and natural gas production levels, and the expectations of future production rates, volumes and production mixes;
- projections of market prices and costs and exchange and inflation rates;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and to complete acquisitions, exploration and development activities;
- expectations regarding commodity prices;
- future development and drilling plans;
- future funds from operations;



- capital programs;
- debt levels;
- tax horizon;
- future royalty rates;
- expectations regarding the NCIB and dividends;
- future depletion, depreciation and accretion rates;
- treatment under, and changes to, governmental regulatory regimes and tax laws;
- the completion timelines, results and benefits of infrastructure projects in Canada;
- the impact of trade agreements on Canadian oil and natural gas producers;
- abandonment and reclamation initiatives; and
- capital expenditure programs and the timing and method of financing thereof.

Statements relating to “reserves” and “resources” are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed below and elsewhere in this Annual Information Form. Although we believe that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include the following:

- volatility in the oil and natural gas industry;
- commodity prices, markets and marketing;
- adverse economic conditions, regulatory rulings, orders and decisions;
- alternatives to, and changing demand for and sentiment surrounding oil petroleum products;
- exploration, development and production risks;
- political uncertainty and geopolitical conflicts, hostilities and wars (including the Russian invasion of Ukraine, geopolitical turmoil in South America the conflict in Iran and the Middle East);
- operational risks and liabilities inherent in oil and natural gas operations;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- our ability to market our oil and natural gas;
- geological, technical, drilling and processing problems;
- fluctuation in foreign exchange or interest rates;
- government and regulatory volatility and uncertainty;
- stock market volatility;
- environmental and climate change risks;
- inflation and high interest rates;
- the inability to access sufficient capital from internal and external sources or on acceptable terms;
- changes in general economic, market and business conditions;
- uncertainties and changes in royalty regimes;
- risks associated with hydraulic fracturing and waterflood;
- water supplies;
- our title to and rights to produce from our assets;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- incorrect assessments and uncertainties of the value of acquisitions and our exploration and development program;
- Saturn's business and acquisition strategy generally, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- political or economic developments, including, without limitation, the risk that (i) the Canadian and/or U.S. governments increase the rate or scope of announced tariffs, impose new tariffs or retaliatory tariffs on the import of goods from one country to the other, including oil and natural gas; (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the



other, including oil and natural gas; and (iii) the tariffs imposed by the U.S. and/or Canada on other countries and responses thereto could have a material adverse effect on the Canadian, U.S., and global economies, and by extension the Canadian oil and natural gas industry and the Corporation;

- availability and costs of insurance;
- ability to obtain regulatory and other third-party consents and approvals, when required;
- the occurrence of unexpected events;
- the results of litigation or regulatory proceedings that may be brought against us;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry;
- expected effect of regulatory regimes and controls;
- information technology and cyber-security issues;
- data protection and artificial intelligence;
- impacts of pandemics, natural disasters or civil unrest; and
- the other factors discussed under “Risk Factors”.

The forward-looking statements and information contained in this Annual Information Form and the documents incorporated by reference herein are based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions relating to (i) prevailing commodity prices and exchange rates; (ii) applicable royalty rates and tax laws; (iii) future well production rates; (iv) the performance of existing wells; (v) the success of drilling new wells; (vi) the availability of capital to undertake planned activities; (vii) the availability and cost of labour and services; and (viii) U.S. tariffs and the Canadian retaliatory tariffs and the threat of additional or future tariffs, the potential impact of such tariffs, and that other than the tariffs that have been implemented, neither the U.S. nor Canada increases the rate or scope of such tariffs, reenacts tariffs that are currently suspended or imposes new tariffs on the import of goods from one country to the other, including oil and natural gas, and/or imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including oil and natural gas.

Although the Corporation believes that the expectations reflected in the forward-looking statements and information in this Annual Information Form and the documents incorporated by reference herein are reasonable, we can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to the foregoing list of factors and risks. Readers are cautioned that the foregoing list of factors and risks is not exhaustive.

The forward-looking statements and information contained in this Annual Information Form and the documents incorporated by reference herein are made as of the date hereof, and unless so required by applicable law, the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. The forward-looking statements and information contained in this Annual Information Form and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

NON-GAAP FINANCIAL MEASURES AND RATIOS

This Annual Information Form includes non-GAAP and other financial measures. See “Non-GAAP and Other Financial Measures” in management's discussion and analysis for the year ended December 31, 2025 for additional detail regarding such measures, which section is incorporated by reference in this Annual Information Form.

INCORPORATION AND ORGANIZATION

Saturn Oil & Gas Inc. (the “Corporation”, “Saturn”, “we”, “us” or “our”) was incorporated under the laws of the province of British Columbia on August 16, 2001 as “Saturn Ventures Inc.”. On May 28, 2003 and December 8, 2016, respectively, the Corporation amended its articles to change Saturn’s name to “Saturn Minerals Inc.” and subsequently to “Saturn Oil & Gas Inc.”. The Corporation was continued into the province of Saskatchewan on December 17, 2018. In connection



with the Ridgeback Acquisition (as defined below) on February 28, 2023, Ridgeback (as defined below) was amalgamated with a wholly-owned subsidiary of the Corporation, which was vertically amalgamated with the Corporation on March 7, 2023. On January 1, 2025, the Corporation completed a vertical short-form amalgamation with our wholly-owned subsidiary, Saturn Holdings SK Ltd., and continued out of the province of Saskatchewan and into the province of Alberta under the *Business Corporations Act* (Alberta) ("**ABCA**") on January 3, 2025. On January 1, 2026, the Corporation completed a vertical short-form amalgamation under the ABCA amalgamating up two wholly-owned subsidiaries, 1777241 Alberta Ltd. (formerly CapitalEnergy Corporation) and Clearview Resources Ltd. See "*Business of the Corporation – Three Year History*".

Saturn's corporate headquarters is located at Suite 2800, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1, and our registered office is located at Suite 4000, 421 - 7th Avenue SW, Calgary, Alberta, T2P 4K9.

The issued and outstanding common shares in the capital of the Corporation (the "**Common Shares**") are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "SOIL" and on the OTCQX Best Market ("**OTCQX**") under the symbol "OILSF".

The Corporation does not have any material subsidiaries.

BUSINESS OF THE CORPORATION

GENERAL

Saturn is a Canadian energy company with a proven blueprint for unlocking value by acquiring high-quality assets at attractive valuations and integrating them seamlessly into our portfolio. We focus on the efficient and innovative development of Saturn's diversified, light oil-weighted asset base, supported by an acquisition strategy targeting accretive and complementary opportunities. The Corporation's operated assets are free-cash-flowing, have a low-decline and are centralized within three core operating areas: (i) Southeast Saskatchewan, (ii) West-Central Saskatchewan, and (iii) Central Alberta. With a deep inventory of long-term economic drilling opportunities across multiple zones, we intend to continue capitalizing on our innovative production optimization and strategic deleveraging capabilities, in order to increase per share reserves, production and cash flow.

THREE YEAR HISTORY

2023

On January 31, 2023, the Corporation completed a bought-deal public offering (the "**2023 Financing**") of 59,242,000 subscription receipts (each a "**2023 Subscription Receipt**") at a price of \$2.11 per 2023 Subscription Receipt for aggregate gross proceeds of approximately \$125,000,620. Each 2023 Subscription Receipt converted automatically into one Common Share upon the closing of the Ridgeback Acquisition (as defined below) ultimately resulting in the issuance of an aggregate of 59,242,000 Common Shares to subscribers in the 2023 Financing.

The 2023 Subscription Receipts were issued pursuant to the terms of a subscription receipt agreement dated January 31, 2023.

On February 28, 2023, the Corporation closed the acquisition (the "**Ridgeback Acquisition**") of Ridgeback Resources Inc. ("**Ridgeback**"), a privately held oil and gas producer focused on light oil production in Saskatchewan and Alberta, for a transaction value of approximately \$516 million pursuant to a plan of arrangement (the "**Ridgeback Plan of Arrangement**") and an arrangement agreement dated January 20, 2023. Consideration for the Ridgeback Acquisition consisted of \$475 million in cash, and the issuance of 19,406,167 Common Shares. The cash portion of the purchase price was funded from the net proceeds of the 2023 Financing and a \$375 million expansion to our senior secured loan agreement ("**Senior Secured Term Loan**"). An amendment to our then existing loan agreement was entered into on February 28, 2023 expanding our loan to a total of approximately \$608 million (the "**Third A&R Term Loan Agreement**").



Pursuant to the Ridgeback Plan of Arrangement, Ridgeback was amalgamated with a wholly-owned subsidiary of the Corporation, which was subsequently amalgamated into the Corporation on March 7, 2023.

Effective May 30, 2023, the board of directors of the Corporation (the “**Board**”) approved the Corporation's omnibus Long Term Incentive Plan (defined below), which was subsequently approved by the shareholders of the Corporation on June 29, 2023, and superseded the prior RSU/DSU Plan and the prior Stock Option Plan (as defined below). See “*Description of Capital Structure – Long Term Incentive Plan*” for additional information regarding the RSU/DSU Plan and the Stock Option Plan.

On June 13, 2023, the Corporation announced that our securities had been approved for listing on the TSX. On June 15, 2023, the Common Shares and certain listed warrants that were then outstanding (the “**2022 Warrants**”) ceased trading on the TSXV and commenced trading on the TSX.

In September 2023, the Corporation entered into the first and second amendments to our Third A&R Term Loan Agreement, providing for the deferral of certain principal payments to fund the Corporation's third and fourth quarter drilling and development programs.

In December 2023, the Corporation entered into a third amendment to our Third A&R Term Loan Agreement, providing for a reduction in Saturn's December 31, 2023 current ratio covenant.

2024

In February 2024, the Corporation entered into the fourth and fifth amendments to our Third A&R Term Loan Agreement, providing for the approval of our 2024 capital expenditures program, a reduction in 2024 current ratio covenant calculations, and the option to defer up to \$55 million of principal payments in 2024.

On February 22, 2024, the Corporation completed a bought deal financing (the “**2024 Private Placement**”) for the sale, on a private placement basis, of 22,223,000 Common Shares at a price of \$2.25 per Common Share, for total gross proceeds of \$50,001,750. The proceeds of the 2024 Private Placement were used for capital expenditures and general working capital requirements.

On May 15, 2024, the Corporation completed a bought-deal public offering (the “**2024 Subscription Receipt Financing**”) of 42,554,000 subscription receipts (each a “**2024 Subscription Receipt**”) at a price of \$2.35 per 2024 Subscription Receipt for aggregate gross proceeds of approximately \$100 million. Pursuant to the terms of a subscription receipt agreement dated May 15, 2024, each 2024 Subscription Receipt converted automatically into one Common Share upon the closing of the Battrum/Flat Lake Acquisition (as defined below), ultimately resulting in the issuance of an aggregate of 42,554,000 Common Shares to subscribers in the 2024 Subscription Receipt Financing.

On June 4, 2024, the Corporation announced the closing of the sale of Saturn's non-core Deer Mountain property in Northern Alberta for cash consideration of \$26.0 million, after customary closing adjustments. The proceeds from the sale of the Deer Mountain assets were used to reduce Net Debt.

On June 14, 2024, the Corporation closed the strategic acquisition of two oil-weighted asset packages in Southern Saskatchewan (the “**Battrum/Flat Lake Acquisition**”) for total net cash consideration of approximately \$525 million with an effective date of January 1, 2024. The Battrum/Flat Lake Acquisition consisted of two distinct asset packages that directly offset existing core properties, which include Battrum area assets located in Southwest Saskatchewan and Flat Lake area assets located in Southeast Saskatchewan and was completed by way of an asset purchase agreement dated May 6, 2024.

The Battrum/Flat Lake Acquisition and concurrent refinancing of the Senior Secured Term Loan was funded through the issuance of US\$650 million of 9.625% high yield notes (the “**Senior Notes**”) due 2029, together with the \$100 million proceeds of the 2024 Subscription Receipt Financing. Saturn also entered into an agreement dated June 14, 2024 (the “**Credit Agreement**”) with a syndicate of lenders led by National Bank of Canada (“**NBC**”) and including ATB Financial and Goldman Sachs Bank USA for a \$150 million reserves-based loan facility consisting of a \$50 million bi-lateral



revolving operating facility and a \$100 million syndicated revolving credit facility (the “**Credit Facility**”), which was not drawn upon. See “*Description of Capital Structure – Credit Facility*” for additional information concerning the Credit Agreement and Credit Facility.

The Senior Notes were issued pursuant to an indenture (the “**Note Indenture**”) entered into among Computershare Trust Company, N.A., as U.S. Secured Notes Indenture Trustee, Computershare Trust Company of Canada, as Canadian Secured Notes Indenture Trustee, and the Corporation, dated June 14, 2024. See “*Description of Capital Structure – Senior Notes*” for additional information concerning the Senior Notes.

In connection with the Battrum/Flat Lake Acquisition, the Corporation repaid and retired the entire principal amount of our previously outstanding Senior Secured Term Loan.

The Corporation sought and received a rating in connection with the Note issuance and was issued Corporate and Bond Credit Ratings of:

- B corporate family rating and BB- rating on the Senior Notes from S&P Global Ratings (“**S&P**”); and
- B2 corporate family rating and B2 rating on the Senior Notes from Moody's Investor Services, Inc. (“**Moody's**”).

On August 23, 2024, Saturn announced the launch of our inaugural normal course issuer bid (“**NCIB**”), providing for the purchase and cancellation of up to 11,306,825 Common Shares during the one-year period from August 27, 2024 to August 27, 2025.

2025

On January 1, 2025, the Corporation completed a vertical short-form amalgamation with our wholly-owned subsidiary, Saturn Holdings SK Ltd. On January 3, 2025, the Corporation completed a continuance out of the jurisdiction of Saskatchewan under *The Business Corporations Act, 2021* (Saskatchewan) and into the jurisdiction of Alberta under the ABCA.

On March 10, 2025, the 2022 Warrants expired and ceased trading on the TSX.

On April 23, 2025, the Corporation announced the open market purchase for retirement US\$15 million of our outstanding Senior Notes at prices below par. This retirement of Senior Notes, coupled with the 2.5% quarterly principal repayment in March, further accelerated our debt reduction strategy resulting in the reduction of the principal balance outstanding on our Senior Notes to US\$586 million as of the date of announcement.

On July 2, 2025, the Corporation announced the renewal of Saturn's existing \$150 million syndicated Credit Facility with an added and uncommitted accordion feature allowing for a \$100 million expansion up to \$250 million in total, subject to certain conditions. The Credit Facility is a committed facility subject to a semi-annual borrowing base redetermination occurring on or before June 30th and November 30th of each year. The \$100 million accordion feature is not subject to fees until drawn.

On July 16, 2025, the Corporation completed our inaugural substantial issuer bid (“**SIB**”), pursuant to which Saturn purchased from shareholders and subsequently cancelled 1,608,182 Common Shares at a purchase price of \$2.15 per Common Share for an aggregate purchase price of \$3,457,591 excluding fees and expenses relating to the SIB. The SIB was launched on June 11, 2025 and offered to acquire up to 7,000,000 Common Shares for cancellation at a purchase price of \$2.15 per Share, for an aggregate purchase price not to exceed \$15,050,000.

On August 25, 2025, the Corporation announced the renewal of our NCIB, providing for the purchase and cancellation of up to 12,078,583 Common Shares during the one-year period from August 27, 2025 to August 26, 2026.

On September 8, 2025, Saturn announced the appointment of Mr. Lynn A. Peterson to the Board, and the concurrent resignation of Mr. Grant MacKenzie, who assumed the role of Corporate Secretary of the Board and continues his role as Chief Legal Officer of Saturn. The Corporation also announced an 8% increase to 2025 forecast production to 41,000 to 43,000 boe/d, a 27% reduction in 2025 development capital expenditures to \$245 to \$265 million, and strategic tuck-



in acquisition activity of approximately \$85 million that included an asset package in southeast Saskatchewan adjacent to existing operations and the acquisition of a producing company with assets situated near our Greater Pembina region in Alberta.

RECENT DEVELOPMENTS

Amalgamations

On January 1, 2026, the Corporation completed a vertical short-form amalgamation with two wholly-owned subsidiaries, 1777241 Alberta Ltd. (formerly CapitalEnergy Corporation) and Clearview Resources Ltd. Through the amalgamations, Saturn's asset base and development activities now function under a single corporate entity, reducing corporate and operational expenses.

DESCRIPTION OF THE BUSINESS

General

Saturn is an innovative Canadian energy company executing our proven blueprint for unlocking value by acquiring high-quality assets at attractive valuations and integrating them seamlessly into our portfolio. The Corporation is focused on the continued efficient and responsible development of high-quality, light oil-weighted assets supported by an acquisition strategy that targets accretive, complementary opportunities. Saturn has assembled an attractive portfolio of free-cash-flowing, low-decline operated assets in Saskatchewan, Alberta and a small footprint in Manitoba which collectively provide a deep inventory of long-term economic drilling opportunities across multiple zones. Saturn's goal is to increase reserves, production and cash flows at an attractive return on invested capital.

For the fourth quarter and year ended December 31, 2025, Saturn averaged production of 43,657 boe/d and 41,728 boe/d, respectively, and exited the year with average December month production of 43,408 boe/d. As at December 31, 2025, Saturn held approximately 1.8 million gross (1.5 million net) acres of land, including approximately 678,900 gross (582,000 net) undeveloped acres of land. See "*Statement of Reserves Data and Other Oil and Gas Information*".

Business Objectives and Strategy

The Corporation's disciplined blueprint represents a strategy of acquiring undervalued mid-life cycle assets that were non-core to other operators yet have significant untapped development and optimization potential when integrated within Saturn's portfolio. The Corporation intends to continue allocating capital opportunistically, maintaining a prudent balance between development and selective acquisition opportunities that meet our business parameters, while prioritizing debt repayment. To achieve sustainable and profitable per share growth, Saturn will control the timing and costs of our projects wherever possible and will seek to operate our properties to the greatest extent possible. Further, to minimize competition within the Corporation's geographic areas of interest, Saturn will, after giving consideration to our risk profile, strive to further acquire lands that fit our geologic model, upside development potential, and 'core-up' strategy. While the Corporation believes we have the skills and resources necessary to achieve our objectives, the oil and natural gas industry has a number of inherent risks. See "*Risk Factors*".

In reviewing potential drilling or acquisition opportunities, the Corporation gives consideration to the following criteria:

- a) risk capital required to secure or evaluate the investment opportunity;
- b) the potential return on the project, if successful;
- c) the likelihood of success; and
- d) the risked return versus cost of capital.

In general, Saturn has targeted light oil development across our portfolio of assets in Saskatchewan and Alberta, balancing risk profiles across each core area in an attempt to generate sustainable high levels of profitable production.

As of the date hereof, Saturn's core operating assets and land holdings are primarily in: (i) Southeast Saskatchewan, (ii) West-Central Saskatchewan, and (iii) Central Alberta, primarily targeting light oil development in each area. See "*Statement of Reserves Data and Other Oil and Gas Information – Property Overview*".



Specialized Skills and Knowledge

It is the belief of management that Saturn's officers and employees, who have significant technical and operational oil and gas experience, hold the necessary skill sets to successfully execute the Corporation's business strategy in order to achieve our corporate objectives.

Saturn's management team has an established track record of creating value through deploying our integrated and repeatable blueprint strategy of acquiring, exploiting and developing assets. In a relatively short period of time, Saturn's officers and employees have demonstrated the ability to profitably grow and expand Saturn's base of operations.

The Corporation's drilling and acquisition profile has positioned us to succeed within the current prevailing industry conditions. Management of Saturn has established a balanced production and prospect risk profile necessary to become a successful, sustainable and per share growth-oriented oil and gas company. Saturn's inventory of drilling prospects, proven production and cost optimization initiatives, along with management's ability to execute strategic corporate and property acquisitions, are expected to continue to support and expand our existing asset base.

Competitive Conditions

There is strong competition in all aspects of the oil and natural gas industry. The Corporation actively competes for capital, skilled personnel, undeveloped land, reserves acquisitions, access to drilling rigs, service rigs and other equipment, access to processing facilities and pipeline and refining capacity, and in all other aspects of our operations with a substantial number of other organizations, many of which may have greater technical and financial resources than the Corporation. Some of those organizations not only explore for, develop and produce oil and natural gas but also carry on refining operations and market petroleum and other products on a world-wide basis and, as such, have greater and more diverse resources on which to draw. Saturn believes that our competitive position is similar to that of other oil and gas issuers of similar size and at a similar stage of development. See "*Risk Factors – Competition*".

Cyclical and Seasonal Impact of the Industry

Saturn's operational results and financial condition will be dependent on the prices received for oil and natural gas production. Oil and natural gas prices fluctuate widely and are determined by supply and demand factors, including weather and general economic conditions, world-wide geopolitical factors as well as conditions in other oil and natural gas regions. Wet weather and spring thaw may make the ground unstable, which may prevent, delay or make operations more difficult. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. The Corporation attempts to mitigate the risks associated with seasonal factors by carefully planning its activities around seasonal weather patterns. Any decline in oil and natural gas prices could have an adverse effect on the Corporation's financial condition. The Corporation maintains a robust hedging program to minimize such risks. See "*Risk Factors – Seasonality*".

Economic Dependence

Saturn has ensured economic diversity for the Corporation by not being substantially dependent on any single contract, service provider or purchaser for our products.

Changes to Contracts

Saturn does not reasonably anticipate being materially affected by re-negotiation or termination of contracts or sub-contracts.

Environmental Protection and Policies

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation. Saturn is committed to managing and operating in a safe, efficient, environmentally responsible manner in association with our industry partners and is committed to maintaining our environmental, health, safety and social performance. To fulfill this commitment, the Corporation's operating practices and



procedures are consistent with the requirements established for the oil and gas industry. Key environmental considerations include air quality and reduction of greenhouse gas (“**GHG**”) emissions, water conservation, spill management, waste management plans, lease and right-of-way management, natural and historic resource protection, and liability management (including site assessment, remediation and reclamation).

Compliance with such legislation can require significant expenditures or result in operational restrictions. Breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which might have a significant negative impact on earnings and overall competitiveness. Saturn believes that we meet all existing environmental standards and regulations and includes sufficient amounts in our capital expenditure budget to continue to meet current environmental protection and remediation requirements. The Corporation believes that it is reasonably likely that the trend towards stricter standards in environmental legislation and regulation will continue, and in continuing to maintain high quality operations, we anticipate making increased expenditures of both a capital and an expense nature as a result of these increasingly stringent environmental protection laws. However, these requirements apply to all operators in the oil and gas industry, and it is not currently possible to quantify any such increased expenditures; therefore, it is not anticipated that Saturn's competitive position within the Canadian energy industry will be adversely affected by current or future environmental laws and regulations governing the Corporation's oil and natural gas operations.

The Corporation expects to incur abandonment and reclamation costs as our oil and gas properties are abandoned. In 2025, expenditures for abandonment and reclamation work in the provinces of Alberta and Saskatchewan were \$18.4 million.

For a further discussion of the environmental regulations affecting the oil and gas industry, see “*Risk Factors – Environmental Concerns and Regulation*” and “*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation*”.

Human Resources

As at December 31, 2025, Saturn had 373 full-time employees, 3 consultants and 25 contract operators.

Price Risk Management

Prices received for production and associated operating expenses are impacted in varying degrees by factors outside management's control. These factors include, but are not limited to, the following:

- a) world market forces, including the ability of the Organization of the Petroleum Exporting Countries (“**OPEC**”) and Russia to set and maintain production levels and prices for crude oil;
- b) political uncertainty, including (i) the U.S. 25% broad-based tariff on goods exported from Canada into the U.S., other than energy products (including oil and natural gas), which are subject to a 10% tariff; (ii) the Canadian retaliatory tariffs in response to such tariffs; and (iii) the potential impacts of an export tax on oil and gas exports by the Canadian government;
- c) political conditions, including the risk of hostilities in Ukraine, Iran and the Middle East and other regions throughout the world;
- d) increases or decreases in crude oil quality and market differentials
- e) availability of takeaway pipeline capacity;
- f) the impact of changes in the exchange rate between Canada and United States dollars on prices received by the Corporation for our crude oil and natural gas;
- g) North American market forces, most notably shifts in the balance between supply and demand for crude oil and natural gas and the implications for the price of crude oil and natural gas
- h) global and domestic economic and weather conditions
- i) price and availability of alternative fuels;
- j) the effect of energy conservation measures and government regulations; and



- k) the impact of world conflicts including conflict in Iran and the Middle East, Venezuela, and Russia and Ukraine.

Saturn mitigates such price risk through closely monitoring the various commodity markets and establishing price risk management programs, as deemed necessary and through maintaining financial flexibility. Additionally, the Corporation continually reviews our capital program and implements initiatives to adapt to such price changes. See “*Risk Factors – Volatility in the Oil And Gas Industry*”, “*Risk Factors – Commodity Prices, Markets and Marketing*”, and “*Risk Factors – Hedging*”.

Revenue Sources

For the year ended December 31, 2025, 97% of the revenue from Saturn's properties before royalties were derived from the sale of light oil, NGLs and natural gas (99% for the year ended December 31, 2024). Production is sold to marketers at delivery points in or close to the producing field.

Need to Replace and Grow Reserves

The future oil and natural gas production of the Corporation and, therefore, future cash flows, are highly dependent upon ongoing success in exploring Saturn's current and future undeveloped land base, exploiting the current producing properties and acquiring or discovering additional reserves. Without reserve additions through exploration, acquisition or development activities, reserves and production will decline over time as reserves are depleted. See “*Risk Factors – Purchase of Reserves*” and “*Risk Factors – Exploration, Development and Production Risks*”.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our long-term commercial success depends on our ability to find, acquire, develop, and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, our existing reserves, and the production from them, will decline over time as we produce from such reserves. A future increase in our reserves will depend on both our ability to explore and develop our existing properties and on our ability to select and acquire suitable producing properties or prospects. There is no assurance that we will be able to continue to find satisfactory properties to acquire or participate in. Moreover, our management may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participation uneconomic. There is also no assurance that we will discover or acquire further commercial quantities of oil and natural gas.

