CARDINAL
ENERGY LTD.

Q2 2025

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") is a review of the operations, financial position and outlook for Cardinal Energy Ltd. ("Cardinal" or the "Company") as at June 30, 2025 and for the three and six months ended June 30, 2025 and is dated July 30, 2025. This MD&A should be read in conjunction with Cardinal's unaudited interim condensed financial statements as at June 30, 2025 and for the three and six months ended June 30, 2025 and the audited financial statements as at and for the year ended December 31, 2024. Financial data presented has been prepared in accordance with statement IAS 34 – Interim Financial Reporting of the IFRS Accounting Standards, unless otherwise indicated. Certain prior period amounts have been reclassified to conform to current period presentation. Additional information relating to Cardinal, including Cardinal's Annual Information Form for the year ended December 31, 2024, is available on SEDAR+ at www.sedarplus.ca and Cardinal's website at www.cardinalenergy.ca.

All figures in tables are stated in thousands of Canadian dollars (except operational and per share amounts or as noted).

DESCRIPTION OF BUSINESS

Cardinal is engaged in the acquisition, development, optimization and production of crude oil and natural gas in the provinces of Alberta, British Columbia and Saskatchewan.

51-101 Advisory

In accordance with S*tandards of Disclosure for Oil and Gas Activities* ("NI 51-101"), natural gas volumes have been converted to barrels of oil equivalent using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. The term "boe" is useful for comparative measures and observing trends, it does not accurately reflect individual product value and may be misleading, particularly if used in isolation. Based on the current price of crude oil to natural gas, using a 6:1 conversion ratio may be misleading as an indication of value.

This MD&A contains forward-looking information and statements along with certain measures, consisting of non-GAAP financial measures, capital management measures, non-GAAP financial ratios and supplementary financial measures, which do not have any standardized meaning in accordance with IFRS and therefore may not be comparable with the calculation of similar financial measures disclosed by other entities. Refer to our advisory on forward-looking information and statements and a summary of our specified financial measures at the end of the MD&A.

SECOND QUARTER 2025 HIGHLIGHTS

- Second quarter 2025 production of 21,184 boe/d which was 3% higher than budget despite drilling only one conventional oil producer in the first half of 2025 as we continued to focus our capital expenditures on the completion of the Reford steam-assisted gravity drainage ("SAGD") project;
- Second quarter 2025 adjusted funds flow(1) was $49.4 million leading to free cash flow(1) of $36.7 million which assisted in the funding of the Company's SAGD project and the corporate dividend;
- Net operating expenses(1) per boe decreased 3% in the second quarter compared to the same period in 2024 primarily due to decreased power prices;
- During the second quarter, Cardinal renewed its credit facilities to $240 million. Net debt(1) of $227.1 million led to a net debt to adjusted funds flow ratio(1) of 0.9x. At the end of the second quarter, Cardinal was drawn 39% on its current $240 million credit facilities;
- In the second quarter of 2025, Cardinal invested approximately $32.3 million in our Reford SAGD project, which has now moved into the testing and commissioning stage with first steam scheduled for later in the third quarter. The project has remained on budget and on schedule;
- In the second quarter of 2025, we continued with our disciplined capital program spending $12.7 million of capital expenditures which included the drilling and completion of one (1.0 net) oil well; and
- Continued with our successful shareholder return strategy with a consistent $0.06 per share per month dividend leading to $28.9 million being returned to shareholders in the second quarter of 2025 resulting in an 84% total payout ratio(1).

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Cash flow from operating activities	**43,591**	71,463	(39)	**107,840**	110,827	(3)
Change in non-cash working capital	**5,181**	8,904	(42)	**1,480**	18,041	(92)
Funds flow (1)	**48,772**	80,367	(39)	**109,320**	128,868	(15)
Decommissioning expenditures	**647**	1,460	(56)	**2,345**	5,765	(59)
Adjusted funds flow	**49,419**	81,827	(40)	**111,665**	134,633	(17)

(1) See Non-GAAP and other financial measures

OPERATIONS

PRODUCTION

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Light oil (bbl/d)	**7,332**	7,516	(2)	**7,464**	7,397	1
Medium / heavy oil (bbl/d)	**10,822**	11,757	(8)	**11,034**	11,396	(3)
Crude oil (bbl/d)	**18,154**	19,273	(6)	**18,498**	18,793	(2)
Natural gas (mcf/d)	**13,190**	13,752	(4)	**13,438**	14,453	(7)
NGL (bbl/d)	**832**	811	3	**855**	832	3
boe/d	**21,184**	22,376	(5)	**21,593**	22,034	(2)
% Crude oil and NGL production	**90%**	90%	-	**90%**	89%	1

For the three and six months ended June 30, 2025, production decreased by 5% and 2%, respectively, compared to the same periods in 2024 as the Company added minor additional conventional production as we continue to focus our investment on the completion of the Reford SAGD project.

PETROLEUM AND NATURAL GAS REVENUE

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Light oil	**52,729**	69,793	(24)	**113,943**	128,175	(11)
Medium / heavy oil	**70,322**	95,003	(26)	**152,986**	170,135	(10)
Crude oil	**123,051**	164,796	(25)	**266,929**	298,310	(11)
NGL	**2,386**	2,913	(18)	**5,524**	5,998	(8)
Natural gas	**1,940**	1,644	18	**4,692**	5,271	(11)
Petroleum and natural gas revenue	**127,377**	169,353	(25)	**277,145**	309,579	(10)
Cardinal average prices						
Light oil ($/bbl)	**79.03**	102.05	(23)	**84.34**	95.21	(11)
Medium / heavy oil ($/bbl)	**71.41**	88.80	(20)	**76.60**	82.03	(7)
Natural gas ($/mcf)	**1.62**	1.31	24	**1.93**	2.00	(4)
Equivalent ($/boe)	**66.08**	83.17	(21)	**70.91**	77.20	(8)
Benchmark prices						
Crude oil – WTI (US $/bbl)	**63.74**	80.57	(21)	**67.58**	78.77	(14)
Crude oil – Edmonton Light (Cdn $/bbl)	**84.15**	105.33	(20)	**89.72**	98.77	(9)
Crude oil – WCS (Cdn $/bbl)	**73.97**	91.64	(19)	**79.13**	84.70	(7)
Natural gas – AECO Spot (Cdn $/mcf)	**1.71**	1.19	44	**1.96**	1.86	5
WCS Differential to WTI (US $/bbl)	**(10.27)**	(13.61)	(25)	**(11.47)**	(16.46)	(30)
Exchange rate (US/Cdn)	**0.72**	0.73	(1)	**0.71**	0.74	(4)

