

SATURN OIL & GAS INC.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(unaudited)

As at (\$'000s)	March 31, 2026	December 31, 2025
ASSETS		
Accounts receivable	139,486	99,501
Deposits and prepaid expenses	33,007	30,400
Financial derivatives (note 14)	3,847	25,432
Total current assets	176,340	155,333
Property, plant and equipment (note 4)	1,928,837	1,968,319
Right-of-use assets (note 5)	68,374	66,686
Financial derivatives (note 14)	1,046	487
Total assets	2,174,597	2,190,825
LIABILITIES		
Accounts payable	168,297	132,867
Debt (note 8)	87,442	85,927
Lease liabilities (note 6)	8,385	8,958
Decommissioning obligations (note 7)	16,660	18,434
Financial derivatives (note 14)	128,318	1,635
Total current liabilities	409,102	247,821
Debt (note 8)	641,517	672,583
Lease liabilities (note 6)	62,256	59,704
Decommissioning obligations (note 7)	181,832	184,481
Deferred tax liability	32,437	79,645
Financial derivatives (note 14)	1,673	-
Total liabilities	1,328,817	1,244,234
SHAREHOLDERS' EQUITY		
Share capital (note 9)	380,623	392,176
Contributed surplus (note 9)	78,566	70,500
Retained earnings	386,591	483,915
Total shareholders' equity	845,780	946,591
Total liabilities and shareholders' equity	2,174,597	2,190,825

Commitments (note 15)

Subsequent events (note 9, 14, 16)

See accompanying notes to the condensed consolidated interim financial statements

SATURN OIL & GAS INC.CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME
(LOSS)
(unaudited)

(\$000s, except per share amounts)	Three months ended March 31,	
	2026	2025
REVENUE		
Petroleum and natural gas sales (note 10)	270,237	278,081
Processing income (note 10)	4,733	3,541
Royalties	(30,095)	(33,893)
	244,875	247,729
Realized loss on derivatives (note 14)	(21,168)	(7,335)
Unrealized gain (loss) on derivatives (note 14)	(153,748)	1,688
	69,959	242,082
EXPENSES		
Operating	84,251	76,982
Transportation	6,716	5,845
General and administrative	6,698	5,995
Depletion, depreciation and amortization (notes 4,5)	74,979	74,098
Share based payments (note 9)	1,977	2,035
Financing (note 11)	26,859	28,691
Foreign exchange (gain) loss	7,622	(2,198)
Gain on disposition (note 3)	(166)	-
	208,936	191,448
Net income (loss) before taxes	(138,977)	50,634
Deferred tax expense (recovery)	(41,653)	12,815
Net income (loss) and comprehensive income (loss)	(97,324)	37,819
Net income (loss) per share (note 9)		
Basic	(0.53)	0.19
Diluted	(0.53)	0.19

See accompanying notes to the condensed consolidated interim financial statements

SATURN OIL & GAS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(unaudited)

(\$000s)	Number of Shares	Share Capital	Contributed Surplus	Warrants	Retained earnings	Total
Balance, December 31, 2024	199,555	426,146	54,280	7,200	316,346	803,972
Share based payments	-	-	2,615	-	-	2,615
Share based awards, net of tax	(549)	(1,026)	-	-	-	(1,026)
Tax adjustment on share based payments	-	-	422	-	-	422
NCIB and SIB share repurchases	(2,794)	(5,844)	-	-	-	(5,844)
Warrant expiry	-	-	7,200	(7,200)	-	-
Net income for the period	-	-	-	-	37,819	37,819
Balance, March 31, 2025	196,212	419,276	64,517	-	354,165	837,958
Balance, December 31, 2025	184,084	392,176	70,500	-	483,915	946,591
Share based payments	-	-	2,823	-	-	2,823
Share based awards, net of tax	(424)	560	(312)	-	-	248
Tax adjustment on share based payments	-	-	5,555	-	-	5,555
NCIB share repurchases	(3,673)	(12,113)	-	-	-	(12,113)
Net loss for the period	-	-	-	-	(97,324)	(97,324)
Balance, March 31, 2026	179,987	380,623	78,566	-	386,591	845,780

See accompanying notes to the condensed consolidated interim financial statements

SATURN OIL & GAS INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(unaudited)