Future oil and natural gas exploration may involve unprofitable efforts from dry wells or from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing (including hydraulic fracturing), operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Adverse field conditions include, but are not limited to, delays in obtaining governmental approvals or consents, shut-ins of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or geological and mechanical conditions. While diligent well supervision, effective maintenance operations, and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and funds flow levels to varying degrees.

Restrictions on the availability and cost of materials and equipment may impede our exploration, development, and operating activities as crude oil and natural gas exploration, development, and operating activities are dependent on the availability and cost of specialized materials and equipment (typically leased from third parties) in the areas where such activities are conducted. The availability of such material and equipment is limited. An increase in demand or cost, or a decrease in the availability of such materials and equipment, may impede our exploration, development, and operating activities.

We utilize multi-well pad drilling where practicable. Wells drilled on a pad are not placed on production until all wells on the pad are drilled and completed. In addition, problems affecting a single well could adversely affect production from all of the wells on the pad. As a result, multi-well pad drilling can cause delays in the scheduled commencement



of production, or interruption in ongoing production. These delays or interruptions may cause volatility in our operating results.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment and cause personal injury or threaten wildlife. An unintentional leak of sour gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to us.

Oil and natural gas production operations are also subject to geological and seismic risks, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on our business, financial condition, results of operations and prospects.

As is standard industry practice, we are not fully insured against all risks, nor are all risks insurable. Although we maintain liability insurance and business interruption insurance in an amount that we consider consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, we could incur significant costs. See “*Risk Factors – Insurance*”.

Development of Additional Reserves

The business of discovering, developing, or acquiring reserves is capital intensive. To the extent cash flows from the Corporation's operating activities are insufficient and external sources of capital become limited or unavailable, the ability for the Corporation to make the necessary capital investments to maintain and expand our oil and natural gas reserves may be impaired. While the Corporation would seek to finance these activities in the most prudent manner possible, it cannot be assured that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Saturn. There can be no assurance that the Corporation will be able to find and develop or acquire additional reserves to replace and grow production at acceptable costs. Moreover, future activities may require Saturn to alter our capitalization significantly. Transactions involving the issuance of securities may be dilutive. The inability of Saturn to access sufficient capital for our operations could have a material adverse effect on the Corporation's financial condition, results of operations or prospects. See “*Risk Factors – Substantial Capital Requirements*” and “*Risk Factors – Additional Funding Requirements*” for further discussion of capital requirements.

RISK FACTORS

The Corporation is subject to both risks that directly affect Saturn's business and operations, as well as indirect risks that impact third parties or the industry generally. The holding of securities in the Corporation should be considered highly speculative due to the nature of the Corporation's business and the present stage of our development. Investors should carefully consider the risk factors set out below and consider all other information contained herein and in Saturn's other public filings before making an investment decision. The following is a summary of certain risk factors relating to the activities of the Corporation and the ownership of the Corporation's securities, which should be carefully considered before making an investment decision relating to the Corporation's securities.

The risks set out below are not exhaustive and should not be taken as a complete summary or description of all the risks associated with Saturn's business, the business of third parties with whom Saturn conducts business and the oil and natural gas business generally. If any event arising from the risk factors set forth below occurs, Saturn's business, prospects, financial condition, results of operation or cash flows and in some cases, our reputation, could be materially adversely affected.

ADVERSE ECONOMIC CONDITIONS

The demand for energy, including crude oil, NGLs and natural gas, is generally linked to broad-based economic activities. If there was a slowdown in economic growth, an economic downturn or recession, or other adverse economic or political development in the U.S., Europe, Asia, South America or elsewhere, there could be a significant



adverse effect on global financial markets and commodity prices. In addition, hostilities in Iran and the Middle East, Ukraine, South America and elsewhere and the occurrence or threat of terrorist attacks in the U.S. or other countries could adversely affect the global economy. Global or national health concerns, including the outbreak of pandemics or contagious diseases, may adversely affect us by (i) reducing global economic activity, thereby resulting in lower demand for crude oil, NGLs and natural gas, (ii) impairing Saturn's supply chain, for example, by limiting the manufacturing of materials or the supply of goods and services used in our operations, and (iii) affecting the health of Saturn's workforce and/or rendering employees unable to work or travel. These and other factors disclosed elsewhere herein that affect the supply and demand for crude oil, NGLs and natural gas, and Saturn's business and industry, could ultimately have an adverse impact on Saturn's financial condition, financial performance, and funds flow.

VOLATILITY IN THE OIL AND GAS INDUSTRY

Market events and conditions, including global excess oil and natural gas supply, actions taken by OPEC, sanctions and military against, and civil unrest in, Russia, Iran and the Middle East, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, conflict between the United States and Iran, isolationist and punitive trade policies, sovereign debt levels, world health emergencies and political upheavals in various countries including growing anti-fossil fuel sentiment, have caused significant volatility in commodity prices. See *"Risk Factors – Political Uncertainty"* and *"Risk Factors – Geopolitical Risks"*. It is possible that the oil and natural gas industry will experience continued pressure from investors to take meaningful strides towards combating climate change in the upcoming years, including diversifying their energy portfolios. These events and conditions have caused a significant decrease in the valuation of oil and natural gas companies and a decrease in confidence in the petroleum and natural gas industry. These difficulties have been exacerbated in Canada by government actions and the resultant uncertainty surrounding environmental, regulatory, tax and royalty changes that has been and may continue to be implemented by the federal government. In addition, the inability to get the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and gas industry in Western Canada has led to additional uncertainty and reduced confidence in the oil and gas industry. See *"Information Concerning the Oil and Natural Gas Industry – Royalties and Incentives"* and *"Information Concerning the Oil and Natural Gas Industry – Climate Change Regulation"*.

Lower commodity prices may also affect the volume and value of the Corporation's reserves especially as certain reserves become uneconomic. In addition, lower commodity prices have reduced, and are anticipated to continue to reduce the Corporation's cash flow which could result in a reduced capital expenditure budget. As a result, the Corporation may not be able to replace our production with additional reserves and both the Corporation's production and reserves could be reduced on a year over year basis. See *"Risk Factors – Reserves Estimates"*.

A prolonged period of adverse market conditions may impede the Corporation's ability to refinance the Credit Facility or any replacement credit facilities or arrange alternative financing when the Credit Facility becomes due or if the lending limits under the Credit Facility are reduced upon periodic review. Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, the Corporation may have difficulty raising additional funds in the future or if we are able to do so, it may be on unfavourable and highly dilutive terms. If these conditions worsen, Saturn's cash flow may not be sufficient to continue to fund operations and to satisfy obligations when due and will require additional equity or debt financing and/or proceeds from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory or at all. Similarly, there can be no assurance that the Corporation will be able to realize any or sufficient proceeds from asset sales to discharge Saturn's obligations. See *"Risk Factors – Credit Facility Risk"*.

COMMODITY PRICES, MARKETS AND MARKETING

Saturn's results of operations and financial condition are dependent upon the prices that we receive for the oil, NGLs and natural gas that the Corporation sells. Historically, the oil, NGLs and natural gas markets have been volatile and are likely to continue to be volatile in the future. Oil, NGLs and natural gas prices have fluctuated widely during recent years and are subject to fluctuations in response to changes in supply, demand, market uncertainty and other factors that are beyond Saturn's control. These factors include, but are not limited to:



- the impact of regional and/or global health related events on economic activity levels and energy demand;
- global energy policy, including the ability of OPEC (and in particular the Kingdom of Saudi Arabia) and other oil and natural gas exporting nations (and in particular Russia) to set and maintain production levels and influence prices for oil;
- the limitations on the ability of Western Canadian energy producers to export oil, NGLs and natural gas to U.S. markets and other world markets and the resulting discount that Western Canadian energy producers may receive for their products as compared to U.S. and international benchmark commodity prices;
- tariffs, taxes, restrictions or prohibitions on the import or export of products from one country to another, including on oil, NGLs and natural gas imposed by Canada, the U.S., or other countries;
- the availability of transportation infrastructure, and in particular:
 - our ability to acquire capacity in pipelines that deliver oil, NGLs and natural gas to commercial markets or alternatively contract for the delivery of our products by rail;
 - deliverability uncertainties related to the distance of our production from existing pipelines, railway lines, and processing and storage facilities; and
 - operational problems affecting the pipelines, railway lines and processing and storage facilities on which we rely;
- increased growth of shale oil and natural gas production in the U.S.;
- production and storage levels of oil, NGLs and natural gas;
- existing and threatened political instability and hostilities in commodity producing regions such as the Middle East, South America, Northern Africa, Russia and elsewhere;
- occurrence or threat of terrorist attacks in the United States or other countries that could adversely affect the global economy;
- sanctions imposed on certain oil producing nations (such as Russia, Venezuela or Iran) by other countries;
- foreign supply of, and demand for, oil, NGLs and natural gas, including liquefied natural gas;
- weather conditions;
- the overall economic and political environment in Canada, the U.S., Europe, China, Russia, emerging markets and globally;
- the overall level of energy demand;
- government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business;
- currency exchange rates, interest rates and inflation rates;
- the effect of worldwide environmental and/or energy conservation measures;
- the price and availability of alternative energy supplies; and
- the advent of new technologies.

Saturn makes price assumptions that are used for planning purposes, and a significant portion of our cash outflows, including capital and transportation commitments, are largely fixed in nature. Accordingly, if commodity prices are below the expectations on which these commitments were based, Saturn's financial results are likely to be adversely and disproportionately affected because these cash outflows are not variable in the short term and cannot be quickly reduced to respond to unanticipated decreases in commodity prices. Saturn's risk management arrangements will not fully mitigate the effects of price volatility.

The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes and the value of our reserves. We may also elect not to produce from certain wells at lower prices. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

All these factors could result in a material decrease in our expected net production revenue and a reduction in our oil and natural gas production, acquisition, development and exploration activities. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the carrying value of our reserves, borrowing



capacity, revenues, profitability and funds flow and may have a material adverse effect on our business, financial condition, results of operations and prospects, and as a result, the market price of our Common Shares.

ALTERNATIVES TO, AND CHANGING DEMAND FOR, PETROLEUM PRODUCTS

Fuel conservation measures, alternative fuel requirements, electric vehicle mandates, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and energy generation devices could reduce the demand for oil, NGLs and natural gas. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives (including electric vehicles), which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for oil, NGLs and natural gas products. Saturn cannot predict the impact of changing demand for oil, NGLs and natural gas products, and any major changes may have a negative effect on the Corporation's business, financial condition, results of operations and funds flow by decreasing our profitability, increasing our costs, limiting our access to capital and decreasing the value of our assets.

EXPLORATION, DEVELOPMENT AND PRODUCTION RISKS

Oil, natural gas and NGLs operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our long-term commercial success depends on our ability to find, acquire, develop, and commercially produce oil, natural gas and NGLs reserves. Without the continual addition of new reserves, our existing reserves, and the production from them, will decline over time as we produce from such reserves. A future increase in our reserves will depend on both our ability to explore and develop our existing properties and on our ability to select and acquire suitable producing properties or prospects. There is no assurance that we will be able to continue to find satisfactory properties to acquire or participate in. Moreover, our management may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participation uneconomic. There is also no assurance that we will discover or acquire further commercial quantities of oil, natural gas and NGLs.

Future oil, natural gas and NGLs exploration may involve unprofitable efforts from dry wells or from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing (including hydraulic fracturing), operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Adverse field conditions include, but are not limited to, delays in obtaining governmental approvals or consents, shut-ins of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or geological and mechanical conditions. While diligent well supervision, effective maintenance operations, and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and funds flow levels to varying degrees.

Restrictions on the availability and cost of materials and equipment may impede our exploration, development, and operating activities as crude oil, natural gas and NGLs exploration, development, and operating activities are dependent on the availability and cost of specialized materials and equipment (typically leased from third parties) in the areas where such activities are conducted. The availability of such material and equipment is limited. An increase in demand or cost, or a decrease in the availability of such materials and equipment, may impede our exploration, development, and operating activities.

We utilize multi-well pad drilling where practicable. Wells drilled on a pad are not placed on production until all wells on the pad are drilled and completed. In addition, problems affecting a single well could adversely affect production from all of the wells on the pad. As a result, multi-well pad drilling can cause delays in the scheduled commencement of production, or interruption in ongoing production. These delays or interruptions may cause volatility in our operating results.



Oil, natural gas and NGLs exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment and cause personal injury or threaten wildlife. An unintentional leak of sour gas or contamination of the supply chain with sour gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to us.

Oil, natural gas and NGLs production operations are also subject to geological and seismic risks, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on our business, financial condition, results of operations and prospects.

As is standard industry practice, we are not fully insured against all risks, nor are all risks insurable. Although we maintain liability insurance and business interruption insurance in an amount that we consider consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, we could incur significant costs. See “*Risk Factors – Insurance*”.

DEVELOPMENT OF ADDITIONAL RESERVES

The Corporation's future success is dependent upon our ability to explore, develop or acquire additional oil and natural gas reserves that are economically recoverable at attractive acquisition prices. Except to the extent that the Corporation conducts successful activities or acquires properties containing proved reserves, or both, the proved reserves and production will generally decline as reserves are produced. If prevailing oil and natural gas prices were to increase significantly, the Corporation's costs to add reserves could be expected to increase. The drilling of oil and natural gas wells involves a high degree of risk, especially the risk of a dry hole or of a well that is not sufficiently productive to provide an economic return on the capital expended to drill the well.

Exploitation and development risks are due to the uncertain results of searching for and producing oil and natural gas using imperfect scientific methods. These risks are mitigated by using highly skilled staff, focusing exploitation efforts in areas in which the Corporation has existing knowledge and expertise or access to such expertise, using up-to-date technology to enhance methods and controlling costs to maximize returns. Advanced oil and natural gas related technologies such as three-dimensional seismography, reservoir simulation studies and horizontal drilling may, where appropriate, may be used by the Corporation to improve our ability to find, develop and produce oil and natural gas.

POLITICAL UNCERTAINTY

Saturn's results can be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically, and duration of regulatory reviews could impact the Corporation's existing operations and planned projects. This includes actions by regulators or other political actors to delay or deny necessary licenses and permits for the Corporation's activities or restrict the operation of third-party infrastructure that the Corporation relies on. Additionally, changes in environmental regulations, assessment processes or other laws, and increasing and expanding stakeholder consultation (including Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact Saturn's results.

The current U.S.-Canada tariff environment remains highly dynamic and uncertain. Legislative or regulatory changes by the U.S. administration could materially impact the Corporation's operations and financial condition. In March 2025, the United States imposed a series of tariffs on goods imported from Canada and other countries, triggering a de facto global trade war, and prompting Canada and several trading partners to implement retaliatory measures. Since then, tariff policies have continued to evolve, creating ongoing uncertainty regarding U.S. support for existing trade agreements, including the USMCA.



At present, the United States maintains tariffs on a range of Canadian exports, including steel and aluminum, automobiles and automotive parts, copper, lumber, and certain wooden products. Canada has implemented reciprocal tariffs on these categories. Additionally, U.S. tariffs apply to Canadian potash and energy products that do not qualify for USMCA exemptions. Uncertainty persists due to recent U.S. Supreme Court rulings on the authority of the Trump administration to impose tariffs without congressional approval and the U.S. administration's response to such ruling and the upcoming 2026 reviews of the USMCA and other trade agreements. Changes to existing tariffs or new trade restrictions could materially impact the Canadian economy, the oil and gas sector, and the Corporation. Additionally, further U.S. tariffs on other countries could exacerbate global trade tensions, increase costs, reduce U.S. demand for the Corporation's products, and negatively affect its operations.

Other government and political factors that could adversely affect the Corporation's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards and mandating the sale of electric vehicles, and the use of alternative fuels or uncompetitive fuel components, could affect the demand for Saturn's products. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels, technologies or electric vehicles. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for Saturn's products.

A change in federal, provincial or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry including the balance between economic development and environmental policy. The oil and natural gas industry has become an increasingly politically polarizing topic in Canada, which has resulted in a rise in civil disobedience surrounding oil and natural gas development, particularly with respect to infrastructure projects. Protests, blockades, demonstrations and vandalism have the potential to delay and disrupt our activities. See *"Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation"* and *"Information Concerning the Oil and Natural Gas Industry – Transportation Constraints, Pipeline Capacity and Market Access"*.

GEOPOLITICAL RISKS

The marketability and price of oil and natural gas that may be acquired or discovered by Saturn is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising outside of Canada, including changes in political regimes or parties in power, may have a significant impact on the price of crude oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of Saturn's net production revenue.

The level of geo-political risk escalates at certain points in time. While the specific impact on the global economy would depend on the nature of the event, in general, any major event could result in instability and volatility.

Middle Eastern Conflicts

Hostilities that began in October 2023 between Israel and Hamas have evolved into a broader regional conflict. The Syrian Assad regime collapsed in late 2025, and the political climate remains in flux.

In June 2025, U.S. airspace strikes targeted Iranian nuclear facilities at Fordow, Natanz, and Isfahan, prompting Iranian missile attacks on U.S. assets in Qatar.

On February 28, 2026, the U.S. and Israel launched a large-scale coordinated missile and airstrike campaign across Iran striking multiple military and governmental sites. Supreme Leader Ayatollah Ali Khamenei and various other senior regime leaders were killed in the campaign. Iran immediately retaliated with missile and drone attacks targeting U.S. and Israeli assets across the region as well as neighboring Middle East countries. This conflict has resulted and is expected to continue to result in disruptions to global energy supply and transportation routes and infrastructure.

These developments pose ongoing risks to regional stability in the Middle East, a key hub for global oil production. The duration and long-term consequences of the conflict remain uncertain, particularly regarding future Middle Eastern



oil and gas output and the movement of those commodities worldwide. Continued conflict or escalation could further disrupt energy supply chains and increase volatility in global energy markets and prices and adversely affect the global economy. It is uncertain how these developments will impact the Canadian oil and gas industry and the Corporation in the long term.

Russian-Ukrainian War

Russia's invasion of Ukraine in February 2022 has developed into a prolonged and intense conflict, with heavy fighting continuing in eastern Ukraine and ongoing missile and drone attacks. The North Atlantic Treaty Organization and allied nations, including Canada, have provided substantial military and financial support to Ukraine, while maintaining strict sanctions against Russia. Although peace negotiations have advanced, no comprehensive settlement has been reached, and territorial and security issues remain unresolved. These developments pose ongoing risks to regional stability, global energy and industrial supply chains, and international markets, which could negatively impact the world economy, the Canadian oil and gas industry as a whole, including us.

U.S. Venezuela Conflict

On January 3, 2026, United States military forces conducted an operation in Caracas, Venezuela, resulting in the capture of President Nicolás Maduro and his spouse. Subsequent statements by U.S. leadership indicated an intention to administer Venezuela temporarily and facilitate significant investment by American oil companies in Venezuela's petroleum sector.

These actions have drawn widespread international attention, and the extent of resulting political and economic repercussions remains uncertain. Given that the United States is the primary destination for Canadian crude oil exports, increased U.S. access to Venezuela's substantial crude oil reserves could reduce U.S. demand for Canadian crude oil imports and negatively affect pricing and market competitiveness.

GLOBAL FINANCIAL MARKETS

The market events and conditions that transpired in recent years, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have, among other things, caused significant volatility in commodity prices. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors negatively impacted enterprise valuations and impacted the performance of the global economy. Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties regarding the supply and demand fundamentals for petroleum products due to the current state of the world's economies, actions taken by OPEC and governments around the world, the ongoing risks facing the North American and global economies and increased supplies of crude oil which may be created by the application of new drilling technology to unconventional resource plays.

TITLE

Although title reviews of the Corporation's properties are conducted in accordance with industry standards, those title reviews do not guarantee or certify that a defect in the chain of title may not arise to defeat the claim of the Corporation to a property. Our actual title to and interest in our properties, and our right to produce and sell the oil and natural gas therefrom, may vary from our records. In addition, there may be valid legal challenges or legislative changes that affect our title to and right to produce from our crude oil and natural gas properties, which could impair our activities and result in a reduction of the revenue received by us.

If a defect exists in the chain of title or in Saturn's right to produce, or a legal challenge or legislative change arises, it is possible that we may lose all, or a portion of, the properties to which the title defect relates and/or Saturn's right to produce from such properties. This may have a material adverse effect on Saturn's business, financial condition, results of operations and prospects.



ENVIRONMENTAL CONCERNS AND REGULATION

The operation of oil and natural gas wells involves a number of natural hazards which may result in blowouts, environmental damage or other unexpected or dangerous conditions resulting in liability to the Corporation and possibly liability to third parties. Corporations operating in the oil and natural gas industry are subject to extensive environmental regulation pursuant to a variety of federal, provincial and municipal laws and regulations which provides for, among other things, the initiation and approval of new oil and natural gas projects, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas industry operations. such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites. A breach of such legislation may result in fines or the issuance of clean-up orders. New environmental legislation at the federal and provincial levels may increase uncertainty among oil and natural gas industry participants as the new laws are implemented, and the effects of the new rules and standards are felt in the oil and natural gas industry. See *"Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation"*.

Compliance with environmental legislation can require significant expenditures and a breach of such legislation may result in suspension or revocation of necessary licenses and authorization, civil liability for pollution damage and the imposition of fines or other penalties, some of which may be material, as well as the responsibility to remedy environmental problems caused by Saturn's operations. Should Saturn be unable to fully fund the cost of remedying an environmental problem, Saturn might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liabilities and the potential for increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Saturn to incur costs to remedy such discharge.

In November 2024, the Government of Canada published a draft of the proposed *Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations*, which, if enacted as currently drafted, would cap emissions from a range of industrial activities in the oil and gas sector, establish a cap-and-trade system for emissions allowances, and require facility operators to comply with various reporting and remittance obligations. Such proposed regulations, which could affect investor confidence, suppress spending on decarbonization initiatives and lead to production cuts, are expected to be finalized and come into force in 2026.

Although Saturn believes that we are in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Saturn's financial condition, results of operations or prospects.

The Corporation will make reasonable provision for well abandonment and reclamation where appropriate; however, there can be no assurance that such provision will be sufficient to satisfy all such obligations. No sinking fund or reserve has been or will be established for the purpose of site reclamation or abandonment costs. See *"Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation"*.

ANTI-GREENWASHING

Amendments to the Competition Act introduced in June 2024 prohibit companies from making false or misleading environmental claims. The new rules are complex and uncertain, and initially led many companies to suspend voluntary sustainability reporting. While private rights of action for greenwashing came into effect in June 2025, Budget 2025 Implementation Act, No. 1 subsequently removed this access and clarified substantiation requirements to address unintended consequences. Despite these improvements, the regulatory landscape continues to evolve and penalties for non-compliance remain significant, including up to the greater of \$10 million for a first order, \$15 million for subsequent orders, or 3% of global annual revenues. Companies making voluntary environmental disclosures face ongoing risk of liability and reputational harm. See *"Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation – Climate Change Regulation"*.



REGULATORY

Oil and natural gas operations (exploration, development, production, pricing, marketing, transportation, infrastructure and mergers and acquisitions) are subject to extensive controls and regulations imposed by various levels of government, which controls and regulations may be amended from time to time.

Governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions.

The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Corporation's costs, any of which may have a material adverse effect on Saturn's business, financial condition, results of operations and prospects. In addition, obtaining certain approvals from regulatory authorities can involve, among other things, stakeholder and Indigenous consultation, environmental impact assessments, and public hearings. Regulatory approvals obtained may be subject to the satisfaction of certain conditions including, but not limited to: (i) security deposit obligations; (ii) ongoing regulatory oversight of projects; (iii) mitigating or avoiding project impacts; (iv) environmental and habitat assessments; and (v) other commitments or obligations. Further, third party challenges to regulatory decisions or orders have reduced the efficiency of the regulatory regime, as the implementation of the decisions and orders has been delayed resulting in uncertainty and interruption to the business of the oil and natural gas industry.

To conduct oil and natural gas operations, we require regulatory permits, licences, registrations, approvals and authorizations from various governmental authorities at the municipal, provincial and federal level. There can be no assurance that we will be able to obtain all of the permits, licences, registrations, approvals and authorizations that may be required to conduct operations that we may wish to undertake. In addition, certain federal legislation such as the Competition Act and the Investment Canada Act could negatively affect our business, financial condition and the market value of our Common Shares or our assets, particularly when undertaking, or attempting to undertake, acquisition or disposition activity. See "*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation*".

ROYALTY REGIMES

There can be no assurance that the governments in the jurisdictions in which we have assets will not adopt new royalty regimes, or modify the existing royalty regimes, which may have an impact on the economics of our projects. An increase in royalties would reduce our earnings and could make future capital investments, or our operations, less economical. See "*Information Concerning the Oil and Natural Gas Industry – Royalties and Incentives*".

HYDRAULIC FRACTURING

Hydraulic fracturing involves the injection of water, sand, and small amounts of additives under high pressure into tight rock formations to stimulate the production of oil and natural gas. Concerns about seismic activity, including earthquakes, caused by hydraulic fracturing has resulted in regulatory authorities implementing additional protocols for areas that are prone to seismic activity or completely banning hydraulic fracturing in other areas. Any new laws, regulations, or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third-party or governmental claims, and could increase our costs of compliance and doing business, as well as delay the development of oil, liquids and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions or bans on hydraulic fracturing in the areas where we operate could reduce the amount of oil and gas that we are ultimately able to produce from our reserves and/or could result in us being unable to economically recover certain of our oil and gas reserves, which in either case could result in a significant decrease in the value of our assets.

Water is an essential component of our drilling and hydraulic fracturing processes. Limitations or restrictions on our ability to secure sufficient amounts of water (including limitations resulting from natural causes such as drought), could materially and adversely impact our operations. Severe drought conditions can result in local water authorities taking steps to restrict the use of water in their jurisdiction for drilling and hydraulic fracturing in order to protect the local water supply. If we are unable to obtain water to use in our operations from local sources, water may need to be



obtained from new sources and transported to drilling sites, resulting in increased costs. Cost increases could have a material adverse effect on drilling economics resulting in delays or suspensions of drilling which ultimately would have a detrimental effect on our financial condition, results of operations, and funds flow.

