Yangarra Resources Ltd.
Condensed Interim Consolidated Financial Statements
For three and nine months ended September 30, 2026 and 2025

Yangarra Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position
(in thousands of Canadian dollars)

		September 30 2026 (unaudited)		December 31 2025 (audited)
Assets				
Current				
Accounts receivable *(note 12a)*	$	**35,192**	$	31,748
Prepaid expenses and inventory		**10,731**		9,425
Commodity contracts *(note 12c iii)*		**3,059**		1,109
Total current assets		**48,982**		42,282
Non-current				
Property and equipment *(note 2)*		**849,968**		810,189
Exploration and evaluation assets		**41,791**		41,791
Commodity contracts *(note 12c iii)*		–		143
Total assets	$	**940,741**	$	894,405
Liabilities				
Current				
Accounts payable and accrued liabilities		**31,106**		20,226
Commodity contracts *(note 12c iii)*		**70**		63
Current portion of lease obligations *(note 4)*		**1,098**		950
Current portion of decommissioning liability *(note 5)*		–		506
Total current liabilities		**32,274**		21,745
Non-current				
Bank debt *(note 3)*		**126,052**		127,666
Lease obligations *(note 4)*		**2,020**		2,089
Other liabilities		**794**		928
Decommissioning liability *(note 5)*		**18,212**		16,649
Deferred tax liability		**143,103**		134,860
Total liabilities		**322,455**		303,937
Shareholders' equity				
Share capital *(note 6)*		**204,240**		200,600
Contributed surplus		**35,898**		36,892
Retained earnings		**378,148**		352,976
Total shareholders' equity		**618,286**		590,468
Total liabilities and shareholders' equity	$	**940,741**	$	894,405

Contingency *(note 14)*

	Three months ended September 30		Nine months ended September 30	
	2026	2025	**2026**	2025
Revenue				
Petroleum and natural gas sales *(note 10)*	$ **37,479**	$ 24,401	$ **110,151**	$ 88,055
Royalties	**(2,958)**	(1,116)	**(9,188)**	(5,226)
	34,521	23,285	**100,963**	82,829
Commodity price risk contracts *(note 12c iii)*				
Gain on commodity contract settlement	**1,285**	1,452	**638**	559
Unrealized change in fair value of commodity contracts	**(137)**	262	**1,800**	2,949
	35,669	24,999	**103,401**	86,337
Expenses				
Production	**5,776**	4,812	**15,942**	14,764
Transportation	**3,129**	2,795	**9,224**	9,136
General and administrative	**1,521**	1,422	**3,925**	3,861
Finance *(note 11)*	**2,961**	2,627	**8,233**	7,794
Share-based compensation *(note 7)*	**723**	1,010	**2,171**	3,038
Abandonment expense	**171**	234	**171**	234
Depletion and depreciation *(note 2)*	**10,330**	8,756	**30,320**	27,744
	24,611	21,656	**69,986**	66,571
Income before tax	**11,058**	3,343	**33,415**	19,766
Deferred tax expense	**2,755**	1,049	**8,243**	5,311
Net income and total comprehensive income	$ **8,303**	$ 2,294	$ **25,172**	$ 14,455
Earnings per share *(note 8)*				
Basic	$ **0.08**	$ 0.02	$ **0.24**	$ 0.14
Diluted	$ **0.07**	$ 0.02	$ **0.22**	$ 0.13

		2026		2025
Share capital *(note 6)*				
Balance, beginning of period	$	**200,600**	$	197,013
Exercise of stock options		**–**		383
Fair value transferred on exercise of stock options		**–**		184
Fair value transferred on vesting of Restricted Share Units ("RSUs")		**3,640**		2,282
Balance, end of period		**204,240**		199,862
Contributed surplus				
Balance, beginning of period		**36,892**		34,658
Share-based compensation *(note 7)*		**2,646**		3,714
Fair value transferred on exercise of stock options		**–**		(184)
Fair value transferred on vesting of RSUs		**(3,640)**		(2,282)
Balance, end of period		**35,898**		35,906
Retained earnings				
Balance, beginning of period		**352,976**		337,957
Net income		**25,172**		14,455
Balance, end of period		**378,148**		352,412
Total shareholders' equity	$	**618,286**	$	588,180