(\$000s)	Three months ended March 31,	
	2026	2025
OPERATING ACTIVITIES		
Net income (loss) for the period	(97,324)	37,819
Items not affecting cash:		
Depletion, depreciation and amortization (notes 4,5)	74,979	74,098
Share based payments (note 9)	1,977	2,035
Deferred income tax expense (recovery)	(41,653)	12,815
Unrealized (gain) loss on commodity derivatives (note 14)	153,748	(1,688)
Unrealized (gain) loss on foreign exchange (notes 8,14)	7,745	(1,549)
Gain on disposition (note 3)	(166)	-
Non-cash financing expenses (note 11)	7,559	6,627
Realized foreign exchange loss on repayment of Senior Notes (note 8)	363	964
Decommissioning expenditures (note 7)	(1,795)	(857)
Change in non-cash working capital (note 12)	7,813	35,108
Cash from operating activities	113,246	165,372
FINANCING ACTIVITIES		
Repayment of Credit Facility (note 8)	(20,186)	-
Repayment of Senior Notes (note 8)	(22,629)	(23,231)
Stock option exercises (note 9)	317	-
Repurchase of common shares (note 9)	(12,113)	(5,844)
Share based awards, net of tax	(69)	(1,026)
Lease payments (note 6)	(4,057)	(3,986)
Change in non-cash working capital (note 12)	(36)	(701)
Cash used in financing activities	(58,773)	(34,788)
INVESTING ACTIVITIES		
Acquisitions, net of cash acquired (note 3)	1,713	-
Proceeds from dispositions (note 3)	3,503	-
Capital expenditures (note 4)	(44,750)	(73,295)
Change in non-cash working capital (note 12)	(14,939)	(26,225)
Cash used in investing activities	(54,473)	(99,520)
Change in cash, during the period	-	31,064
Cash, beginning of period	-	48,418
Cash, end of period	-	79,482

Cash interest paid (note 11)

See accompanying notes to the condensed consolidated interim financial statements

SATURN OIL & GAS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and 2025

(unaudited)

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PREPARATION

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and in accordance with IAS 34 – Interim Financial Reporting. The unaudited condensed consolidated interim financial statements do not include all information required for annual consolidated financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2025. These unaudited condensed consolidated interim financial statements have been prepared following the same accounting policies as the Company’s audited consolidated financial statements for the year ended December 31, 2025.

These unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Company’s Board of Directors on May 6, 2026.

Operating environment

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

Basis of measurement, functional and presentation currency

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value through profit or loss.

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

Significant judgements, estimates and fair values

The preparation of the unaudited condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies impacting fair value and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. Significant judgments, estimates and assumptions made by management in these unaudited condensed consolidated interim financial statements are outlined in note 2 of the Company’s December 31, 2025 annual consolidated financial statements. There have been no changes in the Company’s judgments, estimates or determination of fair values applied during the interim period ended March 31, 2026, relative to those described in the most recent annual consolidated financial statements as at and for the year ended December 31, 2025. Revisions to accounting estimates are recognized in the year in which the estimates are revised and for any future years affected.

New accounting policies

On January 1, 2026, the Company adopted the amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* as issued by the International Accounting Standards Board relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. There was not a material impact to Saturn's financial statements.

3. ACQUISITIONS AND DISPOSITIONS

Central Alberta Disposition

On January 30, 2026, the Company disposed of non-core properties in Central Alberta (the "Central Alberta Disposition") for cash consideration of \$3.5 million with a carrying value of \$3.3 million, net of \$0.8 million in decommissioning obligations, resulting in a gain of \$0.2 million.

Clearview Acquisition

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

Southeast Saskatchewan Acquisition

On July 31, 2025, the Company acquired certain oil and gas properties primarily in Southeast Saskatchewan (the "Southeast Saskatchewan Acquisition") for total cash consideration of \$61.7 million, after final customary closing adjustments. The Company passed the optional IFRS 3 concentration test which resulted in the acquisition being recorded at cost with associated capitalized transaction costs of \$1.9 million.