In addition, we must dispose of the fluids produced from oil, liquids and natural gas production operations, including produced water, which we do directly or through the use of third parties. The legal requirements related to the disposal of produced water into a non-producing geologic formation by means of underground injection wells are subject to change based on concerns of the public or governmental authorities regarding such disposal activities.

Another consequence of seismic events may be lawsuits alleging that disposal well operations have caused damage to neighboring properties or otherwise violated laws and regulations regarding waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells by us or by commercial disposal well vendors that we may use from time to time to dispose of produced water. Increased regulation and attention given to induced seismicity could also lead to greater opposition, including litigation to limit or prohibit oil and natural gas activities utilizing injection wells for produced water disposal. Any one or more of these developments may result in us or our vendors having to limit disposal well volumes, disposal rates, pressures or locations, or require us or our vendors to shut down or curtail the injection of produced water into disposal wells, which events could have a material adverse effect on our business, financial condition, and results of operations.

Alberta

Seismic events are common in certain parts of Alberta and are generally clustered around the municipalities of Cardston, Fox Creek, Rocky Mountain House, Brazeau and Red Deer. Due to the potential for seismic activity, the Alberta Energy Regulator (“**AER**”) introduced seismic protocols for hydraulic fracturing operators in the Red Deer and Brazeau regions. The Corporation has operations in the Brazeau area. These requirements include, among others, an assessment of the potential for seismicity prior to conducting operations, the implementation of a response plan to address potential seismic events and the suspension of operations if a seismic event above a particular threshold occurs. Further, the AER continues to monitor seismic activity around the province and may extend these requirements to other areas of the province if necessary.

WATERFLOOD

We undertake or intend to undertake certain waterflooding programs, which involve the injection of water or other liquids into an oil reservoir to increase production from the reservoir and to decrease production declines. To undertake such waterflooding activities we need to have access to sufficient volumes of water, or other liquids, to pump into the reservoir to increase the pressure in the reservoir. There is no certainty that we will have access to the required volumes of water. In addition, in certain areas there may be restrictions on water use for activities such as waterflooding. If we are unable to access such water we may not be able to undertake waterflooding activities, which may reduce the amount of oil and natural gas that we are ultimately able to produce from our reservoirs. In addition, we may undertake certain waterflood programs that ultimately prove unsuccessful in increasing production from the reservoir and as a result have a negative impact on our results of operations.

AVAILABILITY OF WATER

We use water in our operations, including drilling. In April 2024, severe drought risks following several warm, dry winters caused low conditions for Alberta’s snowpack, rivers, and reservoirs. Alberta entered into voluntary water-sharing agreements with major licensees in southern Alberta river basins to mitigate drought impacts, and in 2025 introduced a Drought Response Plan and changes to water licence transfer rules to improve flexibility. Despite these measures, prolonged drought or stricter water allocation requirements could lead to operational delays, increased costs, or other adverse effects on the results of our operations and our financial condition.

CLIMATE CHANGE

Global climate issues continue to attract public and scientific attention. Numerous reports, including reports from the United Nations (“**UN**”) Intergovernmental Panel on Climate Change, have engendered concern about the impacts of



human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of GHG, including emissions of carbon dioxide and methane from the production and use of oil, liquids and natural gas. The majority of countries across the globe, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement and in November 2025 at the COP30 in Brazil, Canada reaffirmed its commitments to transitioning away from fossil fuels in line with the Paris Agreement. As discussed below, the Corporation faces both transition risks and physical risks associated with climate change and climate change policy and regulations See “*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation - Climate Change Regulation*”.

Transition Risks

Foreign and domestic governments continue to evaluate and implement policy, legislation, and regulations focused on restricting GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. It is not possible to predict what measures foreign and domestic governments may implement in this regard, nor is it possible to predict the requirements that such measures may impose or when such measures may be implemented. However, international multilateral agreements, the obligations adopted thereunder and legal challenges concerning the adequacy of climate-related policy brought against foreign and domestic governments may accelerate the implementation of these measures. Given the evolving nature of climate change policy and the control of GHG emissions and resulting requirements, including carbon taxes and carbon pricing schemes implemented by varying levels of government, it is expected that current and future climate change regulations will have the effect of increasing our operating expenses, and, in the long-term, potentially reducing the demand for oil, natural gas and related products, resulting in a decrease in our profitability and a reduction in the value of our assets.

Claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public nuisance under certain laws or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. Individuals, government authorities, or other organizations may make claims against oil and natural gas companies, including us, for alleged personal injury, property damage, or other potential liabilities. While we are not a party to any such litigation or proceedings, we could be named in actions making similar allegations. An unfavorable ruling in any such case could adversely affect the demand for and price of our securities, impact our operations and have an adverse impact on our financial condition.

Given the perceived elevated long-term risks associated with policy development, regulatory changes, public and private legal challenges, or other market developments related to climate change, there have also been efforts in recent years affecting the financial community, including investment advisors, sovereign wealth funds, banks, public pension funds, universities and other institutional investors, promoting direct engagement and dialogue with companies in their portfolios on climate change action (including exercising their voting rights on matters relating to climate change) and increased capital allocation to investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments of companies with high exposure to GHG-intensive operations and products. Certain stakeholders have also pressured insurance providers and commercial and investment banks to reduce or stop financing and providing insurance coverage to oil and natural gas and related infrastructure businesses and projects. The impact of such efforts requires our management to dedicate significant time and resources to these climate change-related concerns, which may adversely affect our operations, the demand for and price of our securities and our cost of capital and access to the capital markets.

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social and governance and climate reporting, on June 26, 2023, the International Sustainability Standards Board issued its first two IFRS Sustainability Disclosure Standards, IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures, with the purpose of developing sustainability disclosure standards that are globally consistent, comparable, transparent and reliable. Similarly, using the IFRS Sustainability Disclosure Standards as a baseline, the Canadian Sustainability Standards Board released its own two sustainability disclosure standards modified for the Canadian context, the Canadian Sustainability Disclosure Standard 1 - General Requirements for Disclosure of Sustainability-related Financial Information and Canadian Sustainability Disclosure Standard 2 - Climate-related Disclosures.



In addition, the Canadian Securities Administrators (the “**CSA**”) previously began developing Proposed National Instrument 51-107 – Disclosure of Climate-related Matters, intended to introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. In April 2025, the CSA paused its work on this instrument, stating its intention to revisit the project in the future. If the Corporation is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and its ability to raise capital, may be adversely affected. See “*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation*”.

Physical Risks

Based on our current understanding, the potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding the timing, scope, and severity of potential impacts. We do not conduct fundamental research regarding the scientific inquiry of climate change. Many experts believe global climate change could increase extreme variability in weather patterns such as increased frequency of severe weather, rising mean temperature and sea levels, and long-term changes in precipitation patterns. Extreme hot and cold weather, heavy snowfall, heavy rainfall, drought and wildfires may restrict our ability to access our properties and cause operational difficulties, including damage to equipment and infrastructure. Extreme weather also increases the risk of personnel injury as a result of dangerous working conditions. Certain of our assets are located in locations that are proximate to forests and rivers and a wildfire or flood may lead to significant downtime and/or damage to our assets or cause disruptions to the production and transport of our products or the delivery of goods and services in our supply chain.

VOLATILITY OF MARKET PRICE OF SECURITIES

The trading price of securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Factors unrelated to the Corporation's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices and/or current perceptions of the crude oil and natural gas market. This includes, but is not limited to, changing and in some cases, negative investor sentiment towards energy-related businesses. In recent years, the volatility of oil and natural gas commodity prices, and the securities of issuers involved in the crude oil and natural gas business, has increased due, in part, to the implementation of computerized trading and the decrease of discretionary commodity trading. Similarly, recent market prices in the securities of crude oil and natural gas issuers relative to other industry sectors have led to lower crude oil and natural gas representation in certain key equity market indices. The volatility, trading volume and market price of crude oil and natural gas have been impacted by increasing investment levels in passive funds that track major indices and only purchase securities included in such indices and subsequently dispose of those securities if they are excluded from such indices. These factors have impacted the volatility and liquidity of certain securities and put downward pressure on the market price of those securities. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in the Corporation's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted.

RESERVES ESTIMATES

There are numerous uncertainties inherent in estimating reserves and the future net revenues attributed to such reserves. The reserves and associated net revenue information set forth in this Annual Information Form are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) and the future net revenues from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- commodity prices;
- historical production from properties;
- production rates and estimated production decline rates;



- estimated ultimate reserve recovery;
- changes in technology;
- timing, amount and effectiveness of future capital expenditures;
- marketability of oil, NGLs and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of proved and probable reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based on production history and production practices will result in variations in the estimated reserves and such variations could be material. Many of Saturn's producing wells have a limited production history and thus there is less historical production on which to base the reserves estimates. In addition, a significant portion of Saturn's reserves may be attributable to a limited number of wells and, therefore, a variation in production results or reservoir characteristics in respect of such wells may have a significant impact upon Saturn's reserves.

In accordance with applicable securities laws, the Corporation's independent reserves consultants have used both constant and forecast price and cost estimates in calculating reserves quantities for Saturn's reserves. See "*Statement of Reserves Data and Other Oil and Gas Information – Pricing Assumptions*". Actual future net cash flows will be affected by other factors such as actual production levels, supply and demand for oil, NGL and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs. Actual production and cash flows derived therefrom will vary from the estimates contained in the applicable engineering reports. The 2025 Reserves Report (as defined below) is based in part on the assumed success of activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in the 2025 Reserves Report will be reduced to the extent that such activities are not undertaken or, if undertaken, do not achieve the level of success assumed in the 2025 Reserves Report. The 2025 Reserves Report is effective as of December 31, 2025, with a preparation date of February 20, 2026, and, except as may be specifically stated or required by applicable securities laws, has not been updated and, therefore, does not reflect changes in reserves since that date.

GATHERING AND PROCESSING FACILITIES, PIPELINE SYSTEMS AND RAIL

The Corporation delivers its products through gathering, processing facilities and pipeline systems, most of which are not owned by the Corporation. The amount of crude oil, natural gas and NGLs produced by the Corporation is subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems and railway lines. The lack of firm pipeline capacity, production limits, and limits on availability of capacity in gathering and processing facilities continues to affect the crude oil, natural gas and NGLs industry and limits the ability to transport produced crude oil, natural gas and NGLs to market. In addition, the pro-rationing of capacity on inter provincial pipeline systems continues to affect the ability of crude oil and natural gas companies to export crude oil, natural gas and NGLs, and could result in the inability of third-parties to realize the full economic potential of the produced crude oil, natural gas and NGLs or a reduction of the price offered for the Corporation's production. Unexpected shutdowns or curtailment of capacity of pipelines for maintenance or integrity work, natural disasters and environmental conditions, or because of actions taken by regulators could also affect third-parties' production and operations which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. As a result, producers have considered rail lines as an alternative means of transportation.

Future pipeline projects may be terminated for reasons such as a failure to obtain government and/or regulatory support or approval. The direct impact that the termination of such projects will have on the Corporation is unknown.

Federal and various provincial governments have been active in recent years in their support for and opposition to major infrastructure projects in Canada, leading to increased awareness and challenges to interprovincial and international infrastructure projects. Projects that are subject to an impact assessment under both provincial and



federal legislation, will likely be subject to a robust assessment of the environmental, social, health, economic and cultural impacts of the proposed project subject to the legislation. In addition, the effects of projects on Indigenous communities and their constitutionally protected rights may lead to longer periods to conduct the assessment and potentially more opportunities for public engagement and consultation. The federal government has recently announced initiatives to support and facilitate priority infrastructure projects, namely the implementation of the *Building Canada Act*, the formation of the MPO (as defined below) and the Canada-Alberta MOU (as defined below). See “*Information Concerning the Oil and Natural Gas Industry – Transportation Constraints, Pipeline Capacity, and Market Access - Pipelines*”.

The Corporation has certain long-term take-or-pay commitments to deliver products through third-party owned infrastructure which creates a financial liability and there can be no assurance that future volume commitments will be met which may adversely affect the Corporation's business, financial conditions, results of operations and prospects. Deliverability uncertainties related to the distance the Corporation's reserves are to pipelines, processing and storage facilities, operational problems affecting pipelines and facilities, as well as government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of crude oil, natural gas and NGLs and other aspects of the crude oil, natural gas and NGLs industry may also affect the Corporation. See “*Risk Factors – Commodity Prices, Markets and Marketing*”.

VARIATIONS IN FOREIGN EXCHANGE RATES AND INTEREST RATES

Operating costs incurred by the Corporation are generally paid in Canadian dollars. World oil prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/United States dollar exchange rate, which may fluctuate over time. A material increase in the value of the Canadian dollar may negatively impact the Corporation's net production revenue. Accordingly, exchange rates between Canada and the United States could affect the future value of our reserves as determined by independent evaluators. Although a low value of the Canadian dollar relative to the United States dollar may positively affect the price we receive for our oil and natural gas production, it could also result in an increase in the price for certain goods used in our operations, which may have a negative impact on our financial results.

To the extent we engage in risk management activities related to foreign exchange rates and interest rates, there is a credit risk associated with counterparties with which we may contract with.

An increase in interest rates could result in a significant increase in the amount we pay to service debt, resulting in a reduced amount of funds available to fund our exploration and development activities, and the cash available for Common Share repurchases. Such an increase could also negatively impact the market price of our Common Shares.

POTENTIAL CONFLICTS OF INTEREST

Certain directors of the Corporation are also directors of other oil and natural gas companies, which may from time to time be in competition with Saturn for working interest partners, property acquisitions, or other limited resources. Where required by law, appropriate disclosure of such conflicts will be made by the applicable directors. In particular, the Corporation follows the provisions of the ABCA. These provisions state that in the event that a director has an interest in a contract or proposed contract or agreement, such director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise permitted by the ABCA.

COMPETITION

The oil and natural gas industry is intensely competitive, and the Corporation will compete for joint venture partners, capital, reserves acquisitions and skilled industry personnel with a substantial number of other companies which have greater resources. Many such companies not only explore for and produce oil and natural gas, but also carry on refining operations and market petroleum and other products on a worldwide basis, and as such, have greater and more diverse resources upon which to draw. There is also competition between the oil industry and other industries with respect to the supply of energy and fuel to industrial, commercial and individual customers.



LIABILITY MANAGEMENT

We are subject to oil and gas asset abandonment, remediation and reclamation liabilities for our operations, development and exploration, including those imposed by regulation under various levels of legislation in the jurisdictions in which the Corporation conducts its operations, development or exploration.

We maintain estimates of our abandonment, remediation and reclamation liabilities; however, it is possible that these costs may change materially before decommissioning due to regulatory changes, technological changes, ecological risks, acceleration of decommissioning timelines, and inflation, among other variables.

In Alberta, Saskatchewan and Manitoba, the abandonment, remediation and reclamation liability regimes include orphan well funds that are funded through a levy imposed on licensees, including the Corporation, based on the licensees' proportionate share of the deemed abandonment, remediation and reclamation liabilities for oil and gas facilities, wells and unreclaimed sites. The regulators in these jurisdictions may seek additional funding for such liabilities from industry participants, including the Corporation. In addition, the new Alberta Liability Management Framework may add additional uncertainty around the quantum of security deposits and regulatory approval of transactions, as compared to the previous Alberta Licensee Liability Rating Program. See "*Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation – Liability Management – Alberta*".

We have an ongoing environmental monitoring program of owned and leased retail locations, and former owned or leased retail locations where we have retained environmental liability, and perform remediation where required to comply with contractual and legal obligations. The costs of such remediation may not be determinable due to the unknown timing and extent of corrective actions that may be required. The impact on our business of any legislative, regulatory or policy decisions relating to the abandonment, remediation and reclamation liability regulatory regime in the jurisdictions in which the Corporation conducts its operations, development or exploration cannot be reliably or accurately estimated. Any cost recovery or other measures taken by applicable regulatory bodies may impact the Corporation and could materially and adversely affect, among other things, our business, financial condition, results of operations, prospects and reputation.

CHANGES IN LEGISLATION

There can be no assurance that income tax laws, other laws, or government incentive programs relating to the oil and gas industry will not be changed in a manner that will adversely affect the Corporation. There can be no assurance that tax authorities having jurisdiction will agree with how Saturn calculates our income for tax purposes or that such tax authorities will not change their administrative practices to the detriment of the Corporation.

FAILURE TO REALIZE ANTICIPATED BENEFITS OF ACQUISITIONS AND DISPOSITIONS

We consider acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as Saturn's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters and may also result in the loss of key employees, the disruption of ongoing business, supplier, customer and employee relationships and deficiencies in internal controls or information technology controls. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of so that Saturn can focus our efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of Saturn, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.



INCORRECT ASSESSMENT OF THE VALUE OF ACQUISITIONS

Acquisitions of oil and natural gas properties or companies will be based in part on engineering and economic assessments made by independent engineers. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond our control. All such assessments involve a measure of geological and engineering uncertainty that could result in lower production and reserves than anticipated. If actual reserves or production are less than we expect, our revenues and consequently the value of our securities could be negatively affected.

SUBSTANTIAL CAPITAL REQUIREMENTS

The Corporation anticipates that we will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Corporation's revenues or reserves decline, Saturn may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require Saturn to alter our capitalization significantly, including transactions involving the issuance of securities, which may be dilutive. The inability of the Corporation to access sufficient capital for our operations could have a material adverse effect on Saturn's financial condition, results of operations or prospects.

ADDITIONAL FUNDING REQUIREMENTS

The Corporation's cash flow from our reserves may not be sufficient to fund Saturn's ongoing activities at all times and from time to time, the Corporation may require additional financing in order to carry out our oil and gas acquisition, exploration and development activities. There is risk that if the economy and banking industry experience unexpected and/or prolonged deterioration, Saturn's access to additional funding may be impacted.

Because of global economic volatility and political uncertainty, the Corporation may from time to time have restricted access to capital and increased borrowing costs. Failure to obtain such financing on a timely basis could cause Saturn to forfeit our interest in certain properties, miss certain acquisition opportunities and reduce or terminate our operations. If the Corporation's revenues from our reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Saturn's ability to expend the necessary capital to replace our reserves or to maintain our production. To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, and Saturn's assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of the Corporation's petroleum properties may require additional financing and there no assurances that such financing will be available or, if available, will be available upon acceptable terms. Failure to obtain any financing necessary for Saturn's capital expenditure plans may result in a delay in development or production of the Corporation's properties.

DILUTION

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of Saturn which may be dilutive. Shareholder dilution may also result from the issuance of Common Shares pursuant to our Long Term Incentive Plan. For more information regarding the Long Term Incentive Plan, see our most recent Information Circular and Proxy Statement, financial statements and related management's discussion and analysis filed on Saturn's SEDAR+ profile at www.sedarplus.ca.

INDEBTEDNESS AND ISSUANCE OF DEBT

From time to time, Saturn may acquire assets or companies or otherwise finance our ongoing operations using debt, including incurring new debt or amending our credit facilities, which may increase the amount of interest payable by



the Corporation from time to time until such indebtedness is repaid. Such event will represent an increase in Saturn's interest costs and a potential reduction in the Corporation's net income. In addition, the Corporation may need to find additional sources of financing to repay any such additional indebtedness when it becomes due. There can be no guarantee that Saturn will be able to obtain financing on terms acceptable to us or at all at such time.

Further, a significant decrease in oil and natural gas prices, hedging losses or lower than expected production from Saturn's properties may cause the Corporation's debt-to-cash flow ratio to rise above our peer standards. The level of Saturn's indebtedness or debt-to-cash flow ratio from time to time could impair Saturn's ability to obtain additional financing in the future on a timely basis and could affect the market price of Saturn's securities.

CREDIT FACILITY RISK

The amount authorized under the Credit Facility is a fixed amount that was determined by the lenders having regard to the Corporation's reserves with such amount to be re-determined semi-annually. The Corporation is required to comply with covenants under the Credit Facility, which, from time to time, either affect the availability, or price, of additional funding, and in the event that Saturn does not comply therewith, our access to capital could be restricted or repayment could be required. The failure of the Corporation to comply with such covenants, which may be affected by events beyond Saturn's control, could result in the default under the Credit Facility, which could result in the Corporation being required to repay any amounts owing thereunder. Even if Saturn is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Corporation. If Saturn is unable to repay amounts owing, the lenders under the Credit Facility could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The acceleration of the Corporation's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default or cross-acceleration provisions. In addition, the Credit Facility may, from time to time, impose operating and financial restrictions on Saturn that could include restrictions on, the payment of dividends, repurchase or making of other distributions with respect to the Corporation's securities, incurring of additional indebtedness, provision of guarantees and other financial assistance, the assumption or borrowing of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

INSURANCE

The Corporation's involvement in the exploration for and development of oil and gas properties may result in Saturn becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Corporation has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Saturn. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer, could have a material adverse effect on Saturn's financial position, results of operations or prospects.

Our insurance policies are generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, policy limits and/or deductibles for certain insurance policies can vary substantially. In some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. Significantly increased costs could lead us to decide to reduce or possibly eliminate coverage. In addition, insurance is purchased from a number of third-party insurers, often in layered insurance arrangements, some of whom may discontinue providing insurance coverage for their own policy or strategic reasons. Should any of these insurers refuse to continue to provide insurance coverage, our overall risk exposure could be increased, and we could incur significant costs.

RELIANCE ON OPERATORS AND KEY EMPLOYEES

To the extent the Corporation is not the operator of our oil and gas properties, we will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators. In addition, the success of Saturn will be largely dependent upon the performance of our management and



key employees. The Corporation does not have any key man insurance policies, and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on Saturn.

INDIGENOUS LANDS AND RIGHTS CLAIMS

Opposition by Indigenous groups to conduct our operations, development or exploratory activities in any of the jurisdictions in which we conduct business may negatively impact us in terms of public perception, diversion of management's time and resources, legal and other advisory expenses, and could adversely impact our progress and ability to explore and develop properties.

Indigenous groups across Canada have established and asserted treaty entitlements, title to lands, and other rights. Although there are no treaty, title, or rights claims on lands where we operate, no certainty exists that any lands currently unaffected by such claims brought by Indigenous groups will remain unaffected by future claims. Such claims, if successful, could have a material adverse impact on our operations or pace of growth.

The Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies upon the circumstances and is often the subject of litigation. The fulfillment of the duty to consult Indigenous people and any associated accommodations may adversely affect our ability to, or increase the timeline to, obtain or renew, permits, leases, licences and other approvals, or to meet the terms and conditions of those approvals. For example, a 2021 British Columbia Supreme Court decision determined that the cumulative impacts of government sanctioned industrial development on the traditional territories of a First Nation in northeast British Columbia breached that group's treaty rights. In 2023, the Government of British Columbia and the First Nation came to an agreement relating to further industrial activities in the area. The developments in northeastern British Columbia relating to Indigenous rights may lead to similar claims of cumulative effects across Canada in other areas covered by treaties. The long-term impacts and associated risks of the decision on the Canadian oil and natural gas industry remains uncertain. See *"Information Concerning the Oil and Natural Gas Industry – Indigenous Rights"*.

The federal government has enacted federal legislation to implement the UNDRIP, and British Columbia has adopted similar legislation under the DRIPA (as defined below). The practical implications of these statutes have been uncertain; however, recent judicial decisions in 2025 provide important guidance.

In February 2025, the Federal Court in *Keboowek First Nation v Canadian Nuclear Laboratories* directed a decision-maker to reconsider whether the duty to consult and accommodate had been satisfied in light of UNDRIP principles. In December 2025, the British Columbia Court of Appeal in *Gitxaala v British Columbia (Chief Gold Commissioner)* held that DRIPA imposes immediate, positive statutory obligations on the provincial government, including taking concrete and diligent steps to align provincial laws with UNDRIP.

Although the scope of UNDRIP implementation continues to evolve, these recent decisions demonstrate a judicial willingness to confer substantive legal effect on UNDRIP both in British Columbia and federally. Additional processes may be created and legislation associated with project development and operations may be amended or introduced, further increasing uncertainty with respect to project regulatory approval timelines and requirements. See *"Information Concerning the Oil and Natural Gas Industry – Indigenous Rights"*.

SEASONALITY AND WEATHER CONDITIONS

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipal and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Road bans and other restrictions generally result in a reduction of drilling and exploratory activities and may also result in the shut-in of some of our production. Also, certain oil and gas-producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists



of swampy terrain when not frozen. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and potential declines in production of oil and gas by the Corporation.

Our operations are susceptible to the impacts of wildfires, flooding and extreme cold. In addition to the loss of revenue that would result from the loss of production if our operations were affected by wildfires, flooding and/or extreme cold, we would incur delays and expenses responding to such events, repairing damaged equipment, and resuming operations. Although our insurance policies may compensate us for part of our losses, they will not compensate us for all of our losses. In addition, adverse weather conditions can consume both financial resources and management and employee time that would otherwise be directed towards the development of our business and the pursuit of our business strategy. We can offer no assurance that the severe wildfires, flooding and extreme cold that have at times affected both the Corporation as well as the oil and gas industry in Western Canada, as a whole, will not occur again in the future with equal or greater severity.

INCOME TAXES

The Corporation will file all required income tax returns and believes that we are in full compliance with the provisions of the *Income Tax Act* (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Corporation, whether by re-characterization of exploration and development expenditures, or otherwise, such reassessment may have a negative impact on current and future taxes payable and such impact may be material.

Income tax laws, or other laws or government incentive programs relating to the oil and natural gas industry, such as the treatment of resource taxation, dividends, share repurchases or capital gains, may in the future be changed or interpreted in a manner that adversely affects us and/or our Shareholders. Furthermore, tax authorities having jurisdiction over us may disagree with how we calculate our income for tax purposes or could change administrative practices to our detriment and/or the detriment of our Shareholders.

CREDIT RATINGS

Credit ratings are intended to provide an independent measure of the credit quality of an issuer of securities and are subject to ongoing evaluation by credit rating agencies. The credit rating assigned by a rating agency is not a recommendation to purchase, hold or sell securities nor does the rating comment on market price or suitability for a particular investor. A rating may not remain in effect for any given period of time and may be revised or withdrawn entirely by a rating agency at any time in the future, if, in its judgment, circumstances so warrant. There can be no assurance that a credit rating will be maintained in the future. Downgrades in the Corporation's credit rating could adversely affect the Corporation's business, financial condition, results of operations, prospects and share and debt prices.