	Three months ended September 30		Nine months ended September 30	
	2026	2025	**2026**	2025
Operating				
Net income for the period	$ **8,303**	2,294	$ **25,172**	$ 14,455
Add back non-cash items:				
Unrealized change in fair value of commodity contracts	**137**	(262)	**(1,800)**	(2,949)
Finance expense *(note 11)*	**2,961**	2,627	**8,233**	7,794
Share-based compensation *(note 7)*	**723**	1,010	**2,171**	3,038
Depletion and depreciation *(note 2)*	**10,330**	8,756	**30,320**	27,744
Deferred tax provision	**2,755**	1,049	**8,243**	5,311
Cash interest and finance costs paid *(note 11)*	**(2,149)**	(2,293)	**(6,393)**	(6,711)
Decommissioning costs incurred *(note 5)*	**(163)**	(357)	**(163)**	(357)
Change in non-cash working capital *(note 9)*	**(2,029)**	1,430	**103**	(451)
Net cash flow from operating activities	**20,868**	14,254	**65,886**	47,874
Financing				
Exercise of stock options	–	–	–	383
Bank debt advance (repayment) *(note 3)*	**837**	(1,077)	**(2,921)**	3,551
Lease obligation repayment *(note 4)*	**(299)**	(222)	**(849)**	(739)
Lease interest paid *(note 11)*	**(18)**	(18)	**(49)**	(67)
Repayment of other liabilities	–	–	**(134)**	(41)
Net cash flow (used in) from financing activities	**520**	(1,317)	**(3,953)**	3,087
Investing				
Additions to property and equipment *(note 2)*	**(22,747)**	(12,440)	**(67,960)**	(44,834)
Change in non-cash working capital *(note 9)*	**1,359**	(497)	**6,027**	(6,127)
Net cash flow used in investing activities	**(21,388)**	(12,937)	**(61,933)**	(50,961)
Change in cash	–	–	–	–
Cash, beginning of period	–	–	–	–
Cash, end of period	$ –	$ –	$ –	$ –

1. Basis of preparation and statement of compliance and authorization

Yangarra Resources Ltd. ("Yangarra" or the "Company") is a publicly-traded company involved in the production, exploration and development of resource properties in Western Canada. The address of the registered office is 1530, 715 – 5 Avenue SW, Calgary Alberta, T2P 2X6. These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Yangarra Resources Corp., Yangarra Production Partnership and Yangarra Holding Corp., after the elimination of intercompany transactions and balances

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. The consolidated financial statements were authorized for issuance by the Company's Board of Directors on October 29, 2026.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting on a basis consistent with the accounting, estimation and judgement policies described in the Company's audited consolidated financial statements as at and for the year ended December 31, 2025 (the "Annual Financial Statements"). These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, stock options and RSUs which are recognized at fair value. All financial information is reported in Canadian dollars, unless otherwise noted. Certain information and disclosures normally included in the notes to the Annual Financial Statements prepared in accordance with IFRS have been condensed or omitted. These condensed interim consolidated financial statements should be read in conjunction with the Annual Financial Statements.

2. Property and equipment

	Oil and Natural Gas Interests	*Well and Plant Equipment*	*Other Assets*	*Total*
Cost				
Balance, December 31, 2025	$ 989,432	$ 188,217	$ 23,946	$ 1,201,595
Cash additions	**58,448**	**8,819**	**693**	**67,960**
Share-based compensation *(note 7)*	**475**	**–**	**–**	**475**
Decommissioning liability *(note 5)*	**736**	**–**	**–**	**736**
ROU asset additions *(note 4)*	**–**	**–**	**928**	**928**
Balance, September 30, 2026	**$ 1,049,091**	**$ 197,036**	**$ 25,567**	**$ 1,271,694**
Depletion and depreciation				
Balance, December 31, 2025	$ 345,717	$ 30,249	$ 15,440	$ 391,406
Depletion and depreciation	**25,984**	**2,926**	**696**	**29,606**
ROU asset depreciation	**–**	**–**	**714**	**714**
Balance, September 30, 2026	**$ 371,701**	**$ 33,175**	**$ 16,850**	**$ 421,726**
At December 31, 2025	$ 643,715	$ 157,968	$ 8,506	$ 810,189
At September 30, 2026	**$ 677,390**	**$ 163,861**	**$ 8,717**	**$ 849,968**

2. Property and equipment (continued)

At September 30, 2026, all of the Company's properties are pledged as security for the bank debt (note 3). The calculation of depletion for the nine months ended September 30, 2026 included estimated future development costs of $392,806 (December 31, 2025 – $461,100) associated with the development of the Company's proved plus probable reserves.

Cash additions for the nine months ended September 30, 2026 include $992 (2025 – $644) of recoveries related to the Company's working interest in operated capital expenditure programs on which overhead has been charged in accordance with standard industry operating agreements.