(\$000s)	July 31, 2025
Net assets acquired:	
Property, plant and equipment	90,278
Decommissioning obligations	(26,652)
Total	63,626
Consideration:	
Cash	61,754
Capitalized transaction costs	1,872
Total	63,626

Capital Energy Corp

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

4. PROPERTY, PLANT AND EQUIPMENT

Cost (\$000s)	Oil and gas properties	Exploration and evaluation assets	Other assets	Total
As at December 31, 2024	2,302,358	4,308	2,929	2,309,595
Additions	240,405	-	835	241,240
Acquisitions (note 3)	127,629	-	-	127,629
Capitalized share based payments	3,124	-	-	3,124
Expiries	-	(485)	-	(485)
Change in decommissioning obligations	9,006	-	-	9,006
As at December 31, 2025	2,682,522	3,823	3,764	2,690,109
Additions	44,609	-	141	44,750
Acquisitions (note 3)	(1,713)	-	-	(1,713)
Disposition (note 3)	(4,220)	-	-	(4,220)
Capitalized share based payments	846	-	-	846
Expiries	-	(4)	-	(4)
Change in decommissioning obligations	(6,773)	-	-	(6,773)
As at March 31, 2026	2,715,271	3,819	3,905	2,722,995
Accumulated depletion, depreciation and amortization				
As at December 31, 2024	430,149	-	1,771	431,920
Depletion, depreciation and amortization	289,225	-	645	289,870
As at December 31, 2025	719,374	-	2,416	721,790
Depletion, depreciation and amortization	72,241	-	193	72,434
Disposition	(66)	-	-	(66)
As at March 31, 2026	791,549	-	2,609	794,158
Net book value				
As at December 31, 2025	1,963,148	3,823	1,348	1,968,319
As at March 31, 2026	1,923,722	3,819	1,296	1,928,837

As at March 31, 2026, the calculation of depletion includes estimated forecasted future development costs relating to the development of proved and probable oil and gas reserves of \$2,019.7 million (December 31, 2025 - \$2,064.2 million). The Company capitalized \$2.3 million of general and administrative costs for the period ended March 31, 2026 (December 31, 2025 - \$7.7 million) and capitalized \$0.8 million of share based compensation expense for the period ended March 31, 2026 (December 31, 2025 - \$3.1 million).

As at March 31, 2026, there were no indicators of impairment identified. Accordingly, an impairment test was not performed.

As at December 31, 2025, the Company determined a temporary indicator of impairment existed within the West Central Saskatchewan CGU due to the change in forward pricing subsequent to the asset being acquired. As a result of the assessment, the Company performed the required impairment test utilizing the independent third-party reserve evaluators to estimate of the proved and probable oil and gas reserves, incorporating benchmark pricing based on the average of the three independent reserve evaluators' forecast prices at December 31, 2025. The Company used an after-tax discount rate of 10%. The test determined that the recoverable amount of the West Central Saskatchewan CGU exceeded its carrying value as at December 31, 2025 and as a result, no impairment was recognized.

5. RIGHT-OF-USE ASSETS

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

Cost (\$000s)	Gas Processing	Offices	Vehicles	Total
As at December 31, 2024	61,293	17,084	10,684	89,061
Additions	-	256	(46)	210
As at December 31, 2025	61,293	17,340	10,638	89,271
Additions	-	-	4,229	4,229
As at March 31, 2026	61,293	17,340	14,867	93,500
Accumulated depreciation				
As at December 31, 2024	3,352	5,870	3,349	12,571
Depreciation	5,746	2,119	2,149	10,014
As at December 31, 2025	9,098	7,989	5,498	22,585
Depreciation	1,436	514	591	2,541
As at March 31, 2026	10,534	8,503	6,089	25,126
Net book value				
As at December 31, 2025	52,195	9,351	5,140	66,686
As at March 31, 2026	50,759	8,837	8,778	68,374

6. LEASES

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

(\$000s)	March 31, 2026	December 31, 2025
Balance, beginning of period	68,662	77,255
Net additions	4,229	210
Lease payment	(4,057)	(16,160)
Accretion	1,807	7,357
Carrying value, end of period	70,641	68,662
Current	8,385	8,958
Long-term	62,256	59,704

As at March 31, 2026, the estimated undiscounted cash flows required to settle the Company's lease liability was \$102.2 million (December 31, 2025 - \$105.4 million).

7. DECOMMISSIONING OBLIGATIONS

The decommissioning obligation represents costs to reclaim and abandon the Company's wells and facilities and the estimated timing of the costs to be incurred in future periods. Management of the Company has estimated that the total undiscounted cash flows required to settle the obligations will be \$652.4 million (December 31, 2025 - \$652.6 million) which has been inflated at 2.0% (December 31, 2025 - 2.0%) and discounted using the credit adjusted risk-free rate of 10.0% (December 31, 2025 - 10.0%) with an estimated timeline to abandonment between 1 and 48 years.

