**FORM 51-102F3**
**MATERIAL CHANGE REPORT**

**1. Name and Address of Corporation:**

Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**")
Suite 600, 400 3rd Avenue SW
Calgary, AB T2P 4H2

**2. Date of Material Change:**

February 25, 2025

**3. News Release:**

A news release disclosing the material change described herein was issued by, or on behalf of, the Company on February 25, 2025 and disseminated through the facilities of a recognized newswire service and subsequently filed on SEDAR+.

**4. Summary of Material Change:**

On February 25, 2025, the Company announced that it had entered into an agreement with a syndicate of underwriters (the "**Underwriters**") co-led by CIBC Capital Markets, RBC Capital Markets and ATB Capital Markets, with CIBC Capital Markets and RBC Capital Markets acting as joint-bookrunners, pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, $40 million aggregate principal amount of senior subordinated unsecured debentures due September 30, 2030 (the "**Debentures**") at a price of $1,000 per Debenture (the "**Offering**"). The Company also granted the Underwriters an option (the "**Underwriters' Option**") to purchase up to an additional $5 million aggregate principal amount of Debentures, such option to be exercised in whole or in part at the sole discretion of the Underwriters, at any time until two business days prior to the Closing Date (as defined below). The Offering is expected to close on or about March 4, 2025 (the "**Closing Date**").

**5. Full Description of Material Change:**

***5.1 Full Description of Material Change***

On February 25, 2025, the Company announced that it had entered into an agreement pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, $40 million aggregate principal amount of Debentures at a price of $1,000 per Debenture for aggregate gross proceeds of $40,000,000. The Company has also granted to the Underwriters the Underwriters' Option, such option to be exercised in whole or in part at the sole discretion of the Underwriters, at any time until two business days prior to the Closing Date. The Underwriters' Option has been exercised in full by the Underwriters. The Offering is expected to close on or about March 4, 2025.

The Company intends to use the net proceeds of the Offering to first repay and reduce the indebtedness of its outstanding senior credit facility, then to de-risk the completion of the Company's Reford thermal facility and accelerate the de-risking of the Company's Kelfield thermal oil opportunity. As well the Company may use some of the proceeds for land and seismic acquisitions to delineate other thermal oil opportunities available to the Company.

The Debentures will bear interest at a rate of 8.25% per annum, payable semi-annually in arrears on the last business day of March and September of each year commencing on September 30, 2025. The first payment will include accrued and unpaid interest for the period from the Closing Date to, but excluding, September 30, 2025. The Debentures will mature on September 30, 2030 (the "**Maturity Date**").

The Debentures will not be redeemable by the Company before September 30, 2028 (the "**First Call Date**"). On and after the First Call Date and prior to September 30, 2029, the Debentures will be redeemable, in whole or in part, from time to time at the Company's option at a redemption price equal to 104.125% of the principal amount of the Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after September 30, 2029 and prior to the Maturity Date, the Debentures will be redeemable, in whole or in part, from time to time at the Company's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The Company shall provide not more than 60 nor less than 30 days' prior notice of redemption of the Debentures.

The Company has the option to satisfy its obligations to repay the principal amount of and premium (if any) on the Debentures due at redemption or on maturity of the Debentures by issuing and delivering that number of freely tradeable common shares of the Company to Debenture holders in accordance with the terms of the debenture indenture that will govern the terms of the Debentures.

The Debentures will be distributed in all provinces of Canada (other than the province of Quebec) by way of a prospectus supplement to the Company's base shelf prospectus dated March 28, 2024 and by private placement in the United States to "qualified institutional buyers" pursuant to Rule 144A of the *U.S. Securities Act of 1933*. The Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange.

### *5.2 Disclosure of Restructuring Transaction*

Not applicable.

## 6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

## 7. Omitted Information:

Not applicable.

## 8. Executive Officer:

The name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and who can be contacted is:

Scott Ratushny
Chief Executive Officer
info@cardinalenergy.ca
(403) 234-8681

**9. Date of Report:**

March 3, 2025

***Forward-Looking Statements***

*This material change report contains forward-looking information within the meaning of applicable securities laws that reflects our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. Forward-looking information may contain such words as "anticipate", "believe", "continue", "could", "expect", "intend", "plan", "will" or similar expressions suggesting future conditions or events. In particular, this material change report includes forward-looking statements relating to the proposed timing of completion of the Offering and the anticipated use of the net proceeds of the Offering.*

*Although Cardinal believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Cardinal can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The intended use of the net proceeds of the Offering may change if the board of directors of Cardinal determines that it would be in the best interests of Cardinal to deploy the proceeds for some other purpose and the closing date for the Offering may be changed. Such forward-looking information is based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to, the failure or delay in satisfying any of the conditions to the completion of the Offering. These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking information. We cannot assure readers that actual results will be consistent with this forward-looking information and we undertake no obligation to update such information except as expressly required by law.*