HEDGING

From time to time, we enter into agreements to receive fixed prices on our oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that we engage in price risk management activities to protect us from commodity price declines, we may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, our hedging arrangements may expose us to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the hedged volumes or prices fall significantly lower than projected;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement;
- the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil and natural gas prices.



On the other hand, failure to protect against a decline in commodity prices exposes us to reduced liquidity when prices decline. A sustained lower commodity price environment would result in lower realized prices for unprotected volumes and reduce the prices at which we would enter into hedging contracts on future volumes. This could make such transactions unattractive, and, as a result, some or all of our production volumes forecasted for the current fiscal year and beyond may not be protected by hedging arrangements.

Similarly, from time to time, we may enter into agreements to fix the exchange rate of Canadian to United States dollars or other currencies in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to other currencies. However, if the Canadian dollar declines in value compared to such fixed currencies, we will not benefit from the fluctuating exchange rate.

INFLATION AND INTEREST RATES

Our financial performance and cash flows may be adversely affected by inflationary pressures and fluctuations in interest rates. Inflation can lead to increased operating costs through higher prices for labour, equipment, materials, and services, as well as contribute to supply chain disruptions and regulatory changes. If we are unable to effectively manage these cost increases, it may impact project returns and future development decisions, which could have a material adverse effect on our financial performance and funds flow.

Although interest rates have begun to decline, they remained elevated for an extended period as central banks implemented measures to curb inflation. Higher borrowing costs during these periods may affect our financing expenses and reduce returns on capital projects. Sustained periods of elevated interest rates can also slow economic growth, reduce energy demand, depress commodity prices, and limit industry activity. The duration and combined impact of inflationary pressures and interest rate volatility on energy demand, commodity pricing, and our operations remain uncertain.

MANAGEMENT OF GROWTH

Saturn may be subject to growth-related risks including capacity constraints and pressure on our internal systems and controls. The Corporation's ability to manage growth effectively will require us to continue to implement and improve Saturn's operational and financial systems and to expand, train and manage our employee base. Saturn's inability to deal with this growth may have a material adverse effect on our business, financial condition, results of operations and prospects.

EXPIRATION OF LICENCES AND LEASES

Saturn's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation, or the holder of the licence or lease, fail to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of our licences or leases or the working interests relating to a licence or lease and the associated abandonment and reclamation obligations may have a material adverse effect on our business, financial condition, results of operations and prospects.

LITIGATION

In the normal course of our operations, we may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. Potential litigation may develop in relation to personal injuries (including resulting from exposure to hazardous substances), property damage, property taxes, land and access rights, environmental issues (including claims relating to contamination or natural resource damages), securities law matter, contract disputes and employment matters. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to us and could have a material adverse effect on our assets, liabilities, business, financial condition and results of operations. Even if we prevail in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse effect on our financial condition.



THIRD PARTY CREDIT RISK

The Corporation is or may be exposed to third party credit risk through our contractual arrangements with Saturn's current or future joint venture partners, marketers of our petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on Saturn and our cash flow from operations.

CARBON PRICING RISK

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal government implemented legislation aimed at incentivizing the use of alternative fuels and in turn reducing carbon emissions. The federal system, which was upheld by the SCC as constitutional, currently applies in provinces and territories without their own system that meets federal stringency standards and provinces with their own system are subject to continued compliance with the federal system. There is no guarantee that a province with a system that currently applies will meet, or continue to meet, federal stringency standards. There is also uncertainty regarding what impacts, if any, the current minority federal election expected to occur in 2025 government and recently announced Climate Competitiveness Strategy will have on emissions reduction and carbon pricing policies in Canada. See *"Information Concerning the Oil and Natural Gas Industry – Regulatory Authorities and Environmental Regulation"*.

Any taxes placed on carbon emissions may have the effect of decreasing the demand for oil and natural gas products and at the same time, increasing our operating expenses, each of which may have a material adverse effect on our profitability and financial condition.

Further, the imposition of carbon taxes puts us at a disadvantage with our counterparts who operate in jurisdictions where there are less costly carbon regulations.

REPUTATIONAL RISK ASSOCIATED WITH OUR OPERATIONS

The Corporation's business, operations or financial condition may be negatively impacted as a result of any negative public opinion towards us or as a result of any negative sentiment toward, or in respect of, Saturn's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Corporation operate as well as their opposition to certain oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses and increased costs and/or cost overruns, and reduced access to (or an increase in the cost of) capital, credit and/or insurance coverage. The Corporation's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the oil and natural gas industry, particularly other producers, over which Saturn has no control. Similarly, the Corporation's reputation could be impacted by negative publicity related to environmental damage, loss of life, injury or damage to property and environmental damage caused by Saturn's operations, or due to opposition from special interest groups opposed to oil and natural gas development. In addition, if the Corporation develops a reputation of having an unsafe work site it may impact our ability to attract and retain the necessary skilled employees and consultants to operate Saturn's business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate-related litigation against governments and fossil fuel companies may impact our reputation. See *"Risk Factors – Climate Change"*.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard our reputation. Damage to our reputation could result in negative investor sentiment towards us, which may result in limiting our access to capital, credit and/or insurance coverage, increasing the cost of capital, and decreasing the price and liquidity of our Common Shares.



NON-GOVERNMENTAL ORGANIZATIONS

The oil and natural gas exploration, development and operating activities conducted by us may, at times, be subject to public opposition. Such public opposition could expose us to the risk of higher costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups including Indigenous groups, landowners, environmental interest groups (including those opposed to oil and natural gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of the federal, provincial or municipal governments, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses, and direct legal challenges, including the possibility of climate-related litigation. See *"Information Concerning the Oil and Natural Gas Industry – Transportation Constraints, Pipeline Capacity and Market Access"*. There is no guarantee that we will be able to satisfy the concerns of the special interest groups and non-governmental organizations, and attempting to address such concerns may require us to incur significant and unanticipated capital and operating expenditures which may negatively impact the Corporation's business, financial condition, results of operations and prospects, which adverse effect could prove to be material over time.

CHANGING INVESTOR SENTIMENT

A number of factors, including the effects of the use of fossil fuels on climate change, the impact of oil and natural gas operations on the environment, environmental damage relating to spills of petroleum products during production and transportation, and Indigenous rights have affected certain investors', lenders' and insurers' sentiments towards investing in, lending to, and insuring participants in the oil and natural gas industry. As a result of these concerns, some institutional, retail and governmental investors, lenders and insurers have announced that they no longer are willing to fund or invest in, lend to, or insure oil and natural gas properties or companies, or are reducing the amount thereof over time. In addition, certain institutional investors, lenders and insurers are requesting that issuers develop and implement more robust social, environmental and governance policies and practices and make related disclosures. Developing and implementing such policies and practices, and making such related disclosures, can involve significant costs and require a significant time commitment from the Board, management and employees. Failing to implement the policies and practices, and make the related disclosures, as requested by institutional investors, lenders and insurers, may result in such investors reducing their investment in or loan to us, or not investing in or lending to us at all, or such insurers refusing to insure us. Any reduction in the investor, lender or insurance base interested or willing to invest in, lend to or insure participants in the oil and natural gas industry and more specifically, us, may result in limiting our access to capital or insurance, increasing the cost of capital or insurance, and decreasing the price and liquidity of our Common Shares even if our operating results, underlying asset values or prospects have not changed or have improved.

BREACH OF CONFIDENTIALITY

While discussing potential business relationships or other transactions with third-parties, the Corporation may disclose confidential information relating to the business, operations or affairs of the Corporation. Although confidentiality agreements are generally signed by third-parties prior to the disclosure of any confidential information by the Corporation, a breach could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable solely in monetary damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

INFORMATION TECHNOLOGY SYSTEMS AND CYBER-SECURITY

We have become increasingly dependent upon the availability, capacity, reliability and security of our information technology infrastructure and our ability to expand and continually update this infrastructure, to conduct daily operations. We depend on various information technology systems to estimate reserve quantities, process and record financial data, manage our land base, manage financial resources, analyze seismic information, administer contracts with operators and lessees and communicate with employees and third-party partners.



Further, we are subject to a variety of information technology and system risks as a part of our normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of our information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to business activities or our competitive position. In addition, phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, credit card and banking details (and money) have become more widespread and sophisticated in recent years. If we become a victim to a phishing attack it could result in a loss or theft of our financial resources or critical data or could result in a loss of control of our technological infrastructure. Our employees are often the targets of such phishing attacks by parties using fraudulent emails to misappropriate information or to introduce viruses or other malware through “Trojan horse” programs to our systems. These emails appear to be legitimate emails, but direct recipients to fraudulent websites operated by the sender of the email or request recipients to send a password or other confidential information through email or to download malware.

We maintain policies and procedures that address and implement employee protocols with respect to electronic communications and electronic devices and conducts annual cyber-security risk assessments. We also employ encryption protection of our confidential information, including backups, critical databases, and mobile devices. Despite our efforts to mitigate such phishing attacks through education and training, phishing activities remain a serious problem that may damage our information technology infrastructure. We apply technical and process controls in line with industry-accepted standards to protect our information, assets and systems, including a written incident response plan for responding to a cyber-security incident. However, these controls may not adequately prevent cyber-security breaches. Disruption of critical information technology services, or breaches of information security, could have a negative effect on our performance and earnings, as well as our reputation, and any damages sustained may not be adequately covered by our current insurance coverage, or at all. The significance of any such event is difficult to quantify and may in certain circumstances be material and could have a material adverse effect on our business, financial condition and results of operations.

DATA PROTECTION AND ARTIFICIAL INTELLIGENCE

The protection of customer, employee, and company data is also critical to our business. The regulatory environment in Canada surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and evolving requirements. Certain legislation, including the *Personal Information Protection and Electronic Documents Act* in Canada, require documents to be securely destroyed to avoid identity theft and inadvertent disclosure of confidential and sensitive information. A significant breach of customer, employee, or company data could attract a substantial amount of media attention, damage our customer relationships and reputation, and result in fines or lawsuits. In addition, an increasing number of countries have introduced and/or increased enforcement of comprehensive privacy laws or are expected to do so. The continued emphasis on information security as well as increasing concerns about government surveillance may lead customers to request us to take additional measures to enhance security and/or assume higher liability under our contracts. As a result of legislative initiatives and customer demands, we may have to modify our operations to further improve data security. Any such modifications may result in increased expenses and operational complexity, and adversely affect our reputation, business, financial condition and results of operations.

Additionally, the Corporation's information technology systems may incorporate the use of artificial intelligence (“AI”) and development of such capabilities remain ongoing. As with new innovations, AI presents risks, challenges and unintended consequences that could affect its adoption, and therefore the Corporation's business. AI algorithms and training methodologies may be flawed. The use of AI to support business of the Corporation, its partners, vendors, suppliers, contractors, or others carries inherent risks related to data privacy and cybersecurity, such as intended, unintended, or inadvertent transmission of proprietary or sensitive information, as well as challenges related to implementing and maintaining AI tools, including the development and maintenance of appropriate datasets for such support. Dependence on AI without adequate safeguards to make certain business decisions may introduce additional operational vulnerabilities, by producing inaccurate outcomes based on flaws or deficiencies in the underlying data or other unintended results. Further, AI tools or software may rely on data sets to produce derivative work which may contain content subject to license, copyright, patent or trademark protection or sensitive personal



information and can produce outputs that infringe on intellectual property rights or compromise privacy of individuals or organizations, raising concerns about data privacy. As AI is an emerging technology for which the legal and regulatory landscape is not fully developed, including potential liability for breaching intellectual property or privacy rights or laws, new laws and regulations applicable to AI initiatives remains uncertain, and the Corporation's obligation to comply with such laws could entail significant costs, negatively affecting the Corporation's business or limiting the Corporation's ability to incorporate certain AI capabilities into its business.

FORCED OR CHILD LABOUR IN SUPPLY CHAINS

In May 2023, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff* was passed and came into force on January 1, 2024. Pursuant to the new legislation, any company that is subject to the reporting requirements, including us, is required to conduct certain due diligence on its supply chains and to file an annual report accordingly. While we are currently unaware of any forced or child labour in any of our supply chains, the increased scrutiny on the supply chains of Canadian companies could uncover the risk or existence of forced or child labour in a supply chain to which we have a connection, which could negatively impact our reputation.

IMPACTS OF PANDEMICS, NATURAL DISASTERS, TERRORIST ACTS, AND CIVIL UNREST

Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country, province, state or region may not efficiently and quickly recover from such event, which could have a materially adverse effect on us, our customers, and our business and operations. Terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could result in a significant reduction in economic activity in Canada and internationally along with a drop in demand for oil and natural gas, as well as affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to us, our customers, and our business and operations, which may have a material adverse effect on our reputation, business, financial conditions or operations and could aggravate the other risk factors identified herein.

FORWARD-LOOKING INFORMATION MAY PROVE INACCURATE

Current and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this Annual Information Form under the heading "*Forward-Looking Statements*".



STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The *Statement of Reserves Data and Other Oil and Gas Information* (the “**Statement**”) set forth below is dated and prepared on February 20, 2026. The effective date of the Statement is December 31, 2025. All currency values are in Canadian dollars (unless otherwise specified).

In accordance with the requirements of NI 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”), the tables below summarize the Corporation's oil, natural gas and NGLs reserves and the value of future net cash flows associated with such reserves as at December 31, 2025, and as evaluated and prepared by Ryder Scott Petroleum Consultants (“**Ryder Scott**”) independent petroleum engineers of Calgary, Alberta in their report “Estimated Projection of Future Reserves and Income Attributable to Certain Leasehold and Royalty Interests, based on Escalated Parameters as of December 31, 2025” and dated February 20, 2026 (the “**2025 Reserves Report**”). The 2025 Reserves Report has been prepared in accordance with the standards in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “**COGE Handbook**”) and the reserves definitions set out by the Canadian Securities Administrators in NI 51-101 and the COGE Handbook. The tables below summarize the data contained in the 2025 Reserves Report and, as a result, may contain slightly different numbers than the 2025 Reserves Report due to rounding. All future cash flows are stated prior to provision for indirect costs and after deduction of royalties, estimated future capital expenditures and well abandonment costs.

It should not be assumed that the undiscounted or discounted net present value of estimated future cash flows shown below is representative of the fair market value of the reserves. There is no assurance that such price and cost assumptions will be attained, and variances could be material. The Corporation's crude oil reserves provided herein are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual crude oil reserves may be greater than or less than the estimates provided. In the various reserves-related tables included herein, columns may not add due to rounding. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which Saturn believes is important to the readers of this information.

The Corporation is required to pay royalties to the Crown or other royalty owners and receives royalties from various working interest parties for commodities produced. Crown royalty payments are subject to change and any changes may have an adverse impact on the profitability of a project.

Attached as Schedule “A” to this Annual Information Form is the Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor in Form 51-101F2, and attached as Schedule “B” is the Report of Management and Directors on Oil and Gas Disclosure in Form 51-101F3.



PETROLEUM AND NATURAL GAS RESERVES AND NET PRESENT VALUE

The following table summarizes Ryder Scott's estimates of the Corporation's oil and natural gas reserves at December 31, 2025, based on forecast price assumptions and calculated without discount.

SUMMARY OF CRUDE OIL, NATURAL GAS AND NATURAL GAS LIQUIDS RESERVES BASED ON FORECAST PRICES AND COSTS

As of December 31, 2025

Reserves Category	Light and Medium Crude Oil (Mbbbl)		Heavy Crude Oil (Mbbbl)		Conventional Natural Gas (MMscf)		Natural Gas Liquids (Mbbbl)		Total MBOE (Mboe)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved										
Developed Producing	58,263	53,786	10,312	8,785	104,631	95,276	8,387	7,630	94,400	86,081
Developed Non-Producing	366	350	9	9	149	144	32	31	431	414
Undeveloped	34,185	31,541	1,100	1,058	61,631	55,206	3,665	3,307	49,221	45,107
Total Proved	92,813	85,676	11,421	9,853	166,411	150,626	12,084	10,968	144,053	131,602
Probable	49,394	45,439	4,951	4,219	91,491	81,792	5,985	5,290	75,579	68,580
Total Proved Plus Probable	142,207	131,115	16,372	14,071	257,902	232,418	18,068	16,259	219,631	200,182

The following table is a summary of net present values of future net revenues associated with such reserves at December 31, 2025, based on forecast price assumptions before and after deducting income taxes, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%. Future net revenue includes estimated abandonment costs related to wells and production facilities required to produce reserves.

NET PRESENT VALUE OF FUTURE NET REVENUE BASED ON FORECAST PRICES AND COSTS

As of December 31, 2025

Reserves Category ⁽³⁾	Before Income Tax (MM\$) ⁽²⁾					After Income Tax (MM\$) ⁽²⁾					Unit Value ⁽¹⁾ Before Tax Discounted at 10% (\$/Boe) ⁽⁴⁾
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
Proved:											
Developed Producing	2,179.5	2,074.8	1,768.0	1,517.4	1,327.5	1,541.4	1,518.2	1,292.1	1,103.3	960.9	20.54
Developed Non-Producing	15.5	11.0	8.1	6.1	4.7	11.0	8.0	5.9	4.5	3.4	19.52
Undeveloped	1,097.7	663.9	411.9	256.3	155.1	776.3	485.8	301.0	186.3	112.2	9.13
Total Proved	3,292.7	2,749.7	2,187.9	1,779.8	1,487.4	2,328.7	2,012.0	1,599.0	1,294.1	1,076.6	16.63
Probable	2,579.0	1,487.3	962.3	673.4	498.7	1,752.2	941.2	574.3	382.5	271.5	14.03
Total Proved plus Probable	5,871.7	4,237.0	3,150.3	2,453.2	1,986.1	4,080.9	2,953.2	2,173.3	1,676.6	1,384.1	15.74

(1) The unit values are based on net reserves.

(2) All values presented are in Canadian Dollars (CDN).

(3) See definitions of "proved" and "probable" reserves under "Definitions and Additional Notes to Reserves Data Tables" below.

(4) See information related to BOE conversion ratio under "Abbreviations".

The following table sets forth elements of future net revenue attributed to Proved Reserves and Proved Plus Probable Reserves of the Corporation as of December 31, 2025, based on forecast price assumptions and calculated without discount.



TOTAL FUTURE NET REVENUE (UNDISCOUNTED) BASED ON FORECAST PRICES AND COSTS

As of December 31, 2025

Reserves Category	Revenue (MM\$) ⁽¹⁾	Royalties and Burdens (MM\$) ⁽²⁾	Operating Costs (MM\$)	Development Costs (MM\$)	Other Costs (MM\$)	Abandonment and Reclamation Costs ⁽³⁾ (MM\$)	Future Net Revenue Before Income Taxes (MM\$)	Future Income Taxes (MM\$)	Future Net Revenue After Income Taxes (MM\$)
Proved:									
Developed Producing	6,858.9	117.6	3,425.5	0.0	107.0	1,029.2	2,179.5	638.1	1,541.4
Developed Non-Producing	35.6	1.3	12.8	5.1	0.7	0.1	15.5	4.6	11.0
Undeveloped	3705.5	293.2	998.4	1214.1	41.3	60.8	1097.7	321.4	776.3
Total Proved	10,599.9	412.2	4,436.8	1,219.2	149.0	1,090.0	3,292.7	964.0	2,328.7
Probable	6,181.8	537.5	2,090.9	845.0	85.2	44.2	2,579.0	826.8	1,752.2
Total Proved plus Probable	16,781.7	949.7	6,527.7	2,064.2	234.1	1,134.2	5,871.7	1,790.8	4,080.9

(1) All values are presented in Canadian Dollars (CDN).

(2) Royalties and Burdens include any applicable Production Taxes and Other Income.

(3) Abandonment and Reclamation costs presented in this table well and facility costs up to the point of first sale.

The following table sets forth the net present value of future net revenues by production group attributed to Proved and Proved plus Probable Reserves of the Corporation as of December 31, 2025, based on forecast price assumptions.

NET PRESENT VALUES OF FUTURE NET REVENUE BY PRODUCT TYPE BASED ON FORECAST PRICES AND COSTS

As of December 31, 2025

Reserves Category	Product Type	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (MM\$)	Net Reserves Unit Value Before Income Taxes (\$/MCF for Gas, \$/BBL for oil and NGLs and \$/BOE for totals)
Proved	Light and Medium Crude Oil (including solution gas and products)	1,895	16.49
	Heavy Oil (Including Solution Gas and Products)	192	19.37
	Conventional Natural Gas (including solution gas and products)	102	2.95
	Non-Conventional Oil and Gas (including solution gas and products)	-	-
	TOTAL	2,188	16.63
Proved Plus Probable	Light and Medium Crude Oil (including solution gas and by-products)	2,767	15.92
	Heavy Oil (Including Solution Gas and Products)	255	18.05
	Conventional Natural Gas (including solution gas and by-products)	128	2.00
	Non-Conventional Oil and Gas (including solution gas and products)	-	-
	TOTAL	3,150	15.74

Definitions and Additional Notes to Reserves Data Tables

The determination of oil, NGLs and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of Proved, Probable and Possible Reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts



including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

In the tables set forth under the heading “*Statement of Reserves Data and Other Oil and Gas Information*” and elsewhere in this Annual Information Form the following definitions and notes are applicable:

“**Gross**” reserves are Saturn’s working interest (operating or non-operating) share before deduction of royalty obligations and without including any royalty interests of the Corporation.

“**Net**” reserves are Saturn’s working interest (operating or non-operating) share after deduction of royalty obligations plus any royalty interests of the Corporation.

“**Reserves**” are the estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according with the level of certainty associated with the estimates and may be sub-classified based on development and production status.

“**Production**” is the cumulative quantity of petroleum that has been recovered at a given date.

“**Proved Reserves**” are those Reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves. At least 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty.

“**Probable Reserves**” are those additional Reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves. At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves is the targeted level of certainty.

“**Developed Reserves**” are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.

“**Developed Producing Reserves**” are those Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These Reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

“**Developed Non-Producing Reserves**” are those Reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

“**Undeveloped Reserves**” are those Reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (proved, probable) to which they are assigned.

PRICING ASSUMPTIONS

Forecast Prices and Cost Assumptions

The following tables detail the benchmark references prices, for Saturn's assets in which the Corporation operated as at January 1, 2026, reflected in the reserves data contained under “*Petroleum and Natural Gas Reserves and Net Present Value*”.



The table below summarizes the “benchmark prices” at a price reference point and the 2026 forecast prices used for the geographic area included in the 2025 Reserves Report:

Geographic Area	Product	Average Benchmark Prices	Average Realized Prices ⁽¹⁾⁽²⁾
Alberta	Light and Medium Crude Oil	\$ 77.54 /bbl	\$ 73.50 /bbl
Saskatchewan	Cromer LSB	\$ 75.09 /bbl	\$ 71.12 /bbl
	Heavy Oil	\$ 65.13 /bbl	\$ 59.16 /bbl
Alberta & Saskatchewan	Natural Gas	\$ 3.00 /Mcf	\$ 2.94 /Mcf
	Pentanes ⁽³⁾	\$ 82.36 /bbl	\$ 69.57 /bbl
	Butane ⁽³⁾	\$ 82.36 /bbl	\$ 32.63 /bbl
	Propane ⁽³⁾	\$ 82.36 /bbl	\$ 24.66 /bbl
	Ethane ⁽³⁾	\$ 82.36 /bbl	\$ 3.45 /bbl

(1) Realized Prices are based on Net Company Revenues and Net Company Reserves.

(2) No Constant Prices used for this evaluation.