Petroleum and natural gas revenue decreased by 25% in the second quarter of 2025 compared to the same period in 2024 due to a 21% decrease in realized commodity prices combined with decreased crude oil production. In the second quarter of 2025, the Company's realized light oil price decreased by 23% over the same period in 2024 which was comparable to the decrease in the Edmonton light oil benchmark. Cardinal's second quarter 2025 realized medium/heavy oil price decrease of 20% was comparable to the decrease in the Western Canadian Select ("WCS") oil benchmark price as compared to the same period in 2024. The second quarter 2025 increase of 24% in realized natural gas price was lower than the increase of 44% in the AECO natural gas benchmark as compared to the same period in 2024 due to temporary disruptions in the quarter which resulted in a change of sale points. The completion and ramp up of the Trans Mountain ("TMX") pipeline expansion narrowed the second quarter 2025 WCS differentials due to increased pipeline capacity.

For the first six months of 2025, petroleum and natural gas revenue decreased 10% compared to the same period in 2024 due to an 8% decrease in realized commodity prices combined with a 2% crude oil production decrease. In the first half of 2025, the Company's realized light oil benchmark decreased by 11% over the same period in 2024 which was comparable to the decrease in the Edmonton light oil benchmark. In the six months ended June 30, 2025, Cardinal's realized medium/heavy oil price was comparable to the change in the WCS benchmark price for the same period in 2024. In the first half of 2025, Cardinal's realized natural gas price decreased by 4% compared to an increase of 5% in the AECO natural gas benchmark as compared to the same period in 2024 due to temporary disruptions resulting in a change of sale points. The completion of the TMX pipeline expansion narrowed WCS differentials due to increased pipeline capacity.

FINANCIAL INSTRUMENTS - COMMODITY

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Realized (loss) gain on commodity contracts	**(1,592)**	(38)	n/m	**(760)**	81	n/m
Unrealized gain (loss) on commodity contracts	**1,462**	2,899	(50)	**(1,275)**	1,973	(165)

Cardinal utilizes a variety of derivatives including swaps, collars and puts to protect against downward commodity price movements and foreign exchange fluctuations and avoids entering into more complex derivative structures. Contracts settled in the period result in realized gains or losses based on the market price compared to the contract price. Changes in the fair value of the contracts, as measured at the balance sheet date, are reported as unrealized gains or losses in the period as the forward markets for commodities and currencies fluctuate and as new contracts are executed. For commodities, Cardinal's risk management program allows for hedging a forward profile of three years, of up to 75% of average forecasted 12 months of gross production and up to 50% and 30% of the following 12 and 24 months, respectively.

The Company has fixed the WCS differential for certain months in 2025 and has hedged AECO natural gas prices throughout 2025 and portions of 2026 all at varying prices and volumes outlined below. The Company will continue to monitor the spot and forward prices as well as expected expenditure levels in 2025.

As of the date of this MD&A, Cardinal had the following commodity derivative contracts outstanding:

Type of instrument	Remaining term	Average volume	Average strike price	
AECO Collar	July 2025 – December 2025	2,500 gj/d	Floor	$ 1.75
			Ceiling	$ 2.70
AECO Collar	July 2025 – March 2026	2,500 gj/d	Floor	$ 2.00
			Ceiling	$ 3.31
AECO Swap	April 2026 – October 2026	5,000 gj/d		$ 3.01
USD WCS Differential Swap	July 2025 – September 2025	5,000 bbl/d	USD	$ (12.75)

ROYALTIES

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Royalties	**23,174**	31,213	(26)	**53,387**	57,001	(6)
Percent of revenue	**18.2%**	18.4%	(1)	**19.3%**	18.4%	5
$/boe	**12.02**	15.33	(22)	**13.66**	14.21	(4)

Royalties are either paid or taken in kind and are owed to land and mineral rights owners and to provincial governments. The terms of the land and mineral rights owner agreements and provincial royalty regimes impact Cardinal's overall corporate royalty rate.

Royalties decreased during the second quarter and first six months of 2025 as compared to the same periods in 2024 due to certain oil production from new wells which receive a lower crown royalty rate until initial production payouts are achieved. In addition, lower commodity pricing experienced in the second quarter and first half of 2025 attracted a lower royalty rate on a sliding scale basis for certain crown royalty wells.

NET OPERATING EXPENSES

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Operating expenses	**45,573**	49,939	(9)	**94,919**	102,628	(8)
Less: Processing and other revenue	**(1,158)**	(1,785)	(35)	**(2,322)**	(2,810)	(17)
Net operating expenses	**44,415**	48,154	(8)	**92,597**	99,818	(7)
$/boe [1]	**23.04**	23.65	(3)	**23.69**	24.89	(5)

(1) See Non-GAAP and other financial measures.

During the second quarter of 2025, net operating expenses per boe decreased by 3% over the same period in 2024 primarily due to lower Alberta power prices, partially offset by higher carbon taxes and workover costs. In the second quarter of 2025, the average power price in Alberta decreased by 11% over the same period in 2024 to average approximately $40/MWh.

For the first six months of 2025, net operating expenses per boe decreased by 5% over the same period in 2024 due to lower Alberta power prices, partially offset by higher carbon taxes. In the first half of 2025, the average power price in Alberta decreased by 44% over the same period in 2024 to average approximately $40/MWh.

TRANSPORTATION EXPENSES

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Transportation expenses	**1,684**	2,340	(28)	**3,799**	4,519	(16)
$/boe	**0.87**	1.15	(24)	**0.97**	1.13	(14)

Transportation expenses and transportation expenses per boe decreased in the three and six months ended June 30, 2025 as compared with the same periods in 2024 primarily due to a change in transportation agreements in the Company's Midale area. In addition, natural gas transportation costs were lower compared to the same period in 2024 due to decreased natural gas production.

NETBACK

($/boe)	Three months ended June 30, 2025	2024	%	Six months ended June 30, 2025	2024	%
Petroleum and natural gas revenue	**66.08**	83.17	(21)	**70.91**	77.20	(8)
Royalties	**(12.02)**	(15.33)	(22)	**(13.66)**	(14.21)	(4)
Net operating expenses	**(23.04)**	(23.65)	(3)	**(23.69)**	(24.89)	(5)
Transportation expenses	**(0.87)**	(1.15)	(24)	**(0.97)**	(1.13)	(14)
Netback (1)	**30.15**	43.04	(30)	**32.59**	36.97	(12)

(1) See Non-GAAP and other financial measures.