(\$000s)	March 31, 2026	December 31, 2025
Balance, beginning of period	202,915	157,277
Acquired (note 3)	-	34,636
Disposed (note 3)	(817)	-
Obligations incurred	183	575
Change in estimates	(6,956)	8,431
Cash settlements	(1,795)	(15,777)
Accretion	4,962	17,773
Balance, end of period	198,492	202,915
Current	16,660	18,434
Long-term	181,832	184,481

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

8. DEBT

(\$000s)	March 31, 2026	December 31, 2025
Senior Notes ⁽¹⁾	724,828	734,983
Credit Facility	14,346	34,532
Unamortized debt issue costs	(10,215)	(11,005)
Total Debt	728,959	758,510
Current	87,442	85,927
Long-term	641,517	672,583

(1) As at March 31, 2026, the Senior Notes were translated into Canadian dollars at the period end exchange rate of US \$1.00 = CA \$1.3939 (December 31, 2025 - US \$1.00 = CA \$1.3706).

Senior Secured Notes

On June 14, 2024, Saturn issued US\$650 million of Senior Notes. The Senior Notes bear interest at 9.625% per annum, payable semi-annually in arrears, have mandatory repayments of 10% per annum, payable quarterly, and have an original 5-year term maturing on June 15, 2029. As at March 31, 2026, the principal balance on the Senior Notes was \$724.8 million (US\$520.0 million). As at December 31, 2025, the principal balance on the Senior Notes was \$735.0 million (US\$536.3 million).

The Senior Notes are not subject to any financial covenants and are secured by a second priority lien on substantially all of the assets of the Company. Subject to certain exceptions and qualifications, the Senior Notes contain certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, and make certain restricted payments, dispositions and transfers of assets. In addition, the Company is subject to certain minimum hedging requirements that are consistent with the Company's risk management policy. As at March 31, 2026, the Company is in compliance with all covenants.

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

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

Principal (\$000s)	Senior Notes (US\$)	Senior Notes (CA\$)
As at December 31, 2024	617,500	885,200
Principal repayments	(81,250)	(110,097)
Realized foreign exchange loss on repayment	-	1,562
Gain on repayment of Senior Notes	-	(2,802)
Unrealized foreign exchange gain	-	(42,200)
As at December 31, 2025 ⁽¹⁾	536,250	734,983
Principal repayments	(16,250)	(22,629)
Realized foreign exchange loss on repayment	-	363
Unrealized foreign exchange loss	-	12,111
As at March 31, 2026 ⁽²⁾	520,000	724,828

(1) As at December 31, 2025, exchange rate was US \$1.00 = CA \$1.3706

(2) As at March 31, 2026, exchange rate was US \$1.00 = CA \$1.3939

For the year ended December 31, 2025, the Company made additional principal repayments by purchasing US\$16.3 million of Senior Notes in the open market at a discount to par value for \$19.8 million, resulting in a \$2.8 million realized gain on repayment.

As at March 31, 2026, the fair value of the Senior Notes was \$751.0 million (US\$538.8 million) based on observable market quoted prices (Level 1).

Revolving Credit Facility

As at March 31, 2026, Saturn has a \$150.0 million credit facility (the "Credit Facility") with a syndicate of banks consisting of a \$100.0 million reserve-based credit facility and a \$50.0 million operating facility. The credit agreement (the "Credit Agreement") governing the Credit Facility includes an additional \$100.0 million accordion feature allowing for the expansion up to \$250.0 million in total, subject to certain conditions. The Credit Facility is committed on a revolving basis until June 30, 2027, at which time it may be extended at the lenders' option. If the revolving period is not extended, the undrawn portion of the facility will be cancelled and any amounts outstanding would be repayable at the end of the non-revolving term. The Credit Facility is subject to a semi-annual borrowing base review, occurring by June 30th and November 30th of each year, with the next scheduled borrowing base review to occur by June 30, 2026. The borrowing base is determined based on the lenders' evaluation of the Company's petroleum and natural gas reserves and their commodity price outlook at the time of each renewal.