(3) All Liquids are offset to WTI in Canadian dollars.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS FORECAST PRICES AND COSTS

As at December 31, 2025

Year	WTI Crude Oil (US\$/bbl)	WTI Crude Oil (\$/bbl)	Edmonton MSW 40° API (\$/bbl)	Western Canada Select (\$/bbl)	Sask Cromer LSB (\$/bbl)	Alberta AECO Spot (\$/MMBTU)	Inflation (%)	Exchange Rate (\$US/\$CAN)
2026	59.92	82.36	77.54	65.13	75.09	3.00	-	0.73
2027	65.10	88.37	83.60	70.43	81.55	3.30	2.00	0.74
2028	70.28	94.97	90.17	76.90	86.95	3.49	2.00	0.74
2029	71.93	97.21	92.32	78.71	89.20	3.58	2.00	0.74
2030	73.37	99.15	94.17	80.29	90.98	3.65	2.00	0.74
2031	74.84	101.14	96.06	81.90	92.81	3.72	2.00	0.74
2032	76.34	103.16	97.98	83.53	94.66	3.80	2.00	0.74
2033	77.87	105.22	99.93	85.20	96.55	3.88	2.00	0.74
2034	79.42	107.33	101.93	86.91	98.48	3.95	2.00	0.74
2035	81.01	109.48	103.97	88.65	100.46	4.03	2.00	0.74
2036	82.63	111.67	106.05	90.42	102.46	4.11	2.00	0.74
2037	84.29	113.90	108.17	92.23	104.51	4.20	2.00	0.74
2038	85.97	116.18	110.34	94.07	106.60	4.28	2.00	0.74
2039	87.69	118.50	112.54	95.96	108.74	4.37	2.00	0.74
2040	89.44	120.87	114.80	97.87	110.91	4.45	2.00	0.74
2041	91.23	123.29	117.09	99.83	113.13	4.54	2.00	0.74
2042	93.06	125.75	119.43	101.83	115.39	4.63	2.00	0.74
2043	94.92	128.27	121.82	103.87	117.70	4.73	2.00	0.74
2044	96.82	130.83	124.26	105.94	120.05	4.82	2.00	0.74
2045	98.75	133.45	126.74	108.06	122.46	4.92	2.00	0.74
2046	100.73	136.12	129.28	110.22	124.90	5.01	2.00	0.74
2047	102.74	138.84	131.86	112.43	127.40	5.12	2.00	0.74
2048+	Escalate 2% thereafter						2.00	0.74

The following table sets out a reconciliation of the changes in the Corporation's gross reserves as at December 31, 2025 against such reserves at December 31, 2024 based on forecast prices and cost assumptions above:



RESERVES RECONCILIATION

CANADA	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas		
	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (MMscf)	Probable (MMscf)	Proved + Probable (MMscf)
31-Dec-24	88,066	45,678	133,744	12,147	4,072	16,219	129,913	71,400	201,313
Extensions	901	193	1,094	-	-	-	649	259	909
Improved Recovery	220	(92)	128	-	-	-	92	(50)	42
Infill Drilling	2,976	2,776	5,753	5	2	7	6,390	6,267	12,657
Technical Revisions	5,218	(4,667)	551	927	1,057	1,984	18,979	(1,929)	17,050
Discoveries	1,346	2,033	3,379	-	-	-	2,006	2,282	4,287
Acquisitions	7,139	3,735	10,874	-	-	-	26,063	12,528	38,592
Dispositions	(53)	(12)	(65)	-	-	-	(24)	(5)	(29)
Economic Factors ⁽¹⁾	(3,129)	(250)	(3,378)	(425)	(179)	(604)	(1,056)	738	(318)
Production	(9,873)	-	(9,873)	(1,234)	-	(1,234)	(16,600)	-	(16,600)
31-Dec-25	92,813	49,394	142,207	11,421	4,951	16,372	166,411	91,492	257,903

	NGL/Condensate			Mboe		
	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mboe)	Probable (Mboe)	Proved + Probable (Mboe)
31-Dec-24	10,649	5,891	16,540	132,515	67,541	200,056
Extensions	60	25	85	1,070	261	1,331
Improved Recovery	30	(22)	8	265	(122)	143
Infill Drilling	332	184	516	4,379	4,007	8,385
Technical Revisions	635	(1,237)	(601)	9,944	(5,169)	4,775
Discoveries	20	6	26	1,701	2,419	4,120
Acquisitions	1,950	1,076	3,027	13,433	6,900	20,333
Dispositions	(2)	(0)	(3)	(59)	(13)	(72)
Economic Factors ⁽¹⁾	(235)	62	(173)	(3,964)	(244)	(4,208)
Production	(1,357)	-	(1,357)	(15,231)	-	(15,231)
31-Dec-25	12,084	5,985	18,068	144,053	75,579	219,631

(1) Economic Factors include changes due to commodity pricing, price differentials and operating cost.

Discussion of Reserves Reconciliation

Technical Revisions – Positive revisions in the Proved and Proved + Probable categories were driven largely by the reduction in operating costs and outperformance realized on Saturn’s original proved developed producing (PDP) internal forecasts. The negative Probable revisions arise from the movement of Probable booked locations to the Proved category based on capital activity during the year.

Acquisitions – Reserves additions across all categories attributable to Acquisitions stem from several ‘tuck-in’ transactions that closed during 2025.

Extensions, Discoveries, Infill Drilling – As a result of capital expenditures allocated to drilling, completion, equip and tie-in activities, along with booking new locations, Saturn realized positive increases within these factors, particularly for the Proved and Proved + Probable categories.

Economic Factors – Due to the significant price decline in the 3 Consultants’ Average next year price forecasts in 2025 relative to the prior year, economic factors reflected a negative reserve impact related to pricing.



ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

Undeveloped reserves are attributed by Ryder Scott in accordance with standards and procedures contained in the COGE Handbook. Undeveloped reserves are those reserves expected to be recovered from known accumulations where significant expenditure is required to render them capable of production. Undeveloped reserves are expected to be drilled within the next seven years.

The table below lists the volumes of proved undeveloped reserves that were first attributed in each of the last three financial years:

TIMING OF INITIAL PROVED UNDEVELOPED RESERVES ASSIGNMENT GROSS RESERVES FIRST ATTRIBUTED BY YEAR

	Light & Medium Oil (Mbbbl)		Heavy Oil (Mbbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Total (Mboe)	
	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End
2023	17,950	27,620	-	-	30,768	33,021	2,247	2,455	25,325	35,578
2024	8,434	31,022	1,339	1,339	18,981	47,834	1,392	3,337	14,328	43,670
2025	4,964	34,185	-	1,100	9,008	61,631	383	3,665	6,848	49,221

Proved undeveloped reserves have been assigned in areas where the reserves can be estimated with a high degree of certainty. In most instances, proved undeveloped reserves will be assigned on lands immediately offsetting existing producing wells within the same accumulation or pool. The 2025 Reserves Report has assigned 49.2 MMboe of proved undeveloped reserves with \$1.214 million of associated undiscounted capital as at December 31, 2025.

The table below lists the volumes of probable undeveloped reserves that were first attributed in each of the last three financial years:

TIMING OF INITIAL PROBABLE UNDEVELOPED RESERVES ASSIGNMENT GROSS RESERVES FIRST ATTRIBUTED BY YEAR

	Light & Medium Oil (Mbbbl)		Heavy Oil (Mbbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Total (Mboe)	
	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End	First Attributed	Cumulative At Year End
2023	13,291	22,568	-	-	29,823	32,169	1,829	2,001	20,090	29,931
2024	7,654	27,220	944	944	29,814	49,852	2,270	3,675	15,838	40,149
2025	7,154	33,090	-	725	15,109	66,007	733	3,772	10,405	48,587

Probable undeveloped reserves have been assigned in areas where the reserves can be estimated with less certainty. It is equally likely that the actual remaining quantities recovered will be greater or less than the proved plus probable reserves. In most instances, probable undeveloped reserves have been assigned on lands in an area with existing producing wells but there is some uncertainty as to whether they are directly analogous to the producing accumulation or pool. The 2025 Reserves Report has assigned 48.6 MMboe of probable undeveloped reserves with \$845 million of associated undiscounted capital as at December 31, 2025.

Undeveloped reserves were assigned to a total of 1,205 (gross) undeveloped drilling locations. These locations are all horizontal, with the majority being unconventional fracked wells (725) and the remainder being conventional drills (480) including open hole multi-lateral (OHML) wells (94). The total location count is comprised of 736 proved undeveloped drilling locations and 469 probable undeveloped drilling locations.



SIGNIFICANT FACTORS OR UNCERTAINTIES AFFECTING RESERVES DATA

The estimation of Reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Corporation's estimates are based on current production forecasts, prices and economic conditions. All of the Corporation's Reserves are evaluated by Ryder Scott, an independent engineering firm. As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by Saturn to ensure that Reserves estimates are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves, the accuracy of the reserve estimate improves.

Certain information regarding the Corporation set forth in this report, including management's assessment of Saturn's future plans and operations contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These risks include, but are not limited to the risks associated with the oil and gas industry, commodity prices and exchange rates; industry related risks that could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans; risks associated with the uncertainty of reserve estimates; health and safety risk; and the uncertainty of estimates and projections of production, costs and expenses. Competition from other producers, the lack of available qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources are additional risks the Corporation faces in this market. Saturn's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, and if any of them do, what benefits the Corporation may derive therefrom. The reader is cautioned not to place undue reliance on this forward-looking information.

The Corporation anticipates that any future exploration and development costs associated with our Reserves will be financed through combinations of internally generated cashflow, debt and equity financing. As of December 31, 2025 Saturn has hedges that protect corporate cashflow, which are listed in "Pricing Assumptions – Forward Contracts".

As additional data and circumstances change, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either downward or upward as warranted. As new geological, production and economic data is incorporated into the process of estimated reserves the accuracy of the reserve estimate improves.

The Corporation's oil and gas properties have no material extraordinary risks or uncertainties beyond those which are inherent of an oil and gas producing Corporation which have been disclosed in financial statements and management's discussion and analysis as filed on SEDAR+ at www.sedarplus.ca and this Annual Information Form.

FUTURE DEVELOPMENT COSTS

The following table shows the development costs anticipated in the next five years, as of December 31, 2025, which have been deducted in the estimation of the future net revenues of the proved and probable reserves:

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (MM\$)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (MM\$)
2026	225.6	254.1
2027	243.7	303.3
2028	259.2	310.6
2029	280.9	357.8
2030	203.6	376.9
Remaining	6.2	461.5
Total (undiscounted)	1,219.2	2,064.2



The Corporation's current cash balance, internally-generated cash flow, and future debt and equity placements could allow Saturn to complete the development costs specified above. It is anticipated that the cost arising from debt that may be placed to fund future development activities will reflect rates for asset-based lending prevailing in Canada. The effect on costs of the expected funding could have a material impact on the revenues or reserves currently being reported.

OIL AND GAS WELLS

The following table sets forth the number and status of wells in which Saturn had a working interest or a royalty interest as at December 31, 2025, which are producing or which the Corporation considers to be capable of production. All wells set forth in the table are located in Canada.

	CRUDE OIL ⁽¹⁾⁽²⁾		NATURAL GAS ⁽¹⁾⁽²⁾	
	Gross	Net	Gross	Net
Producing	5,579	4,458	288	34
Non-Producing	3,694	3,002	87	60
Saskatchewan	9,273	7,460	375	94
Producing	777	636	128	74
Non-Producing	79	68	75	51
Alberta	856	703	203	125
Producing	62	57	0	0
Non-Producing	19	17	0	0
Manitoba	81	73	0	0
Producing	0	0	0	0
Non-Producing	1	0	1	1
British Columbia	1	0	1	1
Total	10,211	8,237	579	220

(1) The above gross and net wells include both reserve assigned and non-reserve assigned entities. Non reserve entities include injector wells; wells waiting for improved economic conditions for restart; wells that are awaiting recompletion; or wells scheduled for abandonment.

(2) Columns may not add due to rounding.

PROPERTY OVERVIEW

The following is a description of the major oil and natural gas properties, and facilities in which the Corporation had an interest as of December 31, 2025.

SASKATCHEWAN

West-Central Saskatchewan, Kindersley

The Kindersley property is primarily located in West-Central Saskatchewan, extending into Eastern Alberta. This property spans Townships 29 to 34 and Ranges 20 to 29 W3M (Saskatchewan) along with Ranges 1 and 2 W4M (Alberta). The town of Kindersley is located along the southern boundary of this property. Saturn has operated this property since 2017, with additional acreage and development opportunities added through the acquisition of assets from Crescent Point Energy Corp. ("**Crescent Point**") in the third quarter of 2022 and Allied Energy II Corp. ("**Allied Energy**") in the third quarter of 2025. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced exclusively from the Cretaceous Viking formation.

West-Central Saskatchewan, Herschel

The Herschel property is located in West-Central Saskatchewan, spanning Townships 29 to 33 and Ranges 15 to 19 W3M. The town of Kindersley is located approximately 50 kilometers Southwest from the majority of Saturn's operations. Saturn acquired this property from Crescent Point in the third quarter of 2022. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced exclusively from the Cretaceous Viking formation.



West-Central Saskatchewan, Plato

The Plato property is located in West-Central Saskatchewan, spanning Townships 22 to 28 and Ranges 14 to 29 W3M. The town of Kindersley is located approximately 75 kilometers Northwest from the majority of Saturn's operations. Saturn has been operating this property since 2018 with the acquisition of Turnstone Energy Inc's assets, and expanded its acreage and development through the acquisition of Crescent Point assets in the third quarter of 2022. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced exclusively from the Cretaceous Viking formation.

West-Central Saskatchewan, Battrum - Cantuar

The Battrum - Cantuar property is located in West-Central Saskatchewan, spanning Townships 16 to 20 and Ranges 13 to 24 W3M. The city of Swift Current is located approximately 40 kilometers Southeast from the majority of Saturn's land holdings. Saturn acquired this property from Veren Inc. ("**Veren**") in the second quarter of 2024. This property holds several working interest sections and Unit agreements with opportunity for future drilling locations. Oil and associated gas is produced from the Lower Cretaceous Mannville Group, the Upper Jurassic Success formation and the Middle Jurassic Shaunavon formation.

West-Central Saskatchewan, Butte - Premier

The Butte – Premier property is located in West-Central Saskatchewan, spanning Townships 11 to 15 and Ranges 13 to 30 W3M. The city of Swift Current is located approximately 60 kilometers Northeast from the majority of Saturn's land holdings. Saturn acquired this property from Veren in the second quarter of 2024. This property holds several working interest sections and Unit agreements with opportunity for future drilling locations. Oil and associated gas is produced from the Lower Cretaceous Mannville Group, the Upper Jurassic Success formation and the Middle Jurassic Shaunavon formation.

Southeast Saskatchewan, Minton

The Minton property is located in Southeast Saskatchewan, spanning Townships 1 to 10 and Ranges 12 to 25 W2M. The majority of Saturn's operations are approximately 170 kilometers West from the city of Estevan. Saturn acquired this property from Veren in the second quarter of 2024. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas production is primarily from the Mississippian Ratcliffe, Oungre, and Bakken formations, with additional production from the Upper Devonian Torquay and Birdbear formations, the Middle Devonian Winnipegosis formation, and the Upper Ordovician Red River and Yeoman formations

Southeast Saskatchewan, Bromhead - Hoffer

The Bromhead-Hoffer property is located in Southeast Saskatchewan, spanning Townships 1 to 4; Ranges 8 to 16 W2M. The majority of Saturn's operations are approximately 50 kilometers Southwest from the city of Estevan. Saturn acquired this property from Veren in the second quarter of 2024. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are primarily produced from the Mississippian Ratcliffe, Oungre and Bakken formations along with the Upper Devonian Torquay formation.

Southeast Saskatchewan, Midale

The Midale property is located in Southeast Saskatchewan, spanning Townships 5 to 7 and Ranges 10 to 12 W2M. The majority of Saturn's operations are approximately 60 kilometers Northwest from the city of Estevan. Saturn acquired this property with the Ridgeback Acquisition. This property holds working



interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Bakken formation.

Southeast Saskatchewan, Creelman

The Creelman property is located in Southeast Saskatchewan, spanning Townships 8 to 10 and Ranges 8 to 12 W2M. The majority of Saturn's operations are approximately 70 kilometers Northwest from the city of Estevan. Saturn acquired this property with the Ridgeback Acquisition. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Frobisher and Bakken formations.

Southeast Saskatchewan, Handsworth

The Handsworth property is located in Southeast Saskatchewan, spanning Townships 8 to 1 and Ranges 4 to 12 W2M. The majority of Saturn's operations are located approximately 70 kilometers Northeast from the city of Estevan. Saturn acquired this property with the Ridgeback Acquisition. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Frobisher, Alida, Kisbey and Bakken formations.

Southeast Saskatchewan, Weir Hill

The Weir Hill property is located in Southeast Saskatchewan, spanning Townships 3 to 10 and Ranges 5 to 9 W2M. The majority of Saturn's operations are located approximately 50 kilometers North from the city of Estevan. Saturn initially acquired this property from Crescent Point in the second quarter of 2021, adding further acreage and operations with the Ridgeback Acquisition. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Midale, Frobisher, Alida and Bakken formations.

Southeast Saskatchewan, Alameda

The Alameda property is located in Southeast Saskatchewan, encompassing Townships 3 and 4; Ranges 2 to 7 W2M. The majority of Saturn's operations are located 50 kilometers Northeast from the city of Estevan. Saturn acquired this property from Allied Energy in the third quarter of 2025. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Midale and Frobisher formations.

Southeast Saskatchewan, Pinto

The Pinto property is located in Southeast Saskatchewan, encompassing Townships 1 and 2; Ranges 2 to 7 W2M. The majority of Saturn's operations are located 40 kilometers East from the city of Estevan. Saturn acquired this property from Allied Energy in the third quarter of 2025. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Midale, Frobisher and Bakken formations, along with lesser amounts from the Upper Devonian Torquay formation.

Southeast Saskatchewan, Manor

The Manor property is located in Southeast Saskatchewan, spanning Townships 6 to 10 and Ranges 30 to 34 W1M as well as Ranges 1 and 2 W2M. The majority of Saturn's operations are located approximately 80 kilometers Northeast from the city of Estevan. Saturn acquired this property from Crescent Point in the second quarter of 2021. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Triassic Lower Watrous formation and the Mississippian Frobisher, Alida, Tilston and Souris Valley formations.



Southeast Saskatchewan, Queensdale

The Queensdale property is located in Southeast Saskatchewan, spanning Townships 4 to 7; Ranges 33 to 34 W1M as well as Ranges 1 to 3 W2M. The majority of Saturn's operations are located approximately 65 kilometers Northeast from the city of Estevan. Saturn acquired this property from Crescent Point in the second quarter of 2021. This property holds interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Midale, Frobisher, Alida, Kisbey and Tilston formations.

Southeast Saskatchewan, Glen Ewen

The Glen Ewen property is located in Southeast Saskatchewan, spanning Townships 1 to 4, Ranges 32 to 34 W1M as well as Ranges 1 to 3 W2M. The majority of Saturn's operations are located approximately 75 kilometers East from the city of Estevan. Saturn acquired this property from Crescent Point in the second quarter of 2021, acquiring further acreage and operations from Allied Energy in the third quarter of 2025. This property holds interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Midale and Frobisher formations.

Southeast Saskatchewan, Ingoldsby

The Ingoldsby property is located in Southeast Saskatchewan, spanning Townships 1 to 7 and Ranges 30 to 34 W1M. The majority of Saturn's operations are located approximately 100 kilometers Northeast from the city of Estevan. Saturn acquired this property from Crescent Point in the second quarter of 2021, acquiring further acreage and operations from Allied Energy in the third quarter of 2025. This property holds interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Frobisher, Alida, Kisbey, Tilston and Bakken formations as well as the Upper Devonian Torquay formation.

Southeast Saskatchewan, Wapella

The Wapella property is located in Southeast Saskatchewan, spanning Townships 11 to 18, Ranges 27 to 34 W1M as well as Ranges 1 to 3 W2M. The majority of Saturn's operations are located approximately 140 kilometers Northeast from the city of Estevan. Saturn acquired this property from Crescent Point in the second quarter of 2021, acquiring further acreage and operations from Allied Energy in the third quarter of 2025. This property holds interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Cretaceous Mannville Group, Middle Jurassic Red Jacket formation, Mississippian Bakken, along with the Upper Devonian Torquay and Birdbear formations.

Southeast Saskatchewan, Antler

The Antler property is located in both Southeast Saskatchewan and Manitoba, spanning Townships 6 to 8 and Ranges 28 to 30 W1M. The majority of Saturn's operations are located approximately 120 kilometers Northeast from the city of Estevan. Saturn acquired this property from Allied Energy in the third quarter of 2025. This property holds interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Mississippian Souris Valley and Bakken formations as well as the Upper Devonian Torquay formation.

ALBERTA

Northern Alberta, Kaybob

The Kaybob property is located in Northwest Alberta in Townships 63 and 64, Ranges 18 and 19 W5M, approximately 75 kilometers Northwest of the town of Whitecourt, Alberta. Saturn acquired this property with the Ridgeback Acquisition. This property holds working interest in several sections with opportunity



for future drilling locations. Oil and associated gas are produced exclusively from the Triassic Montney formation.

Central Alberta, West Pembina North

The West Pembina North property is located in Central Alberta, spanning Townships 48 to 52 and Ranges 12, to 15 W5M, with the majority of Saturn's operations situated approximately 50 kilometers West of the town of Drayton Valley, Alberta. Saturn acquired this property with the Ridgeback Acquisition. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced exclusively from the Cretaceous Cardium formation.

Central Alberta, West Pembina South

The West Pembina South property is located in Central Alberta, spanning Townships 48 to 50, Ranges 8 to 11 W5M, with the majority of Saturn's operations situated approximately 35 kilometers West of the town of Drayton Valley, Alberta. Saturn acquired this property with the Ridgeback Acquisition. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced exclusively from the Cretaceous Cardium formation.

Central Alberta, East Pembina

The East Pembina property is located in Central Alberta, spanning Townships 45 to 52 and Ranges 1 to 11 W5M, with the majority of Saturn's operations situated approximately 25 kilometers east of Drayton Valley, Alberta. Saturn acquired the property with the Ridgeback Acquisition, with additional acreage and development opportunities added through the Clearview Resources acquisition in the fourth quarter of 2025. The property includes working interests in multiple sections and offers further opportunity for future drilling locations. Production consists primarily of oil and associated gas from the Cretaceous Cardium formation.

Central Alberta, Brazeau

The Brazeau property is located in Central Alberta, spanning Townships 41 to 47 and Ranges 9 to 13 W5M, approximately 50 kilometers southwest of Drayton Valley, Alberta. Saturn acquired the property with the Ridgeback Acquisition, with additional acreage added through the acquisition of assets from HWN Energy Ltd. in the fourth quarter of 2024. The property includes working interests in multiple sections and offers the opportunity for future drilling locations. Production consists of oil and associated gas from the Cretaceous Cardium formation. Gas production from the Cretaceous Mannville is also realized from this property.

Central Alberta, Garrington

The Garrington property is located in Central Alberta, spanning Townships 31 to 37 and Ranges 1 to 7 W5M, with the majority of Saturn's operations situated approximately 65 kilometers North of the town of Cochrane, Alberta. Saturn acquired this property with the Ridgeback Acquisition. This property holds working interest in several sections with opportunity for future drilling locations. Oil and associated gas are produced from the Cretaceous Cardium formation.

Central Alberta, Lochend

The Lochend property is located in Central Alberta, spanning Townships 25 to 30 and Ranges 29 W4 and 1 to 6 W5M, with the majority of Saturn's operations situated approximately 15 kilometers east of Cochrane, Alberta. Saturn acquired the property with the Ridgeback Acquisition. The property includes working interests in multiple sections and offers potential for future drilling locations. Production consists of oil and associated gas from the Cretaceous Cardium formation.



PROPERTIES WITH NO ATTRIBUTABLE RESERVES

As at December 31, 2025, the Corporation's assets have a total acreage of 1,808,213 acres (net 1,487,306 acres). Summarized below is the portion of this acreage that is considered undeveloped (gross 678,909 acres | 581,997 net acres).

Location / License	Gross Area (Acres)	Net Area (Acres)	Gross Rights to Expire Within One Year (Acres)
Cardium	219,249	186,968	60,367
Kaybob	4,720	4,720	0
AB Minor	51,703	36,124	5,440
Alameda	7,828	7,641	1,679
Antler SK	5,728	5,728	1,005
Battrum / Butte	32,355	27,069	2,920
Bromhead (Flat Lake)	54,097	49,790	21,343
Glen Ewen	19,737	15,249	4,215
Herschel	4,336	4,153	561
Ingoldsby	14,320	11,473	4,215
Kindersley SK	13,595	11,832	4,215
Manor	16,217	14,562	2,000
Pinto	30,154	28,361	6,798
Plato	43,130	34,117	6,115
Queensdale	11,418	9,239	1,704
SK Minor	9,948	6,265	1,071
Viewfield Bakken	91,250	80,354	16,574
Wapella SK	13,754	12,978	40
Weir Hill	22,234	19,855	3,362
Manitoba	1,725	1,555	516

These lands have no financial commitment on them other than annual rental payments to the Ministry of Natural Resources or Freehold lessors.

SIGNIFICANT FACTORS OR UNCERTAINTIES RELEVANT TO PROPERTIES WITH NO ATTRIBUTED RESERVES

The Corporation has no significant factors or uncertainties relevant to properties with no attributed reserves.

ADDITIONAL INFORMATION CONCERNING ABANDONMENT AND RECLAMATION COSTS

The following table sets out the Corporation's estimated abandonment costs that are included in the 2025 Reserves Report as a deduction in arriving at future net revenue.

	Total Proved Estimated Using Forecast Prices and Costs ⁽¹⁾ (Undiscounted) (MM\$)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs ⁽¹⁾ (Undiscounted) (MM\$)
2026	18.6	18.6
2027	18.6	18.6
2028	4.8	4.8
Total for three years	42.0	42.0
Remainder	1,048.1	1,092.3
Total for all years	1,090.0	1,134.2

(1) Costs reflect well abandonments for entities forecast in the 2025 Reserve Report.



FORWARD CONTRACTS

As at December 31, 2025, the Corporation was committed to the following commodity price risk contracts:

Period	WTI Swaps				WTI Swaps				NGL Propane Swaps	
	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)	Volume (bbls/d)	Price ⁽¹⁾ (CA\$/bbl)	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)	Volume (bbls/d)	Price ⁽¹⁾ (CA\$/b)	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)
Q1 2026	1,080	65.00-68.10	6,500	73.08-95.56	3,077	67.21	4,481	85.46	375	49% WTI
Q2 2026	-	-	6,500	73.08-95.56	4,028	67.30	4,320	85.47	-	-
Q3 2026	-	-	2,500	75.00-98.25	-	-	4,649	83.51	-	-
Q4 2026	-	-	2,500	75.00-98.25	-	-	4,463	83.47	-	-

(1) Weighted average prices for the period.

Period	MSW Differential		WCS Differential		Natural Gas Swaps			Natural Gas Collars		
	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)	Volume (bbls/d)	Price ⁽¹⁾ (US\$/bbl)	Volume (GJ/d)	Price ⁽¹⁾ (CA\$/GJ)	Volume (GJ/d)	Price ⁽²⁾ (CA\$/GJ)	Volume (GJ/d)	Price ⁽¹⁾ (CA\$/GJ)
Q1 2026	12,000	(4.59)	2,000	(14.25)	11,500	2.82	10,550	Index	-	-
Q2 2026	12,500	(3.82)	2,000	(13.05)	15,000	2.69	10,550	Index	-	-
Q3 2026	10,000	(3.54)	-	-	15,000	2.69	10,550	Index	-	-
Q4 2026	5,000	(3.90)	-	-	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).

TAX HORIZON

Saturn was not required to pay income tax in 2025. The Corporation estimates do not expect income taxes will become payable until 2027 based on proved plus probable cash flow economics for our assets.