During the three and six months ended June 30, 2025, the Company's netback decreased by 30% and 12%, respectively, as compared to the same periods in 2024 due to lower realized oil prices, partially offset by lower royalties, operating expenses and transportation expenses.

GENERAL AND ADMINISTRATIVE ("G&A")

	Three months ended June 30, 2025	2024	%	Six months ended June 30, 2025	2024	%
Gross G&A	**7,004**	6,761	4	**14,643**	14,236	3
Capitalized G&A and overhead recoveries	**(1,380)**	(1,337)	3	**(3,342)**	(3,082)	8
G&A	**5,624**	5,424	4	**11,301**	11,154	1
$/boe	**2.92**	2.66	10	**2.89**	2.78	4

In the three and six months ended June 30, 2025, G&A costs have increased by 4% and 1%, respectively, compared to the same periods in 2024 due to lower overhead recoveries as a result of decreased development capital expenditures in the second quarter and first half of 2025 as compared to the same periods in 2024, partially offset by increased capitalized G&A as Cardinal is capitalizing increased compensation costs related to the Reford SAGD project as it continues to progress.

SHARE-BASED COMPENSATION ("SBC")

	Three months ended June 30, 2025	2024	%	Six months ended June 30, 2025	2024	%
Gross SBC	**2,726**	2,656	3	**5,529**	5,285	5
Capitalized SBC	**(532)**	(417)	28	**(997)**	(761)	31
SBC	**2,194**	2,239	(2)	**4,532**	4,524	-
$/boe	**1.14**	1.10	4	**1.16**	1.13	3

SBC expense decreased by 2% in the three months ended June 30, 2025 compared to the same period in 2024 due to an increase in capitalized SBC costs related to the Reford SAGD project as it continues to add staff, partially offset by an increase in the total amount of restricted bonus awards ("RA") and performance bonus awards ("PA") outstanding.

SBC expense remained consistent in the six months ended June 30, 2025 compared to the same period in 2024 as the increase in capitalized SBC costs was fully offset by the increase in the grant date fair value of RAs and PAs outstanding.

As at June 30, 2025, Cardinal had 2.0 million RAs and 1.0 million PAs outstanding.

FINANCE

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Interest – bank debt	**855**	2,115	(60)	**1,699**	3,798	(55)
Interest – debentures	**2,085**	-	n/m	**3,478**	-	n/m
Capitalized interest	**(2,337)**	-	n/m	**(3,633)**	-	n/m
Other finance charges, net	**815**	175	n/m	**1,988**	606	228
Interest – leases	**51**	67	(24)	**104**	131	(21)
Accretion	**2,591**	2,262	15	**5,057**	4,497	12
Finance	**4,060**	4,619	(12)	**8,693**	9,032	(4)
$/boe	**2.11**	2.27	(7)	**2.22**	2.25	(1)
Average bank debt	**50,640**	102,057	(50)	**49,394**	91,558	(46)
Interest rate – bank debt	**6.8%**	8.3%	(18)	**6.9%**	8.3%	(17)

In the three and six months ended June 30, 2025, finance expense decreased by 12% and 4%, respectively, compared to the same periods in 2024 primarily due to Cardinal capitalizing interest of $2.3 million and $3.6 million, respectively, related to the exploration and evaluation expenditures associated with the Reford SAGD project.

For the three and six months ended June 30, 2025, the decrease in the interest rate reflects a lower Bank of Canada prime rate compared to the prior periods.

DEPLETION AND DEPRECIATION ("D&D")

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Depletion and depreciation	**25,752**	26,890	(4)	**52,042**	52,262	-
$/boe	**13.36**	13.21	1	**13.32**	13.03	2

Depletion is calculated based on capital expenditures of the Company, forecasted future development costs associated with proved and probable reserves, production rates and the estimates of proved and probable oil and natural gas reserves. In addition to depletion, Cardinal records depreciation on other capital equipment and right-of-use assets not directly associated with proved and probable reserves.

D&D costs per boe for the three and six months ended June 30, 2025 increased by 1% and 2%, respectively, as compared to the same periods in 2024 as a reduction in 2024 year-end conventional proved plus probable reserves was partially offset by a decrease in the depletable base of Cardinal's property, plant and equipment. In 2024, Cardinal added the initial probable Reford heavy oil reserves, increasing the Company's 2024 year-end proved plus probable reserves by 30% compared to the prior year; however, since there is currently not any production associated with these reserves, they did not have an impact on D&D.

DEFERRED TAXES

At June 30, 2025, the Company has approximately $1.2 billion of tax pools ($1.1 billion are unrestricted) available to be applied against future income for tax purposes. Based on available tax pools, forecasted capital expenditures and forecasted commodity prices at June 30, 2025 from the average of three independent third-party reserve evaluators, Cardinal does not expect to pay current income taxes until 2027 or beyond. Any potential taxes payable beyond 2027 would be affected by commodity prices, capital expenditures and production volumes.

A deferred tax asset was not recognized in respect of temporary differences related to successor tax pools of $97 million or the $192 million discussed below as there is not sufficient certainty regarding future utilization.

In 2021, Cardinal received a reassessment notice from the Canada Revenue Agency ("CRA") wherein the CRA reduced certain non-capital loss tax pools of approximately $192 million carried forward in the tax return filed for the year ended December 31, 2015. Cardinal disagrees with CRA's position and has appealed the reassessment and will continue defending its position and has included the balance in the $1.2 billion above.

EARNINGS, CASH FLOW FROM OPERATING ACTIVITIES, ADJUSTED FUNDS FLOW AND PAYOUT RATIO

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Earnings	**15,516**	40,650	(62)	**36,918**	57,401	(36)
$ per share						
Basic	**0.10**	0.26	(62)	**0.23**	0.36	(36)
Diluted	**0.10**	0.25	(60)	**0.23**	0.36	(36)
Cash flow from operating activities	**43,591**	71,463	(39)	**107,840**	110,827	(3)
$ per share						
Basic	**0.27**	0.45	(40)	**0.67**	0.70	(4)
Diluted	**0.27**	0.45	(40)	**0.67**	0.69	(3)
Adjusted funds flow	**49,419**	81,827	(40)	**111,665**	134,633	(17)
$ per share (1)						
Basic	**0.31**	0.51	(39)	**0.70**	0.85	(18)
Diluted	**0.31**	0.51	(39)	**0.69**	0.84	(18)
Total payout ratio	**84%**	59%	42	**75%**	81%	(7)

(1) See Non-GAAP and other financial measures.