Included in property and equipment at September 30, 2026 is $3,953 (December 31, 2025 – $3,739) of right-of-use ("ROU") assets associated with the Company's lease obligations.

3. Bank debt

As at September 30, 2026, the maximum amount available under the syndicated credit facility was $160,000 (December 31, 2025 – $140,000) comprised of a $140,000 (December 31, 2025 – $120,000) extendable revolving term credit facility and a $20,000 (December 31, 2025 – $20,000) operating facility. The amount available under these facilities is re-determined at least twice a year and is primarily based on the Company's oil and gas reserves, the syndicate of lending institutions' forecast commodity prices, the current economic environment and other factors as determined by the syndicate (the "Borrowing Base"). If the total advances made under the credit facilities are greater than the re-determined Borrowing Base, the Company has 60 days to repay any shortfall. The facilities last for a 364-day period and will be subject to the next 364-day extension by May 31, 2027. If not extended by May 31, 2027, the facilities will cease to revolve, and all outstanding balances will become repayable on May 31, 2028. The facilities are secured by a general security agreement over all assets of the Company.

Balance, December 31, 2025	$	127,666
Repayment		**(2,921)**
Accretion of debt transaction costs		**1,307**
Balance, September 30, 2026	$	**126,052**
Current		–
Non-current	$	**126,052**

As at September 30, 2026, the $126,052 (December 31, 2025 – $127,666) reported amount of bank debt was comprised of $8,095 (December 31, 2025 – $14,276) drawn on the operating facility and $120,000 (December 31, 2025 – $115,000) drawn on the revolving facility and net of unamortized transaction costs of $2,043 (December 31, 2025 – $1,610).

The Company is subject to a financial covenant requiring an adjusted working capital ratio above 1:1 (current assets plus the undrawn availability under the syndicated credit facility, divided by the current liabilities less the drawn portion excluding unrealized commodity contracts). The Company was in compliance with this covenant as at September 30, 2026 and December 31, 2025. The facilities are secured by a general security agreement over all assets of the Company. The Company is required to ensure that not less than 30% of the forecasted daily production for the next twelve-month period is hedged and subject to commodity swaps with a minimum of 15% of such forecasted production being subject to commodity swaps that are swaps only (as opposed to a combination of swaps, collars and/or puts/calls). The Company was in compliance with this covenant as at September 30, 2026 and December 31, 2025.

The total standby fees on the revolving facility range, depending on the debt to EBITDA ratio, between 200 bps to 400 bps on bank prime borrowings and between 300 bps and 500 bps on bankers' acceptances. The undrawn portion of the revolving facility is subject to a standby fee in the range of 75 bps to 125 bps.

During the nine months ended September 30, 2026, the weighted average effective interest rate for the bank debt was approximately 6.52% (nine months ended September 30, 2025 – 6.98%).

4. Lease obligations

The Company incurs lease payments related to the oil hauling fleet, operator/crew trucks and the head office. Leases are entered into and exited in coordination with specific business requirements which includes the assessment of the appropriate durations for the related leased asset.

Balance, December 31, 2025	$	3,039
Additions		**928**
Lease payments		**(849)**
Balance, September 30, 2026	$	**3,118**
Current		**1,098**
Non-current	$	**2,020**

Maturity analysis of carrying value		
Less than one year	$	**1,098**
One to five years		**2,020**
Total lease obligations	$	**3,118**

5. Decommissioning liability

The following table presents the reconciliation of the carrying amount of the liability associated with the decommissioning of the Company's property and equipment:

Balance, December 31, 2025	$	17,155
Liabilities incurred		**1,092**
Effect of change in estimates		**(356)**
Accretion		**484**
Costs incurred		**(163)**
Balance, September 30, 2026	$	**18,212**
Current		–
Non-current	$	**18,212**

As the Company met the Alberta Energy Regulator's mandatory spend target for 2026 during the nine months ended September 30, 2026, there is no current portion of decommissioning liability as at September 30, 2026.

The following significant assumptions were used to estimate the decommissioning liability:

Undiscounted cash flows	$	**24,600**
Discount rate		**2.74% - 4.30%**
Inflation rate		**2%**
Weighted average expected timing of cash flows		**4.25 years**

6. Share capital

Authorized:

Unlimited number of common shares, without nominal or par value. Unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares, both issuable in series.