COSTS INCURRED

The following table summarizes the Corporation's capital expenditures incurred related to our activities during the year ended December 31, 2025:

	(\$000's)	Year Ended December 31, 2025
Property Acquisition Costs		-
Proved Properties		65,313
Unproved Properties		-
Exploration Costs		-
Development Costs		232,713
Other		-
Total		\$298,026

EXPLORATION AND DEVELOPMENT ACTIVITIES

In 2025, the Corporation focused our capital on drilling 94 (71.0 net) wells across our operated assets with 100% drilling success. The Corporation has guided to approximately \$185 million in development capital across Saturn's asset base targeting the drilling of 105 (78 net) wells for our 2026 capital program.

The following table provides a breakdown of the gross and net exploration and development wells Saturn participated in during the year ended December 31, 2025:



	Exploration Wells		Development Wells		Total Wells	
	Gross	Net	Gross	Net	Gross	Net
Light and Medium Oil	-	-	87	64.0	87	64.0
Heavy Oil	-	-	7	7.0	7	7.0
Natural Gas	-	-	-	-	-	-
Service	-	-	-	-	-	-
Total	-	-	94	71.0	94	71.0

PRODUCTION ESTIMATES

The following table is a summary of the gross (prior to royalties) volume of the Corporation's estimated production for the year ending December 31, 2026, which is reflected in the estimate of gross proved reserves and gross probable reserves disclosed in the tables contained above under the subheading "Statement of Reserves Data and Other Oil and Gas Information – Pricing Assumptions".

2026 Interest Production	Light and Medium Crude Oil (Mbbbl)	Heavy Crude Oil (Mbbbl)	Associated and Non-Associated Natural Gas (MMscf)	Natural Gas Liquids (Bcf)	Oil Equivalent (MBOE)
Central AB	1,526	-	9,307	491	3,568
Other Alberta	398	-	2,066	96	838
SE Saskatchewan	6,669	-	4,851	759	8,236
SW Saskatchewan	367	1,089	42	0	1,463
West-Central	839	-	210	8	882
Total Proved	9,799	1,089	16,476	1,354	14,987
Central AB	195	-	785	37	362
Other Alberta	51	-	231	11	100
SE Saskatchewan	534	-	499	68	685
SW Saskatchewan	37	101	4	0	138
West-Central	61	-	17	1	64
Total Probable	876	101	1,537	116	1,349
Central AB	1,720	-	10,093	528	3,931
Other Alberta	449	-	2,296	107	938
SE Saskatchewan	7,202	-	5,350	826	8,920
SW Saskatchewan	404	1,189	46	0	1,601
West-Central	900	-	227	8	946
Total Proved + Probable	10,675	1,189	18,013	1,469	16,336

PRODUCTION HISTORY

The following table summarizes certain information in respect of production history for each important field, and in total, the production volumes for the most recent financial year, for each product type:

Field	Light and Medium Crude Oil (bbl)	Heavy Crude Oil (bbl)	Conventional Natural Gas (scf)	Natural Gas Liquids (bbl)	Oil Equivalent (boe)
Central Alberta	1,806,482	-	12,292,343	613,757	4,469,170
Southeast Saskatchewan	6,718,578	-	3,961,512	732,144	8,111,041
West-Central Saskatchewan	950,239	1,631,500	345,712	11,275	2,650,638
Total	9,475,299	1,631,500	16,599,567	1,357,176	15,230,848



The following tables set forth Saturn's average daily production volume before deductions of royalties payable to others, and crude oil prices. Also shown are royalties, net production and transportation costs, and average netbacks for the period January 1, 2025 – December 31, 2025.

SUMMARY OF 2025 COMPANY SHARE OF PRODUCTION AND NETBACKS

	Three Months Ended				Year Ended
	March 31	June 30	Sept 30	Dec 31	Dec 31
Average Daily Production					
Crude oil (bbl/d)	31,142	30,150	29,152	31,287	30,430
Natural gas (Mcf/d)	43,319	41,740	46,860	49,906	45,478
NGLs (bbls/d)	3,318	3,310	4,180	4,052	3,718
Total (BOE/d)	41,680	40,417	41,142	43,657	41,728
Average Prices Received					
Crude oil (\$/bbl)	90.48	79.72	81.71	72.52	81.05
Natural gas (\$/Mcf)	2.48	1.80	0.67	2.44	1.84
NGLs (\$/bbls)	52.95	40.24	37.49	38.72	41.84
Processing expenses (\$/boe)	(0.26)	(0.26)	(0.30)	(0.21)	(0.25)
Total (\$/BOE)	74.13	64.36	62.18	58.15	64.59
Operating Netback (\$/boe)					
Petroleum and natural gas sales	74.13	64.36	62.18	58.15	64.59
Royalties	(9.04)	(7.68)	(7.70)	(6.65)	(7.75)
Net operating expenses	(19.58)	(18.28)	(19.24)	(19.24)	(19.09)
Transportation expenses	(1.56)	(1.65)	(1.49)	(1.57)	(1.57)
Operating netback received (\$/boe)	43.95	36.75	33.75	30.69	36.18

UNCERTAINTY OF RESERVES ESTIMATES

The reserve and recovery information contained in the 2025 Reserves Report is only an estimate and the actual production and ultimate reserves from the properties may be greater or less than the independent estimates of Ryder Scott.

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors that are beyond the control of the Corporation. The reserve and cash flow information set forth herein represent estimates only. The reserves and estimated future net cash flow from Saturn's assets have been independently evaluated effective December 31, 2025 by Ryder Scott. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of the Corporation. Actual production and cash flows will vary from these evaluations, and such variations could be material. The foregoing evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success in the evaluations.



DIRECTORS AND OFFICERS OF THE CORPORATION

The following table lists name, province and country of residence and principal occupation for the last five years of each of the directors and executive officers of the Corporation as of the date hereof. Each director of Saturn shall hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed pursuant to the Corporation's by-laws, unless the director's office is earlier vacated.

Name and Municipality of Residence	Position	Principal Occupation	Director or Officer Since
John Jeffrey ⁽²⁾⁽⁴⁾ Calgary, Alberta	Chief Executive Officer and Director	Mr. Jeffrey is the Chief Executive Officer of the Corporation since November 2016, and a Director since March 2017. He has responsibility for the Corporation's overall strategic direction, including financial and operational performance. Prior to joining Saturn in 2016, Mr. Jeffrey was a founder and CFO of a Saskatchewan-based geological and engineering consulting company that drilled over 1,000 wells in Western Canada for various oil and gas clients. He has held a range of senior operational and financial management positions in Canada and internationally. Mr. Jeffrey earned his MBA from the University of Saskatchewan.	11.11.2016
Scott Sanborn Calgary, Alberta	Chief Financial Officer	Mr. Sanborn is the Chief Financial Officer of the Corporation since June 1, 2021, responsible for financial strategy, reporting, controls, accounting and treasury functions. Prior thereto, he served as Corporate Controller of Jupiter Resources from November 2016 until its sale in December 2020. Mr. Sanborn has extensive leadership experience within the energy industry, having held senior roles with Marquee Energy and Verano Energy. Mr. Sanborn began his career with KPMG LLP, holds his Chartered Professional Accountant Designation and earned a Bachelor of Commerce from the University of Calgary.	6.1.2021
Justin Kaufmann Calgary, Alberta	Chief Development Officer	Mr. Kaufmann has served as Saturn's Chief Development Officer since September 2022, having previously served as the Corporation's Vice President, Exploration since January 2018. Mr. Kaufmann is responsible for leading the Corporation's asset development activities across multi-disciplinary teams and the efficient deployment of capital. Prior to joining Saturn, he was a co-founder and the President of a Saskatchewan-based geological and engineering consulting company that drilled over 1,000 wells in Western Canada for various oil and gas clients. Mr. Kaufmann is a graduate from the University of Saskatchewan and a registered Professional Geologist with APEGS.	7.1.2018
Grant MacKenzie Calgary, Alberta	Chief Legal Officer	Mr. MacKenzie has served as the Corporation's Chief Legal Officer since July 1, 2023, responsible for overseeing legal and corporate affairs, including corporate governance, capital markets and M&A legal matters, regulatory and stock exchange compliance, and advising the Board and management on strategy. He was a member of the Corporation's Board from September 2022 to September 2025, having previously been a partner and the corporate co-lead of the Calgary office of Dentons Canada LLP since 2018, as external counsel to the Corporation. Prior thereto, Mr. MacKenzie was a partner in the securities group of Burnet Duckworth & Palmer LLP from 2010 to 2018. He graduated from the University of New Brunswick Faculty of Law and holds a Bachelor of Arts in Commerce from Western University.	9.15.2022



Name and Municipality of Residence	Position	Principal Occupation	Director or Officer Since
Jamie Kuntz Calgary, Alberta	Senior Vice President, Operations	Mr. Kuntz is the Corporation's Senior Vice President of Operations, a position he has held since August 1, 2025, having previously served as VP, Operations since Saturn's acquisition of Ridgeback Exploration Inc. in February of 2023. He has primary responsibility for overseeing day-to-day oil and gas operations, including production, facilities and pipeline operations, asset management, and driving production optimization and cost reduction across the entire asset base. Prior thereto, he was the Facility & Pipeline Engineering Manager at Ridgeback and previously served as Facility Manager for Petrus Resources and CanEra Resources.	5.1.2023
Ivan Bergerman ⁽³⁾ Saskatoon, Saskatchewan	Director	Mr. Bergerman has served as a member of Saturn's Board since 2017 and has been practicing law since 2002. He has over 20 years of legal advisory expertise, including general corporate, commercial, securities, mergers and acquisitions and oil and gas law. He founded Bergerman Smith LLP in 2010 with principal practice areas including public company advising and natural resources law. Mr. Bergerman retired from his practice in 2024. He holds a Doctor of Law (JD) with Distinction from the University of Saskatchewan, College of Law.	8.15.2017
Jim Payne ⁽¹⁾⁽⁴⁾ Caledon, Ontario	Director	Mr. Payne has been a Board member of Saturn since 2020, and is currently CEO of dynaCERT Inc., a Canadian company specializing in Carbon Emission Reduction Technologies. He brings more than 40 years of experience in strategic leadership roles within both public and private companies, corporate governance, finance and accounting, capital markets, executive leadership and business performance improvements. Mr. Payne also serves as CEO of a privately-held consulting, project management and real estate development corporation operating in the Greater Toronto Area. He graduated from St. Clair College in Construction Engineering, Project Management and Estimating.	3.11.2020
Christopher Ryan ⁽²⁾⁽⁴⁾ Calgary, Alberta	Director	Mr. Ryan has been a member of Saturn's Board since 2018, and is the CEO of Broadbill Energy Inc, an oil and gas technology infrastructure company. Prior thereto, he was Director of Midstream and Director of Operation Services for Kingston Midstream (formerly Tundra Energy Marketing Ltd.) and an Exploitation Engineer with Tundra Oil and Gas. Mr. Ryan serves on the board for the Canadian Crude Quality Technical Association (CCQTA) as the Director of Midstream, and is Co-Chair of the Sampling and Frequency Working Group for the Crude Oil Quality Association (COQA). He is an honorary founding member of the Global Institute of Water Security and serves on various Canadian Association of Petroleum Producers (CAPP) Committees. Mr. Ryan is a voted Working Group member of the Canadian Transportation of Dangerous Goods General Policy Advisory Council for Classification.	6.5.2018
Thomas Gutschlag ⁽¹⁾⁽³⁾ Mannheim, Germany	Director	Mr. Gutschlag has served on Saturn's Board since 2022 and is currently the Chairman of Deutsche Rohstoff AG, a public company listed on the Frankfurt Stock Exchange. Deutsche Rohstoff identifies, develops and divests attractive resource projects in North America, Australia and Europe, with a focus on developing oil and gas opportunities in the U.S., as well as metals such as gold, copper and tungsten. He cofounded the company in 2006 and was its CFO from 2007 to 2015 and its CEO from 2015 to 2022. Mr. Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.	9.15.2022



Name and Municipality of Residence	Position	Principal Occupation	Director or Officer Since
Lynn A. Peterson ⁽³⁾⁽⁴⁾ Denver, Colorado	Director	Mr. Peterson joined the Corporation's Board in September of 2025, bringing over 40 years of energy industry experience and extensive senior leadership, governance, and operational expertise. Previously, he was Executive Chair of the board of Chord Energy; President and CEO of Whiting Petroleum Corporation and was co-founder of Kodiak Oil & Gas Corporation in 2002, serving as President and CEO, Director, and Chair of the board from 2002 until its acquisition by Whiting Petroleum in 2014. From 2015 until 2020, he was Chair of the board, Chief Executive Officer, and President of SRC Energy until its acquisition by PDC Energy. Mr. Peterson holds a Bachelor of Science in Accounting from the University of Northern Colorado.	9.8.2025
Janet Yang ⁽¹⁾⁽³⁾ Atlanta, Georgia	Director	Ms. Janet Yang was appointed to Saturn's Board in 2023, is currently the CFO of Reveam, Inc., a developer and operator of electronic cold-pasteurization treatment systems. Prior to joining Reveam, she was Research Director, Energy and Mining at GMT Capital Corp. from 2023-2024, and prior thereto was the Executive Vice President and Chief Financial Officer of W&T Offshore, Inc., a Texas based oil & gas exploration and production company traded on the New York Stock Exchange from 2018 to 2023. Ms. Yang has extensive experience in finance and capital raising and holds an MBA from the Booth School of Business at the University of Chicago, and a BA in Economics from Rice University.	6.28.2023
Andrew Claugus ⁽²⁾ Denver, Colorado	Director	Mr. Claugus joined Saturn's Board in 2023 and is an entrepreneur and independent businessman, with extensive experience in petroleum engineering. Prior thereto, he was the Engineering Manager for MECO IV, LLC, a private oil & gas exploration and production company based in Denver, Colorado from 2014 until its acquisition in 2022. Following the sale, Mr. Claugus founded Cerrito Energy, a privately backed oil and gas company investing in non-operated interests in core areas of established basins. He holds a Master of Engineering in Petroleum Engineering from Colorado School of Mines, and a BSc in Chemical Engineering, from Case Western Reserve University.	6.28.2023
Tyler Cheetham Calgary, Alberta	Vice President, Land	Mr. Cheetham is the Corporation's Vice President, Land, a position he has held since August 1, 2022, having served as its Manager, Land since joining Saturn in March 2021. He has primary responsibility for the Corporation's land strategy, including mineral and surface land management; acquisitions and divestitures; leasing and negotiations; and securing land access to support asset development and operations. Prior thereto, he held land positions of increasing responsibility from 2010 to 2020 at Crescent Point Energy. Mr. Cheetham graduated from the University of Lethbridge and is a member of the Canadian Association of Land and Energy Professionals (CALEP).	3.15.2021
Cindy Gray Calgary, Alberta	Vice President, Investor Relations	Ms. Gray is Vice President, Investor Relations of the Corporation since September 2024, responsible for leading Saturn's investor relations and communications strategy, including capital markets engagement; disclosure and reporting; representing the company to the investment community; and media and social media strategies. Previously, she ran an investor relations consulting firm from April 2013, led global energy business development for TSX and TSXV and held senior positions at several public companies. Ms. Gray served on the board of TSXV-listed Think Research until its sale in 2024 and has an MBA from the University of Calgary.	9.11.2024



Name and Municipality of Residence	Position	Principal Occupation	Director or Officer Since
Joel Robertson Calgary, Alberta	Vice President, Finance	Mr. Robertson has served as the Corporation's Vice President, Finance since January 1, 2026, having previously held the position of Controller since joining Saturn in June 2021. He is responsible for overseeing the Corporation's financial planning and analysis; budgeting and forecasting; financial reporting and controls; cash flow and treasury management; and supporting strategic decision-making. Previously, he held positions of increasing responsibility at PFB Corporation and Calgary-based Jupiter Resources before its sale in December 2020. Prior thereto, Mr. Robertson serviced a portfolio of primarily oil and gas clients at KPMG LLP in both Canada and Belgium. He holds his Chartered Professional Accountant designation and a Bachelor of Business Administration from Trinity Western University.	6.15.2021

(1) Member of the Audit Committee.

(2) Member of the Reserves Committee.

(3) Member of the Compensation, Corporate Governance and Nominating Committee.

(4) Member of the Health, Safety and Environment Committee.

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, the directors and executive officers of the Corporation, as a group, beneficially own, control or direct, directly or indirectly, 3,381,879 Common Shares, representing approximately 2% of the issued and outstanding Common Shares. As of the date hereof, the directors and executive officers, as a group, also hold Common Share purchase options ("**Options**") to purchase 528,750 Common Shares, 2,356,938 restricted share units ("**RSUs**"), 1,245,161 performance share units ("**PSUs**"), 423,460 deferred share units ("**DSUs**") and 7,000,000 Performance Warrants.

CEASE TRADE ORDERS

To the knowledge of management of the Corporation, no director or executive officer is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant Corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

BANKRUPTCIES

To the knowledge of management of the Corporation, no director or executive officer of the Corporation is, as of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any Corporation that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal to under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management of the Corporation, no director or executive officer of the Corporation has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.



PENALTIES AND SANCTIONS

To the knowledge of management of the Corporation, no director or executive officer or shareholder holding a sufficient number of Common Shares to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject to in connection with the operations of the Corporation. In particular, certain of the directors and officers of the Corporation are involved in managerial or director positions with other oil and natural gas companies whose operations may, from time to time, be in direct competition with those of the Corporation or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Corporation. In accordance with the ABCA, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation. Certain of the directors of the Corporation have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Corporation will only be able to devote part of their time to the affairs of the Corporation.

AUDIT COMMITTEE

The purpose of the Corporation's audit committee ("**Audit Committee**") is to assist the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the audit committee to maintain a free and open means of communications among the Board, the independent auditors and the senior management of the Corporation.

AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

The Corporation's Audit Committee mandate and terms of reference (the "**Audit Committee Mandate**") was adopted by the Board, the full text of which is attached hereto as Schedule "C" and forms part of this Annual Information Form. The Audit Committee Mandate is to assist the Board in its oversight of the integrity of the Corporation's financial statements and other relevant public disclosures, the Corporation's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is comprised of Ms. J. Yang (Chair) and Messrs. T. Gutschlag and J. Payne each of whom are independent within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and each of the members are financially literate within the meaning of section 1.6 of NI 52-110.

RELEVANT EDUCATION AND EXPERIENCE

The following relevant education and experience of the members of the Audit Committee have been used in assessing their financial literacy and are relevant to the performance of their responsibilities as audit committee members:

Janet Yang, Director (Chair)

Ms. Janet Yang is the Chief Financial Officer for Reveam, Inc., a developer and operator of electronic cold-pasteurization treatment systems. Prior to joining Reveam, Ms. Yang held the role of Research Director, Energy and Mining at GMT



Capital Corp., and from 2018 to 2023 Ms. Yang was the Executive Vice President and Chief Financial Officer of W&T Offshore, Inc., a Texas based oil & gas exploration and production company traded on the New York Stock Exchange. Ms. Yang has extensive experience in finance and capital raises and holds an MBA from the Booth School of Business at the University of Chicago, and a BA in Economics from Rice University.

Thomas Gutschlag, Director

Thomas Gutschlag is currently the Chairman of Deutsche Rohstoff AG (DRAG), a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe, with a focus on the development of oil and gas opportunities within the United States, as well as metals such as gold, copper and tungsten. He cofounded DRAG in 2006 and was its CFO from 2007 to 2015 and its CEO from 2015 to 2022. Thomas Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.

Jim Payne, Director

Mr. Payne is currently the CEO of dynaCERT Inc., a Canadian company specializing in Carbon Emission Reduction Technologies, along with a privately-held consulting, project management and real estate development corporation operating in the Greater Toronto Area. He brings more than 40 years of experience in strategic leadership roles within both public and private companies, corporate governance, finance and accounting, capital markets, executive leadership and business performance improvements. Mr. Payne graduated from St. Clair College in Construction Engineering, Project Management and Estimating.

PRE-APPROVAL POLICIES AND PROCEDURES

The audit committee pre-approves engagements for non-audit services provided by the external auditors or their affiliates, together with estimated fees and potential issues of independence.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, KPMG LLP, Chartered Professional Accountants) not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 (*De Minimis Non-Audit Services*), 3.2 (*Initial Public Offerings*), 3.4 (*Events Outside Control of Member*), 3.5 (*Death, Disability or Resignation of Audit Committee Member*), of NI 52-110, or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

Year Ended	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees	All Other Fees
December 31, 2025	\$598,400	-	-	-
December 31, 2024	\$592,140	\$241,450	-	-

- (1) "Audit Fees" consist of the aggregate fees billed by Saturn's external auditor for the audit or review of the Corporation's annual and quarterly financial statements that are provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit-Related Fees" are the aggregate fees billed for assurance and related services, required to be performed by the Corporation's external auditor, that are reasonably related to the performance of the audit or review of the Corporation's financial statement and are not disclosed under "Audit fees". Amounts billed in the year ended December 31, 2024 relate to fees payable in connection to the Corporation's base-shelf and supplemental prospectus, and the Offering Memorandum and related Notes Indenture in connection with Corporation's Senior Notes. issuance.



DIVIDENDS AND DISTRIBUTIONS

The Corporation has not declared or paid any dividends on the Common Shares. Any decision to pay dividends on such shares in the future will be made by Saturn's Board on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time. The Corporation's return of capital framework is currently being done through its NCIB, and it is not the current intention of the Corporation to pay any dividends on the Common Shares in the near future.

From the period we commenced our NCIB in August of 2024 to December 31, 2024, the Corporation purchased 4,480,288 Common Shares for cancellation at a weighted average price of \$2.28 per share. From January 1 to December 31, 2025, the Corporation purchased 12,841,768 Common Shares for cancellation at a weighted average price of \$2.33 per share. Subsequent to year-end 2025, (January 1-March 10, 2026), we purchased an additional 3,240,820 shares for cancellation at a weighted average price of \$3.09 per share. Combined with the Common Shares purchased under the SIB, Saturn has bought back and cancelled a total of 22,171,058 Common Shares, representing 11% of our issued and outstanding share count as at the commencement of the original NCIB in 2024. See "*Description of Capital Structure – Common Shares – Normal Course Issuer Bid*".

DESCRIPTION OF CAPITAL STRUCTURE

CREDIT FACILITY

On June 14, 2024, the Corporation entered into the Credit Facility and the Note Indenture.

As of the date hereof, we have a \$150 million Credit Facility, and an uncommitted accordion feature allowing for a \$100 million expansion of the Credit Facility up to \$250 million in total, subject to certain conditions, with a syndicate of lenders led by NBC. The Credit Facility consists of a \$100 million revolving syndicated facility and a \$50 million revolving bi-lateral operating facility. The Credit Facility is a committed facility available on a revolving basis until June 14, 2026, at which time it may be extended at the majority of the lenders' option. If the revolving period is not extended, the undrawn portion of the facility will be cancelled and any amounts outstanding would be repayable at the end of the non-revolving term. The Credit Facility is subject to a semi-annual borrowing base review, occurring by June 30th and November 30th of each year. The borrowing base is determined based on the lenders' evaluation of the Corporation's petroleum and natural gas reserves and their commodity price outlook at the time of each renewal.

The Credit Facility is secured by a first priority security interest on all present and after acquired property of the Corporation and is senior in priority to the Senior Notes. The Credit Facility contains certain covenants that limit the Corporation's ability to, among other things, incur additional indebtedness, create or permit liens to exist, make certain restricted payments, and dispose of or transfer assets. As at December 31, 2025, the Corporation is in compliance with all covenants. Amounts borrowed under the Credit Facility bear interest at a floating rate based on the applicable Canadian prime rate, U.S. base rate, Canadian Overnight Repo Rate Average or Secured Overnight Financing Rate plus a margin and standby fee on undrawn amounts based on the Corporation's Net Debt to Consolidated EBITDA Ratio as defined in the Credit Agreement.

As at December 31, 2025, the Corporation had \$34.5 million drawn on the Credit Facility.

As at the date of this Annual Information Form, the Corporation is in compliance with all covenants required in connection with the Credit Facility. Copies of the Credit Facility and the Note Indenture are available on the Corporation's SEDAR+ profile at www.sedarplus.ca.

SENIOR NOTES

By way of private placement on June 14, 2024, the Corporation issued US\$650 million in Senior Notes due 2029 with an annual coupon rate of 9.625%.



The Senior Notes are not subject to any financial covenants and are secured by a second priority lien on substantially all of the assets of the Corporation. Subject to certain exceptions and qualifications, the Senior Notes contain certain covenants that limit the Corporation's ability to, among other things, incur additional indebtedness, create or permit liens to exist, and make certain restricted payments, dispositions and transfers of assets. In addition, the Corporation is subject to certain minimum hedging requirements that are consistent with the Corporation's risk management policy. As of December 31, 2025, the Corporation was in compliance with all such covenants.

The Senior Notes have mandatory prepayments equal to 10% per annum of principal amount of the notes outstanding on the issue date, paid 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 Corporation may redeem up to an additional 10% of the aggregate principal amount during any 12-month period at a redemption price equal to 103%. Additionally, at any time prior to June 15, 2026, the Corporation may redeem up to 35% of the aggregate principal amount of the Senior Notes at a redemption rate of 109.625% via proceeds from an equity offering, provided that at least 50% of the aggregate principal amount of the notes remain outstanding immediately following the redemption. On or after June 15, 2026, the Corporation may redeem all or a part of the notes at the following redemption prices: June 15, 2026 to June 14, 2027 at 104.813%, June 15, 2027 to June 14, 2028 at 102.406%, and June 15, 2028 to June 15, 2029 at 100%.

Copies of the Note Indenture may be accessed through our SEDAR+ profile at www.sedarplus.ca.

COMMON SHARES

The Corporation is authorized to issue an unlimited number of Common Shares, without nominal or par value. As of the date hereof, 183,658,698 Common Shares are issued and outstanding, and 11,028,540 Common Shares are reserved for issuance pursuant to securities issued under the Corporation's Long Term Incentive Plan (as defined below). The Corporation's Long Term Incentive Plan was approved by the Board on May 30, 2023, and approved by the Corporation's shareholders on June 29, 2023. All incentives outstanding pursuant to the Corporation's previous incentive plans, including our Stock Option Plan and RSU/DSU Plan, continued under and are now governed by the Long Term Incentive Plan. In addition, 7,000,000 Common Shares have been reserved for issuance pursuant to currently outstanding performance warrants, expiring in January 2030. See "*Business of the Corporation Three Year History*" and "*Business of the Corporation – 2023*".