In the three months ended June 30, 2025, lower oil prices and production levels have decreased Cardinal's earnings by 62% compared with the same period in 2024. Cash flow from operating activities and adjusted funds flow decreased by 39% and 40%, respectively, compared with the same period in 2024 primarily due to the decrease in earnings. Total payout ratio increased by 42% compared with the same period in 2024 due to decreased adjusted funds flow, partially offset by lower development capital costs.

In the six months ended June 30, 2025, Cardinal's earnings decreased by 36% compared with the same period in 2024 due to lower oil prices and production levels. Cash flow from operating activities decreased by 3% compared with the same period in 2024 primarily due to the change in non-cash working capital as a result of the decrease in payables. Adjusted funds flow decreased by 17% compared with the same period in 2024 due to the aforementioned cash flow from operating activities and change in non-cash working capital. Total payout ratio decreased by 7% compared with the same period in 2024 due to lower development capital expenditures, partially offset by decreased adjusted funds flow.

CAPITAL EXPENDITURES

In the second quarter of 2025, the Company spent $12.7 million on capital expenditures which included the drilling and completion of one (1.0 net) well in southern Alberta. In the three and six months ended June 30, 2025, capital expenditures decreased by 9% and 40%, respectively, compared with the same periods in 2024 due to the Company focusing on SAGD expenditures in the current year. The Company continued with its well reactivation program spending $1.9 million on recompletions and workovers throughout its operating areas. Cardinal also constructed new facilities and upgraded existing infrastructure across our asset base and continued with the enhanced oil recovery program with CO_2 injection at Midale.

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	%	**2025**	2024	%
Land	**1,355**	1,227	10	**1,413**	2,567	(45)
Geological and geophysical	**2**	149	(99)	**5**	179	(97)
Drilling, completion and recompletions	**3,423**	7,855	(56)	**9,534**	30,733	(69)
Equipment, facilities and pipelines	**7,892**	9,528	(17)	**14,820**	17,654	(16)
Development capital expenditures (1)	**12,672**	18,759	(32)	**25,772**	51,133	(50)
Capitalized G&A	**305**	314	(3)	**977**	977	-
Other assets	**(271)**	444	(161)	**(221)**	349	(163)
Capital expenditures (1)	**12,706**	19,517	(35)	**26,528**	52,459	(49)

(1) See Non-GAAP and other financial measures

EXPLORATION AND EVALUATION ("E&E") EXPENDITURES

In 2023, the Company acquired E&E assets for $10.0 million with associated decommissioning obligations of $0.2 million through the issuance of 1,362,397 Cardinal common shares valued at $7.35 per share.

In the first quarter of 2024, Cardinal entered into an agreement with a third party for the engineering, fabrication and field construction of the Reford, Saskatchewan central processing facility, including the first SAGD well pad. For the three and six months ended June 30, 2025, the Company has incurred $36.3 million and $107.4 million, respectively, in E&E expenditures on thermal development, including facility construction, assembling of the facility and drilling and completions, which continues to progress on time and on budget. In the first quarter of 2025, Cardinal drilled producer and injector well pairs, stratigraphic wells and a disposal well.

During the second quarter of 2025, Cardinal acquired additional undeveloped land in Saskatchewan for $5.0 million with associated decommissioning obligations of $0.1 million.

For the three and six months ended June 30, 2025, the Company capitalized $2.3 million and $3.6 million, respectively, of interest related to the SAGD project.

DECOMMISSIONING OBLIGATION

In the second quarter of 2025, the Company continued to reduce its environmental footprint and spent $0.6 million on decommissioning obligations bringing the total spend for the first six months of 2025 to $2.3 million.

LIQUIDITY AND CAPITAL RESOURCES

Capitalization table		As at Jun 30, 2025		Dec 31, 2024	%
Net debt(1)	**$**	**227,089**	$	138,307	64
Common shares, outstanding		**160,562,491**		159,203,353	1
Market price at end of period ($ per share)	**$**	**6.74**	$	6.48	4
Market capitalization		**1,082,191**		1,031,638	5
	$	**1,309,280**	$	1,169,945	12

(1) See Non-GAAP and other financial measures

CAPITAL FUNDING

Bank debt

The Company's reserve-based revolving credit facility of $240.0 million is comprised of a $175.0 million Syndicated Tranche A Facility ("Tranche A"), a $40.0 million Syndicated Tranche B Facility ("Tranche B") and a $25.0 million non-syndicated operating line credit facility (together the "Facilities"). The Facilities are available on a revolving basis until May 31, 2026. Tranche A and the non-syndicated operating line credit facility may be extended for a further 364 day period, subject to approval by the syndicate. If not extended, Tranche A and the non-syndicated operating line credit facility will cease to revolve, the applicable margins will increase by 0.5% and all outstanding advances will be repayable on May 31, 2027. Tranche B has a maturity date of May 31, 2026.

The available lending limits of the Facilities are reviewed semi-annually based on the syndicate's interpretation of the Company's reserves, future commodity prices and costs, therefore, there can be no assurance that the amount of the Facilities will not decrease at the next scheduled review. On a redetermination date, lenders could reduce the borrowing base to below amounts drawn, in which case, any short fall would have to be repaid within 60 days. The next scheduled review date for the Facilities will be on or before November 30, 2025.

Advances under Tranche A and Tranche B are available by way of prime rate loans, which bear interest at the banks' prime lending rate plus 2.00% to 5.25% and 3.50% to 6.75%, respectively, and CORRA and/or SOFR loans, which are subject to fees and margins ranging from 3.00% to 6.25% and 4.50% to 7.75%, respectively. Interest and standby fees on the undrawn amounts of the Facilities depend upon certain ratios. The Facilities are secured by a demand debenture pursuant to which a security interest is granted over all of the Company's assets. There are no financial covenants related to the Facilities, provided that Cardinal is not in default of the terms of the Facilities. Cardinal was in compliance with the terms of the Facilities at June 30, 2025.