Issued:

Common shares	*Number of shares*		*Amount*
Balance, December 31, 2025	102,129	$	200,600
Vested RSUs	**3,466**		**3,640**
Balance, September 30, 2026	**105,595**	**$**	**204,240**

7. Share-based compensation

During the nine months ended September 30, 2026, the Company issued 2,296 RSUs that vest equally over 3 years. The RSUs are exercisable in either cash or shares at the option of the Company. As it is the Company's intention to settle in shares, the RSUs are treated as share-based compensation with a fair value on the date of issue of $1.14 per RSU.

The following table provides a continuity of RSUs outstanding:

	Number of RSUs
Balance, December 31, 2025	8,088
Granted	**2,296**
Vested	**(3,466)**
Forfeited	**(14)**
Balance, September 30, 2026	**6,904**

The following table provides a continuity of stock options outstanding:

	Number of stock options	***Weighted – average exercise price***
Balance, December 31, 2025	216	$2.39
Cancelled	**(15)**	**(1.27)**
Balance, September 30, 2026	**201**	**$2.48**

The following provides a summary of stock options outstanding as at September 30, 2026, all of which are exercisable:

Range of exercise price	*Number outstanding*	*Weighted-average remaining contractual life (years)*	*Weighted-average exercise price*
$ 2.00 – $ 2.50	189	0.55	$ 2.45
$ 2.51 – $ 3.00	12	0.50	2.90
	201	0.55	$ 2.48

8. Earnings per common share

Basic earnings per share was calculated as follows:

	Three months ended September 30		Nine months ended September 30	
	2026	2025	**2026**	2025
Net income for the period	**$ 8,303**	$ 2,294	**$ 25,172**	$ 14,455
Weighted average number of shares (basic)				
Issued common shares at beginning of period	**105,595**	101,276	**102,129**	98,734
Effect of common shares issued in the period	**–**	–	**3,441**	2,305
Weighted average number of common shares - basic	**105,595**	101,276	**105,570**	101,039
Net income per share - basic	**$ 0.08**	$ 0.02	**$ 0.24**	$ 0.14

Diluted earnings per share was calculated as follows:

	Three months ended September 30		Nine months ended September 30	
	2026	2025	**2026**	2025
Weighted average number of shares (diluted)				
Weighted average number of shares (basic)	**105,595**	101,276	**105,570**	101,039
Effect of outstanding options	**–**	370	**–**	358
Effect of outstanding RSUs	**6,904**	8,090	**6,904**	8,090
Weighted average number of common shares - diluted	**112,499**	109,736	**112,474**	109,487
Net income per share - diluted	**$ 0.07**	$ 0.02	**$ 0.22**	$ 0.13

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock options and RSUs was based on quoted market prices for the period that the options and RSUs were outstanding. For the three months ended September 30, 2026, 201 (2025 – 217) options were excluded based on an average share price of $1.44 (2025 – $1.02) for the period. For the nine months ended September 30, 2026, 201 (2025 – 216) options were excluded based on an average share price of $1.31 (2025 – $1.00) for the period.

9. Change in non-cash working capital

	Three months ended September 30		Nine months ended September 30	
	2026	2025	**2026**	2025
Accounts receivable	**$ (3,026)**	$ 2,079	**$ (3,444)**	$ 4,611
Prepaid expenses and inventory	**(2,225)**	1,234	**(1,306)**	(1,156)
Accounts payable and accrued liabilities	**4,581**	(2,380)	**10,880**	(10,033)
	$ (670)	$ 933	**$ 6,130**	$ (6,578)

The change in non-cash working capital has been allocated to the following activities:

Operating	**$ (2,029)**	$ 1,430	**$ 103**	$ (451)
Investing	**1,359**	(497)	**6,027**	(6,127)
	$ (670)	$ 933	**$ 6,130**	$ (6,578)

10. Revenue

The Company derives its revenue from contracts with customers primarily through the sale of commodities at a point in time representing the following major product types:

	Three months ended September 30		Nine months ended September 30	
	2026	2025	**2026**	2025
Crude Oil	**$ 22,410**	$ 13,630	**$ 63,302**	$ 45,236
Natural Gas	**5,167**	2,506	**17,317**	16,174
Natural Gas Liquids	**9,902**	8,265	**29,532**	26,645
	$ 37,479	$ 24,401	**$ 110,151**	$ 88,055

At September 30, 2026, receivables from contracts with customers, which are included in accounts receivable, were $20,697 (December 31, 2025 – $16,508).