The Credit Facility is secured by a first priority security interest on all present and after acquired property of the Company and is senior in priority to the Senior Notes. The Credit Facility contains certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, make certain restricted payments, and dispose of or transfer assets. As at March 31, 2026, the Company is in compliance with all covenants.

As at March 31, 2026, amounts borrowed under the Credit Facility bear interest at a floating rate based on the applicable Canadian prime rate, US base rate, Canadian Overnight Repo Rate Average, or Secured Overnight Financing Rate plus a margin and standby fee based on the Company's Net Debt to Consolidated EBITDA Ratio as defined in the Credit Agreement, currently between 2.50% to 3.50% and 0.88%, respectively.

As at March 31, 2026, the Company had \$14.3 million (December 31, 2025 - \$34.5 million) drawn on the Credit Facility. There were no letters of credit outstanding under the Credit Facility.

Unsecured Letter of Credit Facility

The Company has a \$20.0 million unsecured demand letter of credit facility (the "LC Facility") with a Canadian bank. Saturn's obligations under the LC Facility are supported by a performance security guarantee ("PSG") from Export Development Canada. At March 31, 2026, \$11.0 million was drawn under the LC Facility (December 31, 2025 - \$10.8 million). The PSG is subject to annual renewal with the next scheduled renewal date of June 30, 2026.

9. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares with no par value. As at March 31, 2026 there are 179,986,761 common shares outstanding.

Issued and outstanding

(000s)	March 31, 2026		December 31, 2025	
	Shares	Amount	Shares	Amount
Balance, beginning of period	184,084	392,176	199,555	426,146
Cash share issue and purchase costs, net of tax recovery	-	-	-	(316)
Normal Course Issuer Bid	(3,673)	(12,113)	(12,842)	(30,660)
Substantial Issuer Bid	-	-	(1,608)	(3,527)
Stock option exercise	-	560	13	33
Treasury shares	(424)	-	(1,034)	500
Balance, end of period	179,987	380,623	184,084	392,176

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

For the period ended March 31, 2026, the Company repurchased 3,673,180 common shares under its NCIB at a weighted average price of \$3.29 per share for a cost of \$12.0 million plus \$0.1 million in fees and taxes. Subsequent to March 31, 2026, the Company repurchased an additional 559,000 common shares at a weighted average price of \$6.03 per share for a cost of \$3.4 million.

For the year ended December 31, 2025, the Company repurchased 12,841,768 shares under its NCIB at a weighted average price of \$2.33 per share for a cost of \$29.9 million plus \$0.7 million in fees and taxes.

On June 5, 2025, the Company initiated a substantial issuer bid ("SIB"). Pursuant to the SIB, the Company offered to purchase up to 7,000,000 common shares from holders of the Company's common shares for cancellation at a purchase price of \$2.15 per common share between June 11, 2025 and July 16, 2025, for an aggregate purchase price not exceeding \$15.1 million. On July 16, 2025 the SIB expired with 1,608,182 common shares being tendered and taken up under the SIB for an aggregate purchase price of \$3.5 million plus \$0.1 million in fees and taxes.

Stock options

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

(000s, except per option price)	March 31, 2026		December 31, 2025	
	Stock options	Weighted average exercise price	Stock options	Weighted average exercise price
Balance, beginning of period	589	2.49	718	2.41
Exercised	(134)	2.57	(75)	2.00
Expired	-	-	(54)	2.03
Balance, end of period	455	2.47	589	2.49

As at March 31, 2026, the following stock options were outstanding and exercisable:

(000s, except per option price and life remaining)	Stock options outstanding			Stock options exercisable		
	Number outstanding	Weighted average exercise price	Weighted average life remaining (years)	Number exercisable	Weighted average exercise price	Weighted average life remaining (years)
2.01 - 2.40	393	2.40	0.3	393	2.40	0.3
2.41 - 3.00	62	2.90	0.3	62	2.90	0.3
	455	2.47	0.3	455	2.47	0.3

Restricted Share Units

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

	March 31, 2026	December 31, 2025
(000s, except life remaining)	RSUs	RSUs
Balance, beginning of period	8,772	4,088
Issued	-	6,744
Exercised	(33)	(1,665)
Forfeited	(40)	(395)
Balance, end of period	8,699	8,772
Weighted average life remaining (years)	0.9	1.1