Senior subordinated unsecured debentures

On January 3, 2025, the Company completed an offering of units (the "Units") with Cardinal issuing $60 million of Units. Each Unit was comprised of one senior subordinated unsecured debenture (the "7.75% Debentures") with a par value of $1,000 and 65 warrants (the "Warrants"). The 7.75% Debentures bear interest at 7.75% per annum and will mature on March 31, 2030. Each Warrant entitles the holder to acquire one Common Share at a price of $7.00 per Common Share on or before January 3, 2028. The 7.75% Debentures are redeemable by the Company on or after March 31, 2028 subject to certain conditions.

On March 4, 2025, the Company completed an offering for $45 million of senior subordinated unsecured debentures (the "8.25% Debentures") at a price of $1,000 per debenture. The 8.25% Debentures bear interest at 8.25% per annum and will mature on September 30, 2030. The 8.25% Debentures are redeemable by the Company on or after September 30, 2028 subject to certain conditions.

CAPITAL STRUCTURE

Cardinal manages its capital to provide a flexible structure to support production maintenance, capital programs, other operational strategies and shareholder returns. Maintaining a strong financial position enables Cardinal to enhance business opportunities and supports Cardinal's strategy of providing shareholder return through growth of the business, reducing its cost structure and dividend payments.

One of the key measures that the Company utilizes in evaluating its capital structure is the credit available from the Facilities in relation to the Company's budgeted capital expenditure program and the ratio of net debt to adjusted funds flow.

To manage its capital structure, Cardinal considers its net debt to adjusted funds flow ratio, its capital expenditures program, E&E expenditures, the current level of credit available from the Facilities, the level of credit that may be attainable due to changes in petroleum and natural gas reserves and new debt and equity if available on favourable terms. The Company prepares an annual capital expenditure budget, which is monitored monthly and updated as necessary.

	Twelve months ended			
		Jun 30, 2025		Dec 31, 2024
Bank debt	**$**	**94,649**	$	85,610
Debentures		**99,482**		-
Adjusted working capital deficiency [1]		**32,958**		52,697
Net debt	**$**	**227,089**	$	138,307
Cash flow from operating activities	**$**	**244,550**	$	247,537
Change in non-cash working capital		**(8,879)**		7,682
Funds flow	**$**	**235,671**	$	255,219
Decommissioning obligation expenditures		**6,802**		10,222
Adjusted funds flow	**$**	**242,473**	$	265,441
Net debt to adjusted funds flow [1]		**0.9**		0.5

(1) See Non-GAAP and other financial measures

Cardinal's ratio of net debt to adjusted funds flow as at June 30, 2025 was 0.9 to 1, which increased over the level at December 31, 2024 but below the Company's target of 1.0. This ratio increased as the Company continues the development of its first SAGD project. Cardinal expects this ratio will continue to fluctuate as the project requires significant up-front capital until it comes onstream which is currently expected in the second half of 2025.

As discussed below in the *Liquidity* section, the Company currently has available capacity on its Facilities to satisfy its planned capital expenditures, E&E expenditures and asset retirement obligations for 2025 and beyond.

LIQUIDITY

The Company relies on cash flow from operating activities, the unused portion of the Facilities and equity and debt issuances to fund its capital expenditure requirements and provide liquidity. Cardinal had sufficient credit capacity to cover its adjusted working capital deficiency of $33.0 million at June 30, 2025 and continues to have excess capacity as of the date of this MD&A.

The Company believes that it is well positioned to take advantage of its internally developed opportunities funded through its available Facilities and recently issued 7.75% Debentures and 8.25% Debentures combined with anticipated cash flow from operating activities and adjusted funds flow. At current commodity price levels, present sources of capital are anticipated to be sufficient to satisfy the Company's budgeted capital expenditure program, decommissioning obligations and dividend payments for the 2025 fiscal year and beyond.

DIVIDENDS

	Three months ended June 30,					Six months ended June 30,				
		2025		2024	%		**2025**		2024	%
Dividends declared		**28,896**		29,116	(1)		**57,634**		58,151	(1)
Dividends declared per share	**$**	**0.18**	$	0.18	-	**$**	**0.36**	$	0.36	-

During the three months ended June 30, 2025, the Company declared dividends of $28.9 million ($0.18 per common share) (2024 – $29.1 million or $0.18 per common share), of which $19.3 million (2024 – $19.1 million) was paid in cash and $9.6 million (2024 – $10.0 million) was recognized as a liability at June 30, 2025. The dividend payable was settled on July 15, 2025. In the second quarter of 2025, the Company also paid dividends of $9.6 million which was recognized as a liability at March 31, 2025.

During the first six months of 2025, $57.6 million ($0.36 per common share) (2024 – $58.2 million and $0.36 per common share) of dividends were declared, of which $48.0 million (2024 – $48.1 million) was paid in cash and $9.6 million (2024 – $10.0 million) was recognized as a liability at June 30, 2025. In the first six months of 2025, the Company also paid dividends of $9.6 million which was recognized as a liability at December 31, 2024.

SHARE CAPITAL

The Company has a bonus award plan whereby RAs and PAs may be granted to directors, officers, employees and other service providers. In the case of PAs, the award value is adjusted for a payout multiplier which can range from 0.0 to 2.0 and is dependent on the performance of the Company relative to pre-defined corporate performance measures for a particular period. Awards are adjusted for dividends declared, either with a cash payment or incremental common shares, and may be settled in cash, common shares issued from treasury or common shares acquired by an independent trustee in the open market for such purposes.

In the first half of 2025, the trustee purchased 194,356 common shares (2024 – nil) for $1.1 million (2024 – nil) for the settlement of future vesting RAs and PAs.

In the first six months of 2025, upon the vesting of 0.8 million (2024 – 1.0 million) RAs and 0.5 million (2024 – 0.6 million) PAs, when taking into account the performance multiplier for PAs, the Company utilized 0.3 million (2024 – 1.0 million) treasury shares and issued 1.3 million (2024 – 0.1 million) common shares and made payments totalling $0.1 million (2024 – $6.2 million) for withholding taxes.

In the first six months of 2025, Cardinal granted 1.1 million (2024 – 1.0 million) RAs and 0.6 million (2024 – 0.5 million) PAs to officers, directors, employees and service providers pursuant to the Company's bonus award plan.
On January 3, 2025, as part of the 7.75% Debentures offering, the Company issued 3,900,000 Warrants entitling each holder to acquire one common share of Cardinal at a price of $7.00 per common share on or before January 3, 2028. In the first six months of 2025, there were 1,300 Warrants (2024 – nil) exercised.