The following is a description of the rights, privileges, restrictions and conditions attaching to our share capital.

Holders of Common Shares are entitled to: (a) one vote per post-consolidated Common Share at all meetings of shareholders of the Corporation; (b) receive dividends if, as and when declared by the Board, as a class equally with the holders of the Preferred Shares, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes ranking in priority to the Common Shares in respect of dividends; and (c) in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of our assets for the purpose of winding up Saturn's affairs, subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, share rateably, together with the holders of Preferred Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

NORMAL COURSE ISSUER BID

On August 25, 2025, the Corporation announced the renewal of its NCIB, providing for the purchase and cancellation of up to 12,078,583 Common Shares during the one-year period from August 27, 2025 to August 26, 2026. All Common Shares purchased pursuant to the NCIB have been and will continue to be returned to treasury and cancelled. The actual number of Common Shares purchased pursuant to the NCIB and the timing of such purchases will be determined in accordance with the "automatic securities purchase plan" (as defined under applicable Canadian securities laws) (the "**ASPP**") entered into by Saturn and ATB Capital Markets ("**ATB**"). Purchases under the NCIB are determined by ATB in its sole discretion, without consultation with Saturn, subject to the limitations of the ASPP and the rules and policies of the TSX. The ASPP was established to provide standing instructions regarding how the



Common Shares are to be purchased under the ASPP. As a result, there can be no assurance as to the number of Common Shares that will ultimately be purchased under the NCIB and the timing of such purchases. See “*Dividends and Distributions*”.

LONG TERM INCENTIVE PLAN

Prior to June 29, 2023, the Corporation's restricted share unit and deferred share unit compensation plan (the “**RSU/DSU Plan**”) and stock option plan (the “**Stock Option Plan**”) governed incentive awards made by the Corporation. The RSU/DSU Plan and Stock Option Plan were developed to advance the interests of the Corporation by encouraging employees, directors and consultants to receive equity-based compensation and incentives to ensure that interests of key persons are aligned with the success of the Corporation and our affiliates.

Effective May 30, 2023, the Board approved the Corporation's omnibus long term incentive plan (the “**Long Term Incentive Plan**”) which was subsequently approved by the shareholders of the Corporation on June 29, 2023 and superseded the prior RSU/DSU Plan and the Stock Option Plan. The Long Term Incentive Plan complies with the rules of the TSX, and was adopted to provide the Corporation with greater flexibility to align compensation with a pay-for-performance philosophy by allowing for a variety of equity-based awards that provide different types of incentives, including Options, RSUs, PSUs, and DSUs (collectively with the Options, RSUs, and PSUs, “**Awards**”).

The maximum number of Common Shares issuable pursuant to Awards granted under the Long Term Incentive Plan may not exceed 10% of the number of issued and outstanding Common Shares as at the date of a grant. Based on the number of Common Shares outstanding on December 31, 2025, an aggregate of 18,408,362 Awards can be granted pursuant to the Long Term Incentive Plan. As at December 31, 2025, the Corporation had 588,750 Options outstanding, 8,771,169 RSUs and 423,460 DSUs outstanding and up to 1,245,161 Common Shares issuable pursuant to outstanding PSUs. Based on the number of Common Shares outstanding as of the date hereof, an aggregate of 7,337,329 Common Shares can be reserved for issuance pursuant to Awards made under the Long Term Incentive Plan. The Corporation may settle any vested or exercised Awards in cash, Common Shares from treasury or Common Shares purchased on the TSX, at the Corporation's discretion. See “*Business of the Corporation – Three Year History– 2023*”.

RATINGS

As of the date hereof, we have received a corporate family rating of B and the Senior Notes have received a BB- rating from S&P. We have also received a B2 corporate family rating and B2 rating on the Senior Notes from Moody's.

The corporate rating addresses our overall credit strength, and the rating on the Senior Notes is intended to provide an independent indication on the risk that a borrower will not fulfil its obligations with respect to a given type and / or service of security in a timely manner.

Saturn paid applicable service fees to S&P and Moody's for rating of the Corporation and Senior Notes and will pay service fees for annual review thereof. Other than customary fees in connection with obtaining the above-noted ratings, the Corporation did not make any other payments to S&P or Moody's in respect of any services provided to Saturn in the last two years.

S&P

An S&P company credit rating is a forward-looking opinion about an obligor's overall financial capacity to pay its financial obligations. Such opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. An S&P company credit rating considers the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

S&P rates long-term debt instruments by rating categories ranging from a high of “AAA” to a low of “D”, which represents the range from highest to lowest quality of such securities rated. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. In



addition, S&P may add a rating outlook of “positive”, “negative” or “stable” which assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). According to the S&P rating system, debt rated "B" is more vulnerable to nonpayment than obligations rated “BB”, but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.

Moody's

The ratings of the Senior Notes assigned by Moody's address the relative credit risk of financial obligations. Moody's appends numerical modifiers to each generic rating classification from “Aaa” through “C”. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. According to the Moody's rating system, securities rated "B" are considered speculative and are subject to high credit risk.

Moody's uses “rating outlooks” to provide its opinion regarding the likely direction of a rating over the medium term. The assignment of, or a change in, an outlook is not a credit rating action if there is no change to the credit rating. Where assigned, rating outlooks fall into the following four categories: “Positive (POS)”, “Negative (NEG)”, “Stable (STA)” and “Developing (DEV - contingent upon an event)”.

The credit ratings accorded to Saturn by S&P and Moody's are not recommendations to purchase, hold or sell any of our securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

Common Shares

The outstanding Common Shares are traded on the TSX under the trading symbol “SOIL”, on the OTCQX under the symbol “OILSF” and on the FSE under the symbol “SMKA”. The Common Shares commenced trading on the TSX on June 15, 2023, prior to which they were listed and posted for trading on the TSXV. The following table sets forth the price range and trading volume of the Common Shares as reported by the TSX for the periods indicated:

Period	High (\$)	Low (\$)	Volume
December 2025	\$ 2.96	\$ 2.23	6,868,899
November 2025	\$ 2.72	\$ 2.37	7,310,575
October 2025	\$ 2.90	\$ 2.38	5,157,364
September 2025	\$ 2.92	\$ 2.48	4,947,624
August 2025	\$ 2.67	\$ 2.44	4,621,704
July 2025	\$ 2.70	\$ 2.06	17,511,763
June 2025	\$ 2.25	\$ 1.77	4,656,399
May 2025	\$ 1.85	\$ 1.50	3,066,039
April 2025	\$ 2.02	\$ 1.26	4,299,060
March 2025	\$ 2.10	\$ 1.70	3,803,713
February 2025	\$ 2.20	\$ 1.90	2,848,939
January 2025	\$ 2.41	\$ 2.09	2,737,327



PRIOR SALES

The following table summarizes the issuances of Common Shares and securities convertible into Common Shares within the 12-month period ended December 31, 2025.

Date of Issuance	Class of Securities	Number of Securities Issued	Issue/Exercise Price
April 4, 2025	RSUs ⁽¹⁾	6,331,341	\$1.55
April 4, 2025	PSUs ⁽²⁾	1,245,161	\$1.55
April 4, 2025	DSUs ⁽³⁾	387,096	\$1.55
June 27, 2025	RSUs ⁽²⁾	200,979	\$2.06
July 16, 2025	Common Shares ⁽⁴⁾	(1,608,182)	(\$2.15)
October 1, 2025	RSUs ⁽²⁾	129,237	\$2.75
October 1, 2025	DSUs ⁽³⁾	36,364	\$2.75
November 24, 2025	Common Shares ⁽⁵⁾	12,813	\$2.00
January 1, 2025- December 31, 2025	Common Shares ⁽⁶⁾	(12,841,768)	(\$2.32)
December 30, 2025	RSUs ⁽²⁾	82,576	\$2.35

(1) Each vested RSU entitles the holder to receive, at the discretion of the Board, either: (i) one Common Share; or (ii) a cash amount equal to the closing price of the Common Shares on the last trading date prior to the vesting date. The RSUs will vest over a period of three years, with one third vesting at the end of the first, second and third anniversary of the date of grant.

(2) PSUs may be settled in cash, Common Shares issued from treasury or purchased in the market at a payout ratio of 0% - 200% subject to the achievement of certain corporate performance objectives.

(3) DSUs are issued to non-management directors, may be settled in cash, Common Shares issued from treasury or purchased in the market and are payable after the termination date of the participant.

(4) Purchased and cancelled pursuant to the Corporation's SIB

(5) Represents Common Shares issued upon exercise of 12,813 stock options at an exercise price of \$2.00 per share

(6) Purchased and cancelled pursuant to the Corporation's NCIB (12,841,768 in fiscal 2025 at a weighted average price of \$2.32 per share for total repurchases and cancellation of \$29,781,727 of Common Shares).

ESCROWED SECURITIES

As at December 31, 2025, to the knowledge of the Corporation, no securities of the Corporation were in escrow or subject to a contractual restriction on transfer.

INFORMATION CONCERNING THE OIL AND NATURAL GAS INDUSTRY

The crude oil, natural gas and NGLs industry in Canada is subject to extensive controls and regulations imposed by various levels of government, and our oil and gas operations are subject to various Canadian federal, provincial, territorial, and local laws and regulations. These laws and regulations may be changed in response to economic or political conditions, and regulate, among other things, land tenure and the exploration, development, production, handling, storage, transportation, and disposal of oil and gas, oil and gas by-products, and other substances and materials produced or used in connection with oil and gas operations.

More particularly, matters subject to current governmental regulation and/or pending legislative or regulatory changes include the licensing for drilling of wells, the method and ability to produce wells, surface usage, transportation of production from wells, conservation matters, the discharge or other release into the environment of wastes and other substances in connection with drilling and production activities (including fracture stimulation operations), bonds or other financial responsibility requirements to cover drilling contingencies and well plugging and abandonment costs, reports concerning our operations, the spacing of wells, unitization and pooling of properties, and royalties and taxation. Failure to comply with the laws and regulations in effect from time to time may result in the assessment of administrative, civil, and criminal penalties, the imposition of remedial obligations, and the issuance of injunctions that could delay, limit, or prohibit certain of our operations. The Corporation cannot predict the ultimate cost of compliance with these requirements or their effect on our operations.



Federal authorities do not regulate the price of oil and gas in export trade. Legislation exists, however, that regulates the quantities of crude oil, natural gas and NGLs which may be removed from the provinces and exported from Canada in certain circumstances. At various times, regulatory agencies have imposed price controls and limitations on oil and gas production. In order to conserve supplies of oil and gas, these agencies may also restrict the rates of flow of oil and gas wells below actual production capacity.

Although Saturn does not expect that these controls and regulations will affect the operations of Saturn in a manner materially different than they would affect other oil and gas companies of similar size, the controls and regulations should be considered carefully by investors in the oil and gas industry. All current legislation is a matter of public record and Saturn is unable to predict what additional legislation or amendments may be enacted.

PRICING AND MARKETING

Crude Oil

Producers of crude oil are entitled to negotiate sales contracts directly with oil purchasers, which means that the market determines the price of crude oil. Crude Oil prices are primarily based on worldwide supply and demand, but regional market and transportation issues also influence prices. Specific prices that a producer receives will depend, in part, on crude oil quality, prices of competing fuels, distance to market, access to downstream transportation, value of refined products, length of contract term, weather conditions, the balance of supply and demand and other contractual terms. Other factors such as transportation disruptions, supply constraints, tariffs, surtaxes and other trade restrictive measures or countermeasures, sanctions and enforcement actions affecting oil producing countries, and the conflicts and/or political environments in Ukraine, Venezuela and the Middle East continue to be unpredictable and may have an ongoing impact on oil demand and prices. See “Risk Factors – Political Uncertainty”, “Risk Factors – Volatility in the Oil And Gas Industry” and “Risk Factors – Commodity Prices, Markets and Marketing”.

Natural Gas Liquids

The pricing of condensates and other NGLs such as ethane, butane, propane and pentane plus sold in intra-provincial, interprovincial and international trade is determined by negotiation between buyers and sellers. The profitability of NGLs extracted from natural gas is based on the products extracted being of greater economic value as separate commodities than as components of natural gas and therefore commanding higher prices. Such prices depend, in part, on the quality of the NGLs, price of competing chemical stock, distance to market, access to downstream transportation, length of contract term, supply/demand balance and other contractual terms.

Natural Gas

Negotiations between buyers and sellers determines the price of natural gas sold in intra-provincial, interprovincial and international trade. The price received by a natural gas producer depends, in part, on the price of competing natural gas supplies and other fuels, natural gas quality, distance to market, availability of transportation, length of contract term, weather conditions, supply/demand balance and other contractual terms of sale. Spot and future prices can also be influenced by supply and demand fundamentals on various trading platforms.

EXPORTS FROM CANADA

Pursuant to Canadian constitutional law, the development and operation of interprovincial and international pipelines fall within the federal government’s jurisdiction. Under the Canadian Energy Regulator Act (the “**CERA**”) and the Impact Assessment Act (the “**IAA**”), new interprovincial and international pipelines require a federal regulatory review and Cabinet approval before they can proceed.

Pursuant to the CERA, the Canadian Energy Regulator (“**CER**”) regulates the export of crude oil, natural gas and NGLs from Canada through the issuance of short-term orders and long-term export licenses. Exporters are free to negotiate prices and other terms with purchasers, provided that they meet the reporting obligations set out in the National Energy Board Act Part VI (Oil and Gas) Regulation and that export contracts continue to meet certain criteria prescribed by the CER and the Canadian federal government. We do not directly enter into contracts to export our production outside of Canada.



TRANSPORTATION CONSTRAINTS, PIPELINE CAPACITY, AND MARKET ACCESS

One major constraint to the export of crude oil, natural gas and NGLs is the deficit of transportation capacity to transport production from Western Canada to Eastern Canada, the United States and other international markets. Many proposed transportation and export projects have been cancelled or delayed due to regulatory hurdles, court challenges and economic and other socio-political factors.

Pipelines

Producers negotiate with pipeline operators to transport their products to market on a firm, spot or interruptible basis depending on the specific pipeline and the specific substance. Transportation availability is highly variable across different jurisdictions and regions. This variability can determine the nature of transportation commitments available, the number of potential customers and the price received.

Export pipelines from Canada to the United States face additional unpredictability as such pipelines require approvals of several levels of government in the United States.

Under the Constitution Act, 1867, interprovincial and international pipelines fall within the federal government's jurisdiction and require a regulatory review and approval by the cabinet of the Canadian federal government before they can proceed. In recent years, however, there has been a perceived lack of policy and regulatory certainty such that, even when projects are approved, they often face delays due to actions taken by provincial and municipal governments, public interest groups and legal opposition related to issues such as Indigenous rights and title, the government's duty to consult and accommodate Indigenous peoples and the sufficiency of all relevant environmental review processes. Export pipelines from Canada to the United States face additional unpredictability as such pipelines require approvals of several levels of government in the United States.

In the face of such regulatory uncertainty, the Canadian crude oil, natural gas and NGLs industry has experienced significant difficulty expanding the existing network of transportation infrastructure for crude oil, natural gas and NGLs, including pipelines, rail, trucks, and marine transport. Improved access to global markets through the Midwest United States and export shipping terminals on the west coast of Canada could help to alleviate downward pressure on commodity prices. Several proposals have been announced to increase pipeline capacity from Western Canada to Eastern Canada, the United States, and other international markets via export terminals. While certain projects are proceeding, the regulatory approval process and other factors related to transportation and export infrastructure have led to the delay, suspension or cancellation of a number of pipeline projects.

The federal government has introduced the Building Canada Act and Major Projects Office (the "MPO") to assist with fast-tracking projects of national interest through regulatory barriers. In a memorandum of understanding signed by the federal government and Province of Alberta on November 27, 2025 (the "Canada-Alberta MOU"), the federal government committed to supporting a new pipeline that will deliver low-emission bitumen to the northern British Columbia coast for shipping to Asian markets, if certain conditions are met by the Alberta government. The Alberta government has agreed to prepare an application for the pipeline project and submit it to the MPO before July 1, 2026.

Natural Gas and Liquefied Natural Gas ("LNG")

Natural gas prices in Western Canada have been constrained in recent years due to increasing North American supply, limited access to markets and limited storage capacity. Companies that secure firm access to infrastructure to transport their natural gas production out of Western Canada may be able to access more markets and obtain better pricing. Companies without firm access may be forced to accept spot pricing in Western Canada for their natural gas, which in the last several years has generally been depressed (at times producers have received negative pricing for their natural gas production). Several LNG projects and facilities are in development or under way in Canada.

Required repairs or upgrades to existing pipeline systems in Western Canada have led to further reduced capacity and apportionment of access, the effects of which have been exacerbated by storage limitations.



In January 2025, the U.S. Department of Energy resumed processing LNG export applications to countries without a free trade agreement, ending the temporary pause implemented by the previous administration. Export permits have been approved for new LNG projects in the United States in Texas and Louisiana. In March 2025, President Trump announced plans to develop a \$44 billion LNG project in Alaska for export to Asian markets. This was followed by Baker Hughes' announcement in November 2025 of its definitive agreement to provide key equipment for the project. As of the date of this AIF, it is uncertain the effect this may have on Canadian LNG export projects, including demand for the export of LNG.

Development of both provincial and federal net zero frameworks may also impose restrictions on natural gas and LNG projects in Canada, particularly as provincial and federal governments work to achieve emissions reduction targets. While a number of LNG export plants have been proposed in Canada, regulatory and legal uncertainty, social and political opposition and changing market conditions have resulted in the cancellation or delay of many of these projects. Nonetheless, there are currently multiple LNG export projects at different stages of development across Canada.

LAND TENURE

Mineral Rights

The respective provincial governments (i.e. the Crown) predominately own the mineral rights to most of the crude oil, natural gas and NGLs located in Western Canada, with the exception of Manitoba (which only owns 20% of the mineral rights located in that province). Provincial governments grant rights to explore for, and produce, crude oil and/or natural gas pursuant to leases, licenses, and permits for varying terms, on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. The provincial governments in Western Canada's provinces conduct regular land sales where crude oil, natural gas and NGLs companies bid for leases to explore for and produce crude oil, natural gas and NGLs owned by the respective provincial governments. Crude oil, natural gas and NGLs leases generally have a fixed term; however, a lease may generally be continued after the initial term where certain minimum thresholds of production have been reached, all lease rental payments have been paid on time, and other conditions are satisfied.

Each province has developed its own process for obtaining surface access to conduct operations that operators must follow throughout the lifespan of a well, including notification requirements and providing compensation to affected persons for lost land use and surface damage. Each of the provinces of Western Canada have implemented legislation providing for the reversion to the Crown of mineral rights to deep, non-productive geological formations at the conclusion of the primary term of a lease or licence. In addition, Alberta has a policy of "shallow rights reversion" which provides for the reversion to the Crown of mineral rights to shallow, non-productive geological formations for new leases and licences.

In addition to Crown ownership of the mineral rights to crude oil, natural gas and NGLs, private ownership of crude oil, natural gas and NGLs (i.e. freehold mineral lands) also exists in Western Canada. Rights to explore for and produce privately-owned crude oil, natural gas and NGLs are granted by a lease or other contract on such terms and conditions as may be negotiated between the owner of such mineral rights and companies seeking to explore for and/or develop crude oil, natural gas and NGLs reserves.

Where the Corporation operates on, or near, First Nation reserve lands or in areas subject to Indigenous rights or title, its success is closely tied to building and maintaining strong, respectful, and durable relationships with Indigenous peoples. This may take various forms, including the negotiation of Impact Benefit Agreements, participation in equity ownership frameworks, collaboration on environmental stewardship, and engagement protocols that reflect the priorities, governance structures, and decision-making processes of the potentially affected Nations. Many proposed and ongoing energy and infrastructure projects across Canada increasingly require proactive partnership with Indigenous communities, both to secure regulatory approvals and to support long-term operational certainty. As such, constructive engagement, grounded in transparency, mutual benefit, and recognition of Indigenous rights, is a critical component of the Corporation's ability to advance and sustain its activities in these regions.



An additional category of mineral rights ownership includes ownership by the Canadian federal government of some legacy mineral lands and within Indigenous reservations designated under the Indian Act (Canada).

Surface Rights

To develop crude oil, natural gas and NGLs resources, it is necessary for the mineral rights owner to have access to the surface lands as well. For Crown lands, surface access rights can be obtained directly from the government. For private lands, access rights can be negotiated with the landowner. Where an agreement cannot be reached, each province has developed its own process for obtaining surface access to conduct operations that operators must follow throughout the lifespan of a well, including notification requirements and providing compensation to affected persons for lost land use and surface damage.

ROYALTIES AND INCENTIVES

For crude oil, natural gas and NGLs production from federal or provincial government lands, the royalty regime is a significant factor in the profitability of our production. Crown royalties payable in respect of crown lands are determined by governmental regulation and are typically calculated as a percentage of the value of gross production. The value of the production and the rate of royalties payable generally depend on prescribed reference prices, well productivity, geographical location, the field discovery rate and the type of product produced.

Royalties payable on production from privately owned lands are determined by negotiations between the mineral owner and the resource owner, although production from such lands is subject to certain provincial taxes and royalties. Any such royalties (or royalty-like interests) are carved out of the working interest owner's interest through non-public transactions and are often referred to as overriding royalties, gross overriding royalties, net profit interests or net carried interests.

The federal government and provincial governments may, from time to time, provide incentive programs for businesses operating in specific industries, including the oil and gas industry. Such programs are often introduced when commodity prices are low, aiming to encourage exploration and development activity and may provide volume-based incentives, royalty rate reductions, royalty holidays or royalty tax credits. In addition, the programs may be introduced to encourage producers to prioritize certain kinds of development or undertake initiatives using new technologies that may enhance or improve recovery of crude oil, natural gas and NGLs or improve environmental performance.

Producers and working interest owners of crude oil, natural gas and NGLs rights may also create additional royalties or royalty-like interests through non-public transactions, which include the creation of instruments such as overriding royalties, net profits interests and net carried interests, the terms of which are subject to negotiation.

REGULATORY AUTHORITIES AND ENVIRONMENTAL REGULATION

General

As an operator of crude oil, natural gas and NGLs properties in Canada, we are subject to stringent federal, provincial, territorial, and local laws and regulations relating to environmental protection as well as controlling the manner in which various substances, including wastes generated in connection with oil and gas exploration, production, and transportation operations, are released into the environment. Compliance with these laws and regulations can affect the location or size of wells and facilities, prohibit or limit the extent to which exploration and development may be allowed, and require proper abandonment of wells and restoration of properties when production ceases. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, or criminal penalties, imposition of remedial obligations, incurrence of capital or increased operating costs to comply with governmental standards, and even injunctions that limit or prohibit exploration and production activities or that constrain the disposal of substances generated by oil field operations.



In addition to these specific, known requirements, future changes to environmental legislation, including anticipated legislation for air pollution and GHG emissions (typically measured in terms of global warming potential and expressed as carbon dioxide equivalent), may impose further requirements on operators and other energy industry participants.

Shifts in government policy by the introduction of new, or amendments to existing requirements or restrictions can impact the Corporation's operations. Restrictions on fossil fuel-based energy use, emission limits and new environmental obligations and requirements could have a material adverse impact of the Corporation's business, financial condition, results of operations and prospects.

Climate change regulation at each of the international, federal and provincial levels has the potential to significantly affect the future of the crude oil, natural gas and NGLs industry in Canada. These impacts are uncertain and it is not possible to predict the extent of future requirements. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material adverse impact on the Corporation's business, financial condition, results of operations and prospects.

Liability Management

Alberta

The AER administers several liability management programs to manage liability for most conventional upstream crude oil, natural gas and NGLs wells, facilities and pipelines in Alberta. The province continues to transition from a prescriptive framework toward a more holistic approach to liability management under its Liability Management Framework. Alberta maintains an orphan fund to cover the costs of suspending, abandoning, remediating and reclaiming wells, facilities or pipelines included in certain AER programs if a licensee or working interest participant becomes insolvent or is unable to meet its obligations. The orphan fund is funded through levies imposed on industry participants and provincial loans. In March 2025, the Government of Alberta approved a \$144.45 million levy to fund the Orphan Well Association's operating budget for the 2025-2026 year.

The SCC's decision in *Orphan Well Association v Grant Thornton* (also known as the "Redwater" decision) continues to shape Alberta's liability management regime. As a result of the Redwater decision, receivers and trustees can no longer avoid the AER's legislated authority to impose abandonment orders against licensees or to require a licensee to pay a security deposit before approving a licence transfer when any such licensee is subject to formal insolvency proceedings. Insolvent estates can no longer disclaim assets that have reached the end of their productive lives to prioritize valuable assets without first satisfying any abandonment and reclamation obligations associated with the insolvent estate's assets. The burden of a defunct licensee's abandonment and reclamation obligations first falls on the defunct licensee's working interest partners, and second, the AER may order the orphan fund to assume care and custody and accelerate the clean-up of wells or sites which do not have a responsible owner.

To address abandonment and reclamation liabilities in Alberta, the AER also implements, from time to time, programs intended to encourage the decommissioning, remediation and reclamation of inactive or marginal crude oil, natural gas and NGLs infrastructure. In late 2025, the AER introduced mandatory annual closure spending requirements effective in 2026, reinforcing proactive liability reduction measures.

Saskatchewan

The Saskatchewan Ministry of Energy and Resources administrates the Licensee Liability Rating Program (the "**SK LLR Program**"). The SK LLR Program is designed to assess and manage the financial risk that a licensee's well and facility abandonment and reclamation liabilities pose to the orphan fund (the "**Oil and Gas Orphan Fund**") established under the *Oil and Gas Conservation Act* (Saskatchewan). The Oil and Gas Orphan Fund takes on the obligation of carrying out the abandonment and reclamation of wells and facilities contained within the SK LLR Program when the Saskatchewan Ministry of Energy and Resources confirms there is no legally responsible or financially able party to deal with the abandonment and/or reclamation responsibilities. The SK LLR Program also outlines requirements for security deposits and licence transfers. If a licence holder wishes to transfer a licence, a licence transfer application must be completed through the Integrated Resource Information System ("**IRIS**"). An assessment is conducted on both the transferee and the transferor listed in the IRIS application. To complete the assessment, both a licensee



liability rating (“LLR”) assessment and a proportional risk transfer is conducted. If a licence transfer will result in either the transferor or transferee having an LLR of less than 1.0, the transferor or transferee, as applicable, must submit the amount of security deposit required by the minister.