Performance share units

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

	March 31, 2026	December 31, 2025
(000s, except life remaining)	PSUs	PSUs
Balance, beginning of period	1,245	622
Issued	-	1,245
Exercised	-	(622)
Balance, end of period	1,245	1,245
Weighted average life remaining (years)	-	0.3

Deferred share units

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

(000s, except life remaining)	March 31, 2026	December 31, 2025
	DSUs	DSUs
Balance, beginning of period	423	-
Issued	-	423
Exercised	-	-
Balance, end of period	423	423
Weighted average life remaining (years)	-	-

Performance warrants

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

(000s, except per performance warrant price)	March 31, 2026		December 31, 2025	
	Performance warrants	Weighted average exercise price	Performance warrants	Weighted average exercise price
Balance, beginning of period	7,000	2.50	7,000	2.50
Balance, end of period	7,000	2.50	7,000	2.50

As at March 31, 2026, the following performance warrants were outstanding:

(000s, except per performance warrant price, years and VWAP) Exercise Price	Performance warrants outstanding			Performance warrants exercisable		
	Number outstanding	Vesting threshold VWAP	Weighted average life remaining (years)	Number exercisable	Vesting threshold VWAP	Weighted average life remaining (years)
2.50	2,333	4.00	4.3	2,333	4.00	4.3
2.50	2,333	6.00	4.3	-	-	-
2.50	2,334	8.00	4.3	-	-	-
	7,000	6.00	4.3	2,333	4.00	4.3

Per share amounts

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

(000s, except per share amounts)	Three months ended March 31,	
	2026	2025
Weighted average shares outstanding		
Basic	181,989	198,113
Diluted	181,989	202,727
Per share income (loss)		
Basic	(0.53)	0.19
Diluted	(0.53)	0.19

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

	Three months ended March 31,	
	2026	2025
Restricted Share Units	8,699	-
Stock options	455	589
Performance warrants	7,000	7,000
Performance Share Units	1,245	-
Deferred Share Units	423	-

10. REVENUE

(\$000s)	Three months ended March 31,	
	2026	2025
Crude oil	246,888	253,587
NGLs	14,262	15,076
Natural gas	9,087	9,418
Petroleum and natural gas sales	270,237	278,081
Processing income	4,733	3,541
	274,970	281,622

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

Included in accounts receivable as at March 31, 2026 is \$117.5 million (December 31, 2025 - \$74.6 million) of accrued petroleum and natural gas sales related to March 2026 production.

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

11. FINANCING

(\$000s)	Three months ended March 31,	
	2026	2025
Interest expense	19,557	22,662
Interest income	(257)	(598)
Amortization of debt issue costs	790	784
Accretion, leases (note 6)	1,807	1,918
Accretion, decommissioning obligations (note 7)	4,962	3,925
Financing expenses	26,859	28,691

12. SUPPLEMENTAL CASH FLOW INFORMATION

(\$000s)	Three months ended March 31,	
	2026	2025
Change in non-cash working capital:		
Accounts receivable	(39,985)	2,610
Deposits and prepaid expenses	(2,607)	653
Accounts payable	35,430	4,919
	(7,162)	8,182
Related to:		
Operating activities	7,813	35,108
Financing activities	(36)	(701)
Investing activities	(14,939)	(26,225)
Total change in non-cash working capital	(7,162)	8,182

13. CAPITAL MANAGEMENT

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

Adjusted EBITDA

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

Adjusted funds flow

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

Free funds flow

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

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

(\$000s)	Three months ended March 31,	
	2026	2025
Cash flow from operating activities	113,246	165,372
Change in non-cash working capital	(7,813)	(35,108)
Decommissioning expenditures	1,795	857
Net interest ⁽¹⁾	19,300	22,064
Adjusted EBITDA	126,528	153,185
Net interest ⁽¹⁾	(19,300)	(22,064)
Adjusted funds flow	107,228	131,121
Capital expenditures	(44,750)	(73,295)
Free funds flow	62,478	57,826

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

Market capitalization and net debt

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

(\$000s)	March 31, 2026	December 31, 2025
Total common shares outstanding (000s)	179,987	184,084
Share price ⁽¹⁾	6.28	2.43
Total market capitalization	1,130,318	447,324
Adjusted working capital deficit (surplus) ⁽²⁾	(4,196)	2,966
Senior Notes	714,613	723,978
Credit Facility	14,346	34,532
Net debt	724,763	761,476
Current quarter adjusted funds flow	107,228	120,697
Annualized factor	4	4
Annualized quarterly adjusted funds flow	428,912	482,788
Net debt to annualized quarterly adjusted funds flow	1.7x	1.6x

(1) Represents the closing share price on the TSX on the last day of trading of the period.