Equity instruments as at	Jul 30, 2025	Jun 30, 2025	Dec 31, 2024
Common shares, issued	161,017,667	161,017,667	159,738,871
Treasury shares	(455,176)	(455,176)	(535,518)
Warrants	3,898,700	3,898,700	-
RAs	2,046,329	2,046,329	1,701,201
PAs	1,027,386	1,027,386	931,301

OFF BALANCE SHEET ARRANGEMENTS

Cardinal does not have any special purpose entities nor is it a party to any material arrangements that would be excluded from the balance sheet.

CONTRACTUAL OBLIGATIONS

At June 30, 2025, the Company had contractual obligations as follows:

	2025	2026	2027	2028	2029	Thereafter
Trade and other payables	83,153	-	-	-	-	-
Dividend payable	9,634	-	-	-	-	-
Lease liabilities	1,226	1,728	953	574	462	451
Bank debt	-	-	94,649	-	-	-
Thermal facility construction and engineering	9,719	-	-	-	-	-
Power purchase commitment (1)	6,001	11,904	11,904	-	-	-
Debentures (2)	4,216	8,363	8,363	8,385	8,363	108,923
Total contractual obligations	**113,949**	**21,995**	**115,869**	**8,959**	**8,825**	**109,374**

(1) Amounts represent the portion of the Company's power cost that has been fixed.
(2) Amounts include interest for the 7.75% Debentures and 8.25% Debentures and the principal due in 2030.

ADDITIONAL INFORMATION

MATERIAL ACCOUNTING ESTIMATES

There have been no changes in Cardinal's material accounting estimates in the three and six months ended June 30, 2025. Further information on the Company's material accounting policies and estimates can be found in the notes to the annual financial statements and MD&A for the year ended December 31, 2024.

INTERNAL CONTROLS UPDATE

Cardinal is required to comply with National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings". The certificate requires that Cardinal disclose in the interim MD&A any change in the Company's internal control over financial reporting ("ICOFR") that occurred during the period that has materially affected, or is reasonably likely to materially affect Cardinal's ICOFR. As of the date of this MD&A, Cardinal confirms that there have been no such changes in Cardinal's ICOFR during the second quarter of 2025.

ENVIRONMENTAL REPORTING

Environmental regulations impacting climate-related matters continue to evolve and may have additional disclosure requirements in the future. The International Sustainability Standards Board published the new IFRS sustainability disclosure standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, with the aim to develop an environment sustainability disclosure framework that is accepted globally. In December 2024, the Canadian Sustainability Standards Board ("CSSB") published Canadian versions of the international standards (CSDS 1 and CSDS 2) and the Canadian Securities Administrators

("CSA") previously announced that it intended to take the finalized CSSB standards into account and develop new Canadian climate-related disclosure requirements that would be mandatory for subject Canadian issuers.

On April 23, 2025, the CSA issued a news release advising that it has paused the work it has previously undertaken to develop new climate and diversity-related disclosure requirements for Canadian issuers.

OUTLOOK

Cardinal looks forward to the completion of our first thermal oil facility in the third quarter of 2025 with first steam expected in late August. We expect that the warm up phase heading into first production will occur in 2025 with designed production rates of 6,000 bbl/d being achieved in early Q1 2026. Our thermal oil exploration and development program continues as we work to prove up and de-risk a multi-year inventory of thermal projects. We expect to drill another five stratigraphic tests in 2025 and shoot additional seismic to further delineate projects on our lands.

With the continuous fluctuations in oil prices, we remain flexible with our conventional capital program. Approximately 90% of capital spending has been completed in Reford.

We expect to drill another four (4.0 net) conventional oil wells with two (2.0 net) at our Buffalo Clearwater and two (2.0 net) at our Southern Alberta Manneville plays in the back half of 2025. The focus of 2025 was the Reford capital program although we anticipate increasing the drilling intensity on our conventional assets in 2026 to more normalized rates of approximately 20 wells per year.

QUARTERLY DATA

	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Production				
Crude oil (bbl/d)	**18,154**	18,846	18,827	18,230
Natural gas (mcf/d)	**13,190**	13,688	13,569	12,719
NGL (bbl/d)	**832**	878	827	778
Oil equivalent (boe/d)	**21,184**	22,005	21,916	21,128
Financial				
Petroleum and natural gas revenue	**127,377**	149,768	147,778	147,991
Earnings	**15,516**	21,402	25,817	25,136
Basic ($ per share)	**0.10**	0.13	0.16	0.16
Diluted ($ per share)	**0.10**	0.13	0.16	0.16
Cash flow from operating activities	**43,591**	64,249	53,075	83,635
Total assets	**1,382,019**	1,354,445	1,296,975	1,250,585
Bank debt	**94,649**	8,253	85,610	69,134
Debentures	**99,482**	99,227	-	-
Total long-term liabilities	**372,942**	280,239	250,875	210,151
Shareholders' equity	**903,004**	914,371	918,259	918,402
Dividends declared	**28,896**	28,738	28,656	28,653
Dividends declared ($ per share)	**0.18**	0.18	0.18	0.18
Common shares outstanding, net (000s) (1)	**160,562**	160,596	159,203	159,187
Diluted shares outstanding, net (000s) (1)	**167,535**	167,648	161,836	161,846

	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Production				
Crude oil (bbl/d)	19,273	18,312	18,666	18,433
Natural gas (mcf/d)	13,752	15,155	15,644	15,696
NGL (bbl/d)	811	854	891	823
Oil equivalent (boe/d)	22,376	21,692	22,164	21,872
Financial				
Petroleum and natural gas revenue	169,353	140,226	148,042	169,533
Earnings	40,650	16,751	20,388	39,170
Basic ($ per share)	0.26	0.11	0.13	0.25
Diluted ($ per share)	0.25	0.10	0.13	0.24
Cash flow from operating activities	71,463	39,364	69,305	58,647
Total assets	1,238,645	1,227,723	1,187,852	1,174,322
Bank debt	77,904	86,786	44,920	44,106
Total long-term liabilities	213,540	208,699	160,649	139,091
Shareholders' equity	919,406	905,323	920,688	929,481
Dividends declared	29,116	29,035	28,975	29,032
Dividends declared ($ per share)	0.18	0.18	0.18	0.18
Common shares outstanding, net (000s) (1)	159,178	159,101	158,095	158,306
Diluted shares outstanding, net (000s) (1)	161,872	161,842	160,983	161,249

(1) Net of treasury shares

Since 2023, production has been relatively consistent and commodity prices gradually improved throughout the 2023 year. In the first quarter of 2024, increased capital and E&E expenditures increased the Company's bank debt. In the second quarter of 2024, oil prices increased and the Company continued with its Reford SAGD project as well as reduced bank debt. In the third quarter of 2024, the Company was able to successfully execute its ten well drilling program and progress the Reford SAGD project. In the fourth quarter of 2024, the Company executed an eight well drilling program and incurred significant Reford SAGD project costs, resulting in an increase in bank debt. In the first quarter of 2025, Cardinal completed two debenture offerings allowing the Company to repay outstanding bank debt, further the completion of the Reford SAGD project and accelerate the development of future thermal projects. In the second quarter of 2025, oil prices decreased and E&E expenditures remained high resulting in an increase in bank debt.