In February 2021, the Energy Regulation Division of the Ministry of Energy and Resources announced that it was consulting with stakeholders on proposed regulatory enhancements intended to strengthen Saskatchewan’s oil and gas liability management framework and reduce the prospect of new orphan oil and gas wells and facilities in Saskatchewan. This process led to the development of the new *Financial Security and Site Closure Regulations* (the “**Closure Regulations**”), which came into force on January 1, 2023.

The Closure Regulations include: (i) changes to the formula for determining if a licensee poses a risk; (ii) annual spend targets for closure activities by licensees; and (iii) new guidance on when a security deposit may be required by a licensee or in connection with a transfer. *The Oil and Gas Conservation Regulations*, 2012 (the “**Conservation Regulations**”) remain in effect. Among other things, the Conservation Regulations provide a formula for determining a licensee’s LLR, outline eligibility requirements for holding licences, and provide guidance on when a security deposit may be required by a licensee or in connection with a transfer.

Manitoba

To date, the Government of Manitoba has not implemented a liability management rating or capability assessment program similar to those found in the other Western Canadian provinces. However, operators of wells licensed in the province are required to post a performance deposit to ensure that the operation and abandonment of wells and the rehabilitation of sites occurs in accordance with *The Oil and Gas Act* (Manitoba) (“**MBOGA**”) and the *Drilling and Production Regulations*. The MBOGA also establishes the Abandonment Fund Reserve Account (the “**Abandonment Fund**”). The Abandonment Fund is a source of funds that may be used to operate or abandon a well or facility when the licensee or permittee fails to comply with the MBOGA. The Abandonment Fund may also be used to rehabilitate the site of an abandoned well or facility or to address any adverse effect on property caused by a well or facility. Deposits into the Abandonment Fund are comprised of non-refundable levies charged when certain licences and permits are issued or transferred, as well as annual levies for inactive wells and batteries.

Climate Change Regulation

Climate change regulation at each of the international, federal and provincial levels has the potential to significantly affect the regulation of the crude oil, natural gas and NGLs industry in Canada. These impacts are uncertain, and it is not possible to predict the extent of future requirements. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material impact on the Corporation’s operations and cash flow.

Federal

Canada is a signatory to the UN Framework Convention on Climate Change and ratified the Paris Agreement, committing to reducing its emissions by 30% below 2005 levels by 2030. In 2021, Canada updated its original commitment by pledging to reduce emissions by 40-45% below 2005 levels by 2030, and to net-zero by 2050.

Canada has also pledged to reduce methane emissions in the oil and gas sector to 75% of 2012 levels by 2030; and phase out the export of thermal coal by 2030. At the 2023 UN Climate Change Conference, Canada reaffirmed its commitment to transition away from fossil fuels and accelerate greenhouse gas reductions.

The Government of Canada released the Pan-Canadian Framework on Clean Growth and Climate Change in 2016, and in 2018, enacted the *Greenhouse Gas Pollution Pricing Act*. This legislation established a federal carbon pricing system composed of two key parts: an output-based pricing system (“**OBPS**”) for large industry (enabled by the *Output-Based Pricing System Regulations*), and a fuel charge (enabled by the *Fuel Charge Regulations*), both of which impose a price on carbon dioxide equivalent emissions. This system applies in provinces and territories that request it and in those that do not have their own equivalent emissions pricing systems in place that meet the federal standards and ensure that there is a uniform price on emissions across the country. However, effective April 1, 2025, the federal government introduced regulations that eliminated the federal fuel charge and removed the requirement for provinces and territories to maintain a consumer-facing carbon price. Provincial plans apply in each of Alberta, Ontario,



New Brunswick, Nova Scotia, Newfoundland and Labrador, British Columbia, Québec, and the Northwest Territories while the OBPS applies in each of Yukon, Nunavut, Manitoba, and Prince Edward Island. For so long as the provincial system in Alberta (under the TIER regulation (as defined below)) meets the federal stringency standards for the emissions they cover, these systems will continue to apply, with the backstop covering those emissions not covered by the provincial systems, as applicable. Increases under the OBPS are currently paused pending a review by the federal government, and for now, Alberta is deemed to continue to be compliant with federal equivalency standards. While Saskatchewan has a provincial plan that was previously determined to meet the federal stringency standards, the government of Saskatchewan announced that it was pausing the industrial carbon tax rate under its OBPS program, effective April 1, 2025. As a result, the federal backstop may now apply in Saskatchewan. Proposed amendments to the TIER regulation in Alberta introduce some uncertainty to the province's equivalency status in 2026, however under the Canada-Alberta MOU, the federal and Alberta governments agreed to finalize an agreement on industrial carbon pricing on or before April 1, 2026.

Canada also regulates methane emissions under the *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* (the "**Federal Methane Regulations**"). The Federal Methane Regulations seek to reduce emissions of methane from the crude oil, natural gas and NGLs sector and came into force on January 1, 2020. By introducing a number of additional control measures, the Federal Methane Regulations aim to reduce unintentional leaks and the intentional venting of methane and ensure that oil and natural gas operations use low-emission equipment and processes. Among other things, the Federal Methane Regulations limit how much methane upstream oil and natural gas facilities are permitted to vent. The Government of Canada has committed to expanding its oil and gas methane emissions reduction target to at least a 75% reduction below 2012 levels by 2030. In December 2023, a draft federal methane regulations for the oil and gas sector were released to achieve the 2030 target. These amendments are expected to take effect in 2027.

Additional federal measures include the *Multi-Sector Air Pollutants Regulation*, under the authority of the *Canadian Environmental Protection Act, 1999*, which limits the emission of air pollutants such as nitrogen oxides and sulphur dioxide from industrial equipment, and commitments to cap oil and gas sector emissions and phase out thermal coal exports.

The *Canadian Net-Zero Emissions Accountability Act* (the "**CNEAA**"), in force since 2021, commits Canada to achieving net-zero emissions by 2050. It establishes rolling five-year emissions-reduction targets, requires detailed plans to meet each target and mandates annual progress reporting.

Under the CNEAA, the Government of Canada introduced its 2030 Emissions Reduction Plan (the "**2030 ERP**") in March 2022, outlining measures to reduce GHG emissions to 40-45% below 2005 levels by 2030. The 2030 ERP includes incentives for electric vehicles ("**EVs**") and renewable electricity, and an emissions cap for the oil and gas sector.

The federal government continues to implement and revise measures aimed at reducing greenhouse gas emissions, creating ongoing regulatory uncertainty for industry. The *Clean Fuel Regulations*, effective July 2023, impose increasingly stringent carbon-intensity reduction requirements and operate through a compliance credit market, which may affect fuel supply costs and credit availability. The federal Greenhouse Gas Offset Credit System, launched in 2022, allows eligible projects to generate offset credits for use under the federal OBPS, but future protocol development, credit supply, and pricing remain uncertain.

In November 2024, the federal government published the proposed *Oil and Gas Emissions Cap Regulations*, which would establish a sector-wide cap-and-trade system for upstream oil and gas emissions. Although originally expected to take effect in 2026, the November 2025 federal budget introduced significant changes to Canada's climate-policy framework, creating uncertainty about whether the emissions cap will be implemented as proposed, revised or withdrawn. Changes to federal carbon-pricing requirements, compliance mechanisms and potential new reporting obligations may increase compliance costs and affect the Corporation's operations, investment decisions and long-term planning.

Canada's Carbon Management Strategy aims to deploy technologies such carbon capture to help achieve federal climate targets. As part of this strategy, the federal government has committed to investing \$319 million over seven



years into research and development. In June 2024, the federal government enacted the Carbon Capture, Utilization, and Storage (“**CCUS**”) Investment Tax Credit, a refundable tax credit that applies to certain expenses incurred for eligible CCUS projects from January 1, 2022 until December 31, 2040, with a 50% reduction in credit value beginning on January 1, 2031.

In June 2024, the federal *Competition Act* was amended to enact new deceptive marketing provisions targeting “greenwashing”. The new provisions introduced unclear substantiation requirements for companies making environmental claims and significant fines for failing to meet the new requirements. In late 2025, Bill C-15, *An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025* (“**Bill C-15**”), was introduced in the House of Commons. Among other measures, Bill C-15 would implement proposals announced in Budget 2025 to amend the greenwashing provisions of the *Competition Act*. In particular, Bill C-15 would: (i) remove the requirement that environmental claims about a business or business activity be substantiated in accordance with internationally recognized methodology standards, while retaining a general requirement for adequate and proper substantiation; and (ii) remove the ability for private third-parties to bring cases directly to the Competition Tribunal under the greenwashing provisions governing environmental claims made about the benefits of a business or business activity, while leaving intact private access rights under other misleading advertising provisions, including those applicable to product-level environmental claims.

In February 2026, the federal government introduced an updated national automotive strategy that includes more than \$3 billion in planned financial commitments to support industry expansion, modernization, and diversification into additional export markets. As part of this initiative, the federal government will implement a new program to lower the cost of EVs for Canadians, introduce new EV purchase and lease incentives for individuals and businesses, expand charging infrastructure, and advance a broader trade framework intended to enhance the competitiveness of the automotive sector. It also replaces the Electric Vehicle Availability Standard (which required automakers to sell an increasing percentage of zero emission light-duty vehicles, reaching 100% by 2035) with updated greenhouse gas emissions standards and new targets of achieving 75% EV sales by 2035 and 90% by 2040. The Corporation is unable to predict how this new automotive strategy will impact the demand for fossil fuels and Canadian energy products.

Provincial

Alberta’s *Technology Innovation and Emissions Reduction* (“**TIER**”) Regulation, which applies to large emitters, came into effect on January 1, 2020 and replaced the previous *Carbon Competitiveness Incentives Regulation*. The TIER regulation meets the federal benchmark stringency requirements for emissions sources covered in the regulation, but the federal backstop continues to apply to emissions sources not covered by the regulation. The TIER regulation will be subject to a subsequent review which must be completed by December 31, 2026 and the federal equivalency is scheduled to be re-assessed in early 2026. In the Canada-Alberta MOU, the federal government recognized Alberta’s jurisdiction over its TIER regulations, agreeing to work with the province to develop a globally competitive carbon pricing system.

In November 2022, the Province of Saskatchewan received confirmation that a provincial plan had been approved to replace the federally imposed carbon tax on industrial emitters effective as of January 1, 2023. The Saskatchewan output-based performance standards program (the “**Saskatchewan OBPS**”) was previously determined to meet the federal benchmark stringency requirements for emissions sources covered in the provincial legislation, but the federal backstop continued to apply to emissions sources not covered by the provincial legislation. As of April 1, 2025, the Government of Saskatchewan announced they were pausing the industrial carbon tax rate under the Saskatchewan OBPS. As a result, the federal backstop may now apply in Saskatchewan.

Manitoba does not have provincial equivalent, so the federal OBPS applies to their large industrial emitters.

Alberta committed to reducing methane emissions by 45% from 2014 levels by 2025 and achieved this target 3 years early. The province enacted the *Methane Emission Reduction Regulation* on January 1, 2020. Later that year, the Government of Canada and the Government of Alberta announced an equivalency agreement regarding the reduction of methane emissions such Alberta will be exempt from Federal Methane Regulations. In October 2025, the parties renewed the agreement, with some modifications, extending Alberta’s exemption through 2030.



In 2024, the Government of Saskatchewan and the federal government entered into a similar equivalency agreement such that the Federal Methane Regulations will not apply in Saskatchewan.

Unlike Alberta and Saskatchewan, the Province of Manitoba has no equivalent methane reductions regulations and is subject to the Federal Methane Regulation regime.

ACCOUNTABILITY AND TRANSPARENCY

In 2015, the federal government's *Extractive Sector Transparency Measures Act* came into effect, which imposed mandatory reporting requirements on certain entities engaged in the commercial development of oil, gas or minerals, which includes exploration, extraction and holding permits to explore or extract. All companies must report payments over CAD\$100,000 made to any level of a Canadian or foreign government (including Indigenous groups), including royalty payments, taxes (other than consumption taxes and personal taxes), fees, production entitlements, bonuses, dividends (other than ordinary dividends paid to shareholders), infrastructure improvement payments and other prescribed categories of payments.

INDIGENOUS RIGHTS

Constitutionally mandated government-led consultation with and, if applicable, accommodation of, Indigenous groups impacted by regulated industrial activity, as well as proponent-led consultation and accommodation or benefit sharing initiatives, play an increasingly important role in the Western Canadian oil and gas industry. In addition, Canada is a signatory to UNDRIP, and the principles set forth therein may continue to influence the role of Indigenous engagement in the development of the oil and gas industry in Western Canada. For example, in November 2019, the *Declaration on the Rights of Indigenous Peoples Act* ("**DRIPA**") became law in British Columbia. The DRIPA aims to align British Columbia's laws with UNDRIP. In June 2021, the *United Nations Declaration on the Rights of Indigenous Peoples Act* ("**UNDRIP Act**") came into force federally in Canada. Similar to British Columbia's DRIPA, the UNDRIP Act requires the Government of Canada to take all measures necessary to ensure the laws of Canada are consistent with the principles of UNDRIP and to implement an action plan to address UNDRIP's objectives.

As of June 2022, the federal government has sought to implement the UNDRIP Act by, among other things, creating a Secretariat within the Department of Justice to support Indigenous participation in the implementation of UNDRIP, consulting with Indigenous peoples to identify their priorities, drafting an action plan to align federal laws with UNDRIP, and implementing efforts to educate federal departments on UNDRIP's principles. On June 21, 2023, the secretariat released Canada's UNDRIP Action Plan (the "**Action Plan**") with respect to aligning federal laws with UNDRIP, which has a 2023-2028 implementation timeframe. In August 2025, the federal government tabled its Fourth Annual Progress Report on the implementation of the UNDRIP Act, which provides various progress updates, including on the implementation of the Action Plan.

The federal government is in the process of developing various regulatory regimes that could create new requirements when doing business with Indigenous groups and on or near First Nation lands, for example, the National Strategy Respecting Environmental Racism and Environmental Justice Act which received royal assent in June 2024 and the new Indigenous co-administration agreement provisions of the IAA for which regulations, policy, guidance and procedures are forthcoming.

On June 29, 2021, the B.C. Supreme Court's judgment in *Yahey v British Columbia* held that the cumulative impacts of industrial development on the traditional territory of Blueberry River First Nation ("**BRFN**") in Northeast British Columbia had breached BRFN's rights guaranteed under Treaty 8.

On January 18, 2023, B.C. and BRFN signed the Blueberry River First Nations Implementation Agreement (the "**BRFN Agreement**"), introducing key measures such as a \$200-million restoration fund, ecosystem-based land-use planning, limits on new oil and gas development, and revenue-sharing provisions. Additionally, BRFN will receive \$87.5 million over three years, with potential for additional benefits. In July 2024, BRFN filed a civil claim against the province of British Columbia concerning the first implementation plan made under the BRFN Agreement, raising questions about implementation challenges surrounding the BRFN Agreement.



The BRFN Agreement has acted as a blueprint for other Treaty 8 arrangements. In late January 2023, the B.C. and four Treaty 8 First Nations – Fort Nelson, Sauleau, Halfway River and Doig River First Nations – reached consensus on a collaborative approach to land and resource planning, adopting similar principles to implement cumulative effects management, new land-use plans and revenue-sharing. However, two of these Nations later sued the B.C. government, alleging deception, misrepresentation and withholding of information during negotiations. These disputes underscore the implementation challenges of such agreements.

Similar claims have been brought by First Nations in Alberta, including Beaver Lake Cree Nation's ("**BLCN**") claim against the Government of Alberta in 2008, Duncan's First Nation's lawsuit against the Government of Alberta in 2022. After years of litigation, the BLCN case led to an SCC decision which established a new legal test for advance costs in public interest litigation. This ruling clarified that First Nations should not have to exhaust community resources or impoverish themselves to pursue constitutional claims, setting an important precedent for access to justice in treaty rights cases. The long-term impacts of these lawsuits on the Canadian oil and gas industry remain uncertain.

Recent British Columbia court decisions have the potential to influence the interpretation of Aboriginal title and the duty to consult framework in the province. In *Cowichan Tribes v Canada (Attorney General)*, the Supreme Court of British Columbia declared portions of the City of Richmond to be subject to Aboriginal title, a finding that raises unresolved questions regarding the interaction between Aboriginal title and existing fee simple ownership. In *Gitxaala v British Columbia (Chief Gold Commissioner)*, the British Columbia Court of Appeal held that British Columbia's DRIPA incorporates UNDRIP into domestic law and creates legally enforceable obligations on the Province, including positive duties to ensure that provincial laws are consistent with UNDRIP.

While these developments may have limited direct application in Alberta given Alberta's treaty landscape and the absence of province-level UNDRIP implementation legislation, they underscore the rapidly evolving nature of Indigenous rights jurisprudence. Indigenous rights claims may still arise in Alberta on different factual or legal grounds, and these decisions nonetheless highlight the increasing importance of early, proactive, and sustained engagement with Indigenous Nations in regulatory, land-use, and project-development contexts.

PROMOTERS

To the knowledge of the Corporation, no person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of the Corporation.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

LEGAL PROCEEDINGS

There are no legal proceedings that the Corporation is or was a party to, or that any of our property is or was a subject of, during the most recently completed financial year that were or are material to the Corporation, nor are any such legal proceedings known to the Corporation to be contemplated which could be deemed material to the Corporation.

In the normal conduct of operations, there may be actual and/or pending claims by and against the Corporation. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance.

REGULATORY ACTIONS

To the knowledge of management of the Corporation, no penalties or sanctions have been imposed by a court relating to securities legislation or by a securities regulatory body or by any other court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, nor have any settlement agreements been entered into by the Corporation with a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.



INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors, executive officers of the Corporation, nor any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of the Corporation, nor any associate or affiliate of the foregoing persons or companies had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal offices in Calgary, Alberta, Vancouver, British Columbia, and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Corporation did not enter into any material contracts within the most recently completed financial year, or contracts before the last financial year that are still in effect, except for those set forth below:

1. Credit Agreement; and
2. Note Indenture.

The Corporation's material contracts described above are filed under Saturn's profile on SEDAR+ at www.sedarplus.ca.

INTERESTS OF EXPERTS

NAMES OF EXPERTS

Reserves estimates contained in this Annual Information Form were derived from the 2025 Reserves Report prepared by Ryder Scott, an independent reserves evaluator. As of December 31, 2025, to the knowledge of the Corporation, the directors, officers, employees and consultants of Ryder Scott who participated in the preparation of the 2025 Reserves Report who were in a position to directly influence the preparation or outcome of the preparation of the 2025 Reserves Report as a group, do not hold any of the securities of the Corporation.

KPMG LLP is the auditor of the Corporation as at the year ended December 31, 2025. KPMG LLP has confirmed that it is independent of the Corporation in accordance with the relevant rules and related interpretation prescribed by the Institute of Chartered Accountants of Alberta.

Other than as set out above, no other experts (whose profession or business gives authority to a report, valuation, statement or opinion made by them) were named in any securities disclosure document filed by the Corporation pursuant to NI 51-102 in the most recently completed financial year. In addition, none of the officers, directors, employees or consultants of the aforementioned companies are currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or any of the Corporation's associates or affiliates.

INTERESTS OF EXPERTS

To the knowledge of the Corporation, based on information provided by the experts, none of the experts named above, at the time of preparing the applicable report, valuation, statement or opinion, held or has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or any associates or affiliates of the Corporation in connection with the preparation or certification of any report, valuation, statement or opinion.



ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR+ at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's information circular dated April 11, 2025 for our most recent annual meeting of shareholders. Additional financial information is also provided in the Corporation's consolidated financial statements and MD&A for the year ended December 31, 2025.

SCHEDULE "A"

REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR

To the Board of Directors of Saturn Oil & Gas Inc. (the "**Corporation**"):

1. We have evaluated the Corporation's reserves data as at December 31, 2025. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table sets forth the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Corporation evaluated by us for the year ended December 31, 2025, and identifies the respective portions thereof that we have evaluated and reported on to the Corporation's management:

Independent Qualified Reserves Evaluator or Auditor	Saturn Oil & Gas Inc. Reserve Estimation and Economic Evaluation	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (\$M, before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
Ryder Scott Company	December 31, 2025	Canada	\$0	\$3,150,276	\$0	\$3,150,276

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.
8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Ryder Scott Company-Canada, Calgary, Alberta, Canada

Dated as of the 20th day of February, 2026

Signed by: (signed) "Andy Thompson"
 Andy Thompson, P. Eng.
 Managing Senior Vice President

SCHEDULE "B"

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Saturn Oil & Gas Inc. (the "**Corporation**") are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Corporation's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Corporation has:

- (a) reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary, and the variations may be material.

DATE: March 11, 2026

(signed) "John Jeffrey"
John Jeffrey
Chief Executive Officer

(signed) "Justin Kaufmann"
Justin Kaufmann
Chief Development Officer

(signed) "Christopher Ryan"
Christopher Ryan
Director

(signed) "Andrew Claugus"
Andrew Claugus
Director

SCHEDULE “C”

AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

Role and Objective

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Saturn Oil & Gas Inc. (“**Saturn**” or the “**Corporation**”) to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. to assist directors in meeting its responsibilities in respect of the preparation and disclosure of the financial statements of Saturn and related matters;
2. to provide good communication between directors and external auditors;
3. to enhance the external auditor's independence;
4. to review the credibility and objectivity of financial reports; and
5. to strengthen the role of the outside directors by facilitating discussions between directors on the Committee, management and external auditors.

Membership of the Committee

1. The Board will appoint members to the Committee. All members of the Committee shall be financially literate, and if not so when appointed, will endeavour to obtain a working familiarity with basic finance and accounting practices within a reasonable time. An individual will be deemed financially literate when he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
2. The Committee shall consist of at least (3) directors of Saturn, none of whom are members of management of Saturn and all of whom are “independent” (as such term is used in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”)).
3. The Board shall appoint the Committee Chair, who shall be an independent director.

Mandate and Responsibilities of Committee

The Committee will have the authority and responsibility to:

1. oversee the work of the external auditors, including the resolution of any disagreements between management and the external auditors regarding financial reporting;
2. satisfy itself on behalf of the Board with respect to the Corporation's internal control systems identifying, monitoring and mitigating business risks including risks relating to cyber-security attacks and cyber-fraud events; and ensuring compliance with legal, ethical and regulatory requirements;
3. review the annual and interim financial statements of the Corporation and related management's discussion and analysis (“**MD&A**”) prior to their submission to the Board for approval; the process should include but is not limited to:
 - i. reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;

- ii. reviewing significant accruals, reserves, estimates (such as the ceiling test calculation) and judgments made by management in preparation of financial statements and the appropriateness of such accruals, reserves, estimates and judgments;
 - iii. reviewing accounting treatment of unusual or non-recurring transactions;
 - iv. ascertaining compliance with covenants under loan agreements;
 - v. reviewing disclosure requirements for commitments and contingencies;
 - vi. reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - vii. reviewing unresolved differences between management and the external auditors; and
 - viii. obtain explanations of significant variances with comparative reporting periods.
4. review the financial statements, MD&A and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval; the Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of other financial information and must periodically assess the adequacy of those procedures;
5. with respect to the appointment of external auditors by the Board:
 - i. recommend to the Board the external auditors to be nominated;
 - ii. recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
 - iii. on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
 - iv. when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
 - v. review and pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time; and
 - vi. review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries;
6. review with external auditors (and internal auditor if one is appointed by the Corporation) their assessment of the internal controls of the Corporation, their written reports containing recommendations for improvement, and management's response and follow up to any identified weaknesses;
7. review risk management policies and procedures of the Corporation (i.e., hedging, litigation and insurance);
8. establish a procedure for and, if desired, also engage an independent service provider to assist with:
 - i. the receipt, retention and treatment of complaints received by Saturn regarding accounting, internal account controls or auditing matters; and
 - ii. the confidential, anonymous submission by employees of Saturn of concerns regarding questionable accounting or auditing matters, including the resolution of any such complaints or concerns by

management or, if warranted, by the Board.

9. Review and approve the Saturn's hiring policies regarding employees and former employees of the present and former external auditors of Saturn.
10. Review all related party transactions (as defined by applicable regulations) and ensure the nature and extent of such transactions are properly disclosed.
11. Review the status of taxation matters of Saturn.

Relationship with External Auditors

1. The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
2. The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
3. The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
4. The Audit Committee will have direct communications access at all times with the external auditors.

Non-Audit Services

1. The external auditors are prohibited from providing any non-audit services to the Corporation, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Corporation, the Audit Committee must consider that the benefits to the Corporation from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
2. Notwithstanding section 1 above, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Corporation:
 - (i) acting as an agent of the Corporation for the sale of all or substantially all of the undertaking of the Corporation; and
 - (ii) performing any non-audit consulting work for any director or senior officer of the Corporation in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Corporation.

Meeting and Administrative Matters

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least four times per year and at such other times as the Chair of the Committee may determine. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
5. The Committee will meet with the external auditor in camera at least once per quarter (in connection with

the preparation of the annual and interim financial statements) and at such other times as the external auditor and the Committee considers appropriate.

6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair. The Committee may invite such other senior officers and directors of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
8. The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Corporation. The Committee will also have the authority to investigate any financial activity of the Corporation. All employees of the Corporation are to cooperate as requested by the Committee.
9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation, as determined by the Committee.
10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
11. Any issues arising from these meetings relating to the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.
12. In discharging its duties under this Mandate, the Committee may investigate any matter brought to its attention and will have access to all books, records, facilities and personnel, may conduct meetings or interview any senior officer the Corporation's legal counsel, external auditors and consultants and may invite any such persons to attend any part of any meeting of the Committee.

Approved by the Board of Directors on May 24, 2023