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

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Financial derivatives

(\$000s)	Commodity contracts	FX contracts	Total
As at December 31, 2025	24,284	-	24,284
Realized (loss) gain on settlement	(21,168)	756	(20,412)
Change in fair market value	(132,580)	3,610	(128,970)
As at March 31, 2026	(129,464)	4,366	(125,098)

Saturn manages the risks associated with changes in commodity prices by entering into a variety of risk management commodity contracts classified as financial derivatives. The realized and unrealized gains and losses are recognized on the statement of income and comprehensive income. The Company assesses the effects of movement in commodity prices on income (loss) before tax. A ten percent increase or decrease in commodity prices would have resulted in a \$65.0 million change to unrealized gains (losses) on risk management contracts and net income (loss) before tax assuming all other variables remain constant.

The Company had the following outstanding derivative commodity contracts as at March 31, 2026:

Period	WTI Collars		WTI Swaps				NGL Propane Swaps	
	Volume bbls/d	Price ⁽¹⁾ CA\$/bbl	Volume bbls/d	Price ⁽¹⁾ US\$/bbl	Volume bbls/d	Price ⁽¹⁾ CA\$/bbl	Volume bbls/d	Price ⁽¹⁾ US\$/bbl
Q2 2026	13,500	77.93-99.94	6,048	72.21	4,320	85.47	500	0.75
Q3 2026	10,500	76.40-98.90	1,000	79.90	4,649	83.51	500	0.75
Q4 2026	10,000	77.50-100.04	500	80.35	4,463	83.47	500	0.75
Q1 2027	5,500	78.91-101.58	-	-	-	-	500	0.75
Q2 2027	3,500	79.43-97.40	-	-	-	-	-	-

(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
Q2 2026	17,500	(3.39)	2,000	(13.05)	15,000	2.69	10,550	Index	-	-
Q3 2026	17,500	(3.16)	2,000	(14.00)	15,000	2.69	10,550	Index	-	-
Q4 2026	12,000	(4.18)	2,000	(15.08)	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).

The Company had the following outstanding foreign exchange contracts as at March 31, 2026:

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

Subsequent to March 31, 2026, the Company entered into the following derivative commodity contracts:

Period	MSW Differential		WTI Swaps	
	Volume bbls/d	Price ⁽¹⁾ US\$/bbl	Volume bbls/d	Price ⁽¹⁾ US\$/bbl
Q3 2026	1,000	1.08	-	-
Q4 2026	-	-	-	-
Q1 2027	-	-	2,500	78.10

(1) Weighted average prices for the period

Financial derivative assets and liabilities are only offset if the Company has the legal right to offset and intends to settle on a net basis. The Company offsets financial instrument assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same. The following table summarizes the gross asset and liability positions of the Company's financial derivative commodity contracts that are offset on the balance sheet as at March 31, 2026:

(\$000s)	Gross financial derivative instruments	Amount offset	Net financial derivative instruments
Current asset	11,927	(8,080)	3,847
Long term asset	1,136	(90)	1,046
Current liability	(136,398)	8,080	(128,318)
Long term liability	(1,763)	90	(1,673)
Net asset position	(125,098)	-	(125,098)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. While the Company is exposed to liquidity risk, that risk is actively managed through strategies such as prudent capital spending, an active commodity risk management program and by continuously monitoring forecast and actual cash flows from operating, financing and investing activities. Management believes it will have sufficient funding to meet foreseeable liquidity requirements. The Company has the following maturities of financial liabilities at March 31, 2026:

(\$000s)	Less than 1 year	1-3 years	3-5 years	Greater than 5 years	Total
Senior Notes ⁽¹⁾	90,604	181,207	453,017	-	724,828
Credit Facility	-	14,346	-	-	14,346
Interest payments ⁽²⁾	72,230	118,715	22,611	-	213,556
Lease liabilities ⁽³⁾	5,661	8,872	4,342	158	19,033
Gas processing contracts	13,256	23,166	20,708	39,691	96,821
Accounts payable	168,297	-	-	-	168,297
	350,048	346,306	500,678	39,849	1,236,881

(1) Represents the remaining principal repayments of US\$520.0 million on the Senior Notes converted at the period end exchange rate of \$1.3939. Excludes unamortized debt issue costs.