NON-GAAP AND OTHER FINANCIAL MEASURES

Non-GAAP Financial Measures

Net operating expenses

Net operating expenses are calculated as operating expenses less processing and other revenue primarily generated by processing third-party volumes at processing facilities where the Company has an ownership interest, and can be expressed on a per boe basis. As the Company's principal business is not that of a midstream entity, management believes this is a useful supplemental measure to reflect the true cash outlay at its processing facilities by utilizing spare capacity to process third-party volumes.

The following table reconciles operating expenses to net operating expenses:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Operating expenses	**45,573**	49,939	**94,919**	102,628
Less: Processing and other revenue	**(1,158)**	(1,785)	**(2,322)**	(2,810)
Net operating expenses	**44,415**	48,154	**92,597**	99,818

Netback

Cardinal utilizes netback as a key performance indicator to better analyze the operating performance of its petroleum and natural gas assets against prior periods. Netback is calculated as petroleum and natural gas revenue deducting royalties, net operating expenses and transportation expenses.

The following table reconciles petroleum and natural gas revenue to netback:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Petroleum and natural gas revenue	**127,377**	169,353	**277,145**	309,579
Royalties	**(23,174)**	(31,213)	**(53,387)**	(57,001)
Net operating expenses	**(44,415)**	(48,154)	**(92,597)**	(99,818)
Transportation expenses	**(1,684)**	(2,340)	**(3,799)**	(4,519)
Netback	**58,104**	87,646	**127,362**	148,241

Capital expenditures and development capital expenditures

Cardinal utilizes capital expenditures as a measure of capital investment on property, plant and equipment compared to the annual budgeted capital expenditure. Capital expenditures are calculated as cash flow from investing activities excluding change in non-cash working capital and exploration and evaluation expenditures.

Cardinal utilizes development capital expenditures as a measure of capital investment on property, plant and equipment excluding capitalized G&A, other assets and acquisitions and is compared to the annual budgeted capital expenditures.

The following table reconciles cash flow from investing activities to total capital expenditures and to total development capital expenditures:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Cash flow from investing activities	**99,699**	32,507	**157,408**	78,344
Change in non-cash working capital	**(45,654)**	(2,176)	**(18,524)**	997
E&E expenditures	**(36,339)**	(10,814)	**(107,356)**	(26,882)
E&E acquisitions	**(5,000)**	-	**(5,000)**	-
Capital expenditures	**12,706**	19,517	**26,528**	52,459
Capitalized G&A	**(305)**	(314)	**(977)**	(977)
Other assets	**271**	(444)	**221**	(349)
Development capital expenditures	**12,672**	18,759	**25,772**	51,133

Capital Management Measures

Adjusted working capital
Management utilizes adjusted working capital to monitor its capital structure, liquidity and its ability to fund current operations. Adjusted working capital is calculated as current liabilities less current assets (adjusted for fair value of financial instruments, current decommissioning obligation and current lease liabilities).

The following table reconciles working capital to adjusted working capital:

As at	Jun 30, 2025	Dec 31, 2024
Working capital deficiency	**45,945**	61,599
Less current portion of:		
Lease liabilities	**1,861**	1,711
Decommissioning liabilities	**9,665**	7,125
Fair value of financial instruments	**1,461**	66
Adjusted working capital deficiency	**32,958**	52,697

Net debt
Management utilizes net debt to analyze the financial position, liquidity and leverage of Cardinal. Net debt is calculated as the sum of bank debt, debentures and adjusted working capital.

The following table reconciles bank debt to net debt:

As at	Jun 30, 2025	Dec 31, 2024
Bank debt	**94,649**	85,610
Debentures	**99,482**	-
Adjusted working capital deficiency	**32,958**	52,697
Net debt	**227,089**	138,307

Funds flow
Management utilizes funds flow as a useful measure of Cardinal's ability to generate cash not subject to short-term movements in non-cash operating working capital. As shown below, funds flow is calculated as cash flow from operating activities excluding the change in non-cash working capital.

Adjusted funds flow

Management utilizes adjusted funds flow as a key measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns. As shown below, adjusted funds flow is calculated as funds flow excluding decommissioning expenditures since Cardinal believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and variability. Expenditures on decommissioning obligations vary from period to period depending on the maturity of the Company's operating areas and availability of adjusted funds flow and are viewed as part of the Company's capital budgeting process.

Free cash flow

Management utilizes free cash flow as a measure to assess Cardinal's ability to generate cash, after taking into account development capital expenditures, increase returns to shareholders, repay debt or for other corporate purposes. As shown below, free cash flow is calculated as adjusted funds flow less development capital expenditures.

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Cash flow from operating activities	**43,591**	71,463	**107,840**	110,827
Change in non-cash working capital	**5,181**	8,904	**1,480**	18,041
Funds flow	**48,772**	80,367	**109,320**	128,868
Decommissioning expenditures	**647**	1,460	**2,345**	5,765
Adjusted funds flow	**49,419**	81,827	**111,665**	134,633
Total development capital expenditures	**(12,672)**	(18,759)	**(25,772)**	(51,133)
Free cash flow	**36,747**	63,068	**85,893**	83,500

Non-GAAP Financial Ratios

Netback per boe

Cardinal utilizes netback per boe to assess Cardinal's operating performance of its petroleum and natural gas assets on a per unit of production basis. Netback per boe is calculated as netback divided by total production for the applicable period.

The following table details the calculation of netback per boe:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Petroleum and natural gas revenue	**66.08**	83.17	**70.91**	77.20
Royalties	**(12.02)**	(15.33)	**(13.66)**	(14.21)
Net operating expenses	**(23.04)**	(23.65)	**(23.69)**	(24.89)
Transportation expenses	**(0.87)**	(1.15)	**(0.97)**	(1.13)
Netback per boe	**30.15**	43.04	**32.59**	36.97

Net debt to adjusted funds flow ratio

Cardinal utilizes net debt to adjusted funds flow to measure the Company's overall debt position and to measure the strength of the Company's balance sheet. Cardinal monitors this ratio and uses this as a key measure in making decisions regarding financing, capital expenditures, E&E expenditures and shareholder returns. Net debt to adjusted funds flow is calculated as net debt divided by adjusted funds flow for the trailing twelve-month period.

Total payout ratio
Cardinal utilizes this ratio as a key measure to assess the Company's ability to fund financing activities, operating activities and capital expenditures. Total payout ratio is calculated as the sum of dividends declared plus development capital expenditures divided by adjusted funds flow for the applicable period.

Net operating expenses per boe
Cardinal utilizes net operating expenses per boe to assess Cardinal's operating efficiency of its petroleum and natural gas assets on a per unit of production basis. Net operating expense per boe is calculated as net operating expenses divided by total production for the applicable period.

Adjusted funds flow per boe
Cardinal utilizes adjusted funds flow per boe as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns on a per boe basis. Adjusted funds flow per boe is calculated using adjusted funds flow divided by total production for the applicable period.

Adjusted funds flow per basic share
Cardinal utilizes adjusted funds flow per basic share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns on a per basic share basis. Adjusted funds flow per basic share is calculated using adjusted funds flow divided by the weighted average basic shares outstanding.

Adjusted funds flow per diluted share
Cardinal utilizes adjusted funds flow per diluted share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures, E&E expenditures and shareholder returns on a per diluted share basis. Adjusted funds flow per diluted share is calculated using adjusted funds flow divided by the weighted average diluted shares outstanding.

Supplementary Financial Measures

NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio. The supplementary financial measures used in this MD&A are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements relating, but not limited to:

- plans to monitor climate reporting requirements;
- estimated tax pools, future taxability and future taxable income;
- expectations with respect to the outcome of the CRA dispute;

- Cardinal's business strategy, goals and management focus;
- Cardinal's dividend plans;
- targeted net debt to adjusted funds flow ratio and plans to monitor this ratio;
- Cardinal's risk management strategy including the mitigation of our exposure to commodity price risk, medium crude oil differentials and the benefits to be obtained therefrom;
- plans to monitor spot and forward prices and expenditure plans as part of Cardinal's risk management strategy;
- sources of funds for the Company's operations, capital expenditures, decommissioning obligations and dividend payments;
- plans to minimize the environmental impact of our operations;
- abandonment and reclamation spending plans including the timing thereof;
- anticipated costs of compliance with environmental legislation;
- future liquidity and the Company's access to sufficient debt and equity capital;
- Cardinal's asset base;
- expectations regarding the business environment, industry conditions, future commodity prices and differentials;
- Cardinal's capital management strategies;
- expectations with respect to the Reford SAGD project;
- Cardinal's outlook for 2025, including expectations regarding our Reford SAGD project, inventory of additional thermal projects including the drilling of additional stratigraphic tests and shooting seismic, fluctuations in oil prices, flexibility with our conventional capital program, expectations to drill additional conventional oil wells in the back half of 2025, anticipation of increased drilling intensity on conventional assets in 2026; and
- treatment under governmental and other regulatory regimes and tax, environmental and other laws.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, current and future commodity prices and exchange rates, applicable royalty rates, tax laws, production shut-ins, future well production rates and reserve volumes, future operating costs, the performance of existing and future wells, the success of our exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of increasing competition, the impact of cost increases as a result of inflationary pressures, or otherwise, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions and drilling success.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Cardinal's control. Such risks and uncertainties include, without limitation: the impact of general economic conditions; volatility in market prices for crude oil and natural gas; determinations by OPEC and other countries as to production levels; industry conditions; timing, costs and performance of the Reford project; currency fluctuations; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition from other producers; the lack of availability of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and natural gas industry; changes in tariff regimes; the tariffs imposed or threatened to be imposed by the United States on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the United States, will trigger a broader global trade war which could have an adverse effect on the Canadian, United States and global economies, and by extension the Canadian oil and natural gas industry and the Company, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets and limited access to financing; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; and ability to access sufficient capital from internal and external sources.

Management has included the forward-looking statements above and a summary of assumptions and risks related to forward-looking statements provided in this MD&A in order to provide readers with a more complete perspective on Cardinal's future operations and such information may not be appropriate for other purposes. Cardinal's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Cardinal will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this MD&A and Cardinal disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Supplemental Information Regarding Product Types

This MD&A includes references to 2023, 2024 and 2025 production. The Company discloses crude oil production based on the pricing index that the oil is priced off of. The following table is intended to provide the product type composition as defined by NI 51-101.

	Light/medium crude oil	Heavy oil	NGL	Conventional natural gas	Total (boe/d)
Q2/25	**47%**	**39%**	**4%**	**10%**	**21,184**
Q1/25	48%	38%	4%	10%	22,005
Q4/24	48%	38%	4%	10%	21,916
Q3/24	46%	40%	4%	10%	21,128
Q2/24	48%	38%	4%	10%	22,376
Q1/24	51%	33%	4%	12%	21,692
Q4/23	50%	34%	4%	12%	22,164
Q3/23	45%	39%	4%	12%	21,872
1H/25	**48%**	**38%**	**4%**	**10%**	**21,593**
1H/24	50%	35%	4%	11%	22,034

Frequently Used Terms

Term or abbreviation	
"bbl"	Barrel(s)
"bbl/d"	Barrel(s) per day
"boe"	Barrel(s) of oil equivalent
"boe/d"	Barrel(s) of oil equivalent per day
"CO_2"	Carbon dioxide
"COGE Handbook"	Canadian Oil and Gas Evaluation Handbook
"GJ"	Gigajoule
"gj/d"	Gigajoule(s) per day
"m" preceding a volumetric measure	1,000 units of the volumetric measure
"mcf"	Thousand cubic feet
"mcf/d"	Thousand cubic feet per day
"NGL"	Natural gas liquids
"n/m"	Not meaningful ie. absolute value greater than 300%
"US"	United States
"USD"	United States dollars
"WCS"	Western Canadian Select
"WTI"	West Texas Intermediate