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

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

Credit risk

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

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

Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum and natural gas sales are conducted in Canada and are denominated in Canadian dollars. Canadian commodity prices are influenced by fluctuations in the Canada to United States dollar exchange rate. Prices for oil are determined in global markets and generally denominated in United States dollars. The Company is exposed to currency risk in relation to its US dollar denominated financial derivatives and Senior Notes. A ten percent change in the US dollar

would have resulted in a \$74.9 million change to net income (loss) before tax (December 31, 2025 – \$73.3 million) assuming all other variables remain constant. The exposure of realized prices fluctuations of the US dollar and Canadian dollar exchange rate, serves as a natural hedge to the US dollar denominated financial derivatives.

Price risk

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

Net debt and capital structure

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

(\$000s)	March 31, 2026	December 31, 2025
Net debt	724,763	761,476
Shareholders' equity	845,780	946,591
Total capitalization	1,570,543	1,708,067

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

15. COMMITMENTS

The Company has the following contractual obligations and commitments as at March 31, 2026:

(\$000s)	Less than 1 year	1-3 years	3-5 years	Greater than 5 years	Total
Senior Notes ⁽¹⁾	90,604	181,207	453,017	-	724,828
Credit Facility	-	14,346	-	-	14,346
Interest payments ⁽²⁾	72,230	118,715	22,611	-	213,556
Lease liabilities ⁽³⁾	5,661	8,872	4,342	158	19,033
Gas processing contracts	13,256	23,166	20,708	39,691	96,821
	181,751	346,306	500,678	39,849	1,068,584

- (1) Represents the remaining principal repayments of US\$520.0 million on the Company's Senior Notes converted at the year end exchange rate of 1.3939. Excludes unamortized debt issue costs.
- (2) The Senior Notes bear interest at 9.625% per annum, payable semi-annually in arrears, have mandatory prepayments of 10% per annum, payable quarterly.
- (3) Represents the remaining undiscounted minimum lease payments on the Company's lease liabilities, excluding gas processing contracts subject to IFRS 16.

16. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company acquired certain oil and gas properties in the Flat Lake area of Southeast Saskatchewan (the "Flat Lake Core-up Acquisition") for total cash consideration of \$13.0 million, prior to customary closing adjustments.

CORPORATE INFORMATION

LEADERSHIP TEAM

John Jeffrey

Chief Executive Officer

Scott Sanborn

Chief Financial Officer

Justin Kaufmann

Chief Development Officer

Grant MacKenzie

Chief Legal Officer

BOARD OF DIRECTORS

John Jeffrey⁽²⁾⁽⁴⁾

Chief Executive Officer

Ivan Bergerman⁽³⁾

Director

Andrew Claugus⁽²⁾

Director

Dr. Thomas Gutschlag⁽¹⁾⁽³⁾

Director

Jim Payne⁽¹⁾⁽⁴⁾

Director

Lynn A. Peterson⁽³⁾⁽⁴⁾

Director

Christopher Ryan⁽²⁾⁽⁴⁾

Director

S. Janet Yang⁽¹⁾⁽³⁾

Director

(1) Member of the Audit Committee

(2) Member of the Reserve Committee

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

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

BANKERS

National Bank of Canada Financial Inc.

Goldman Sachs

ATB Securities Inc.

AUDITORS

KPMG LLP

Calgary, Alberta

TRANSFER AGENT - COMMON SHARES

Odyssey Trust Company

1230, 300 5th Avenue S.W.

Calgary, Alberta T2P 3C4

Tel: (587) 885-0960

RESERVE EVALUATORS

Ryder Scott Company LP

Calgary, Alberta

U.S. CO-INDENTURE TRUSTEE

Computershare Trust Company, N.A.

1505 Energy Park Drive

St. Paul, Minnesota 55108

Tel: 1 (800) 344-5128

STOCK EXCHANGES

Toronto Stock Exchange - TSX: "SOIL"

OTC Markets Group - OTCQX: "SOILSF"

CANADIAN CO-INDENTURE TRUSTEE

Computershare Trust Company of Canada

600, 530 - 8th Avenue S.W.

Calgary, Alberta T2P 3S8

Tel: (403) 267-6800