11. Finance expense

	Three months ended September 30		Nine months ended September 30	
	2026	2025	**2026**	2025
Cash interest and finance costs	**$ 2,149**	$ 2,293	**$ 6,393**	$ 6,711
Interest on lease obligations	**18**	18	**49**	67
Accretion of decommissioning liability *(note 5)*	**165**	177	**484**	460
Accretion of debt transaction costs *(note 3)*	**629**	133	**1,307**	538
Accretion of lease obligations	**–**	6	–	18
	$ 2,961	$ 2,627	**$ 8,233**	$ 7,794

12. Financial instruments and financial risk management

a. Accounts receivable and credit risk

Purchasers of the Company's natural gas and liquids are subject to credit review to minimize the risk of non-payment. As at September 30, 2026, the maximum credit exposure is the carrying amount of the accounts receivable of $35,192 (December 31, 2025 – $31,748). The maximum exposure to credit risk for accounts receivable by type of customer was:

	September 30, 2026	*December 31, 2025*
Natural gas and liquids marketers	**$ 16,694**	$ 9,941
Partners on joint operations	**9,360**	13,275
Other	**9,138**	8,532
	$ 35,192	$ 31,748

The Company historically has not experienced any significant collection issues with its natural gas and liquids marketers. The majority of the revenue accruals and receivables from natural gas and liquids marketers were received in October 2026.

12. Financial instruments and financial risk management (continued)

a. Accounts receivable and credit risk (continued)

The Company's receivables are aged as follows:

As at	***September 30, 2026***	*December 31, 2025*
Under 30 days	**$ 22,865**	$ 14,856
30 to 60 days	**128**	4,322
60 to 90 days	**173**	277
Over 90 days	**12,026**	12,293
	$ 35,192	$ 31,748

As at September 30, 2026, 99% (December 31, 2025 – 99%) of the over 90-day receivables are due from four (December 31, 2025 – four) industry partners, for which a significant portion of the balances are in dispute (note 14). The Company has performed an analysis of each partner's financial situation and has determined they have the ability to pay.

b. Liquidity risk

As at September 30, 2026, the contractual maturities of the Company's obligations are as follows:

	Carrying Amount	*Contractual Cash Flows*	*Less than 1 Year*	*1-2 Years*	*2-5 Years*
Accounts payable and accrued liabilities	$ 31,106	$ 31,106	$ 31,106	$ –	$ –
Bank debt (note 3)	126,052	128,095	–	128,095	–
Lease obligations (note 4)	3,118	3,324	1,098	892	1,334
Other liabilities	794	794	–	–	794
Commodity contracts	70	70	70	–	–
	$ 161,140	$ 163,389	$ 32,274	$ 128,987	$ 2,128

c. Market risk

The Company has exposure to the following market risks:

i. Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its bank debt which bears interest at a floating rate and to mitigate this risk, the Company may enter into interest rate contracts. For the nine months ended September 30, 2026, if interest rates had been 1% lower with all other variables held constant, net income would have been $931 (2025 – $864) higher, due to lower interest expense. An equal and opposite impact would have occurred had interest rates been higher by the same amount. The Company had no interest rate contracts in place as at September 30, 2026.

ii. Currency risk

Foreign currency exchange rate risk is the risk that the fair value or 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 denominated in Canadian dollars, however, the underlying market prices in Canada for petroleum and natural gas are impacted by changes in the exchange rate between the Canadian and United States dollar. The sensitivity of the fair value of a 10% change in foreign exchange rates would have an immaterial impact the consolidated statements of income and comprehensive income.

12. Financial instruments and financial risk management (continued)

iii. Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices.

As at September 30, 2026 the Company was committed to the following commodity price risk contracts:

Volume		Term	Reference	Type	Strike Price	Fair Value
Oil						
300	bbl/d	Oct 26	WTI-USD	Collar	USD $75.00 - $93.25	$ (16)
300	bbl/d	Oct 26	WTI-USD	Collar	USD $80.00 - $97.20	(4)
300	bbl/d	Nov 26	WTI-USD	Collar	USD $80.00 - $93.85	(10)
Natural Gas						
Q4 2026						
2,000	GJ/d	Oct 26	AECO - 7A	Swap	CAD $3.00	95
1,000	GJ/d	Oct 26	AECO - 7A	Swap	CAD $2.505	70
1,000	GJ/d	Oct 26	AECO - 7A	Swap	CAD $2.70	82
3,500	GJ/d	Oct 26	AECO - 7A	Swap	CAD $2.51	113
1,500	GJ/d	Oct 26 - Dec 26	AECO - 7A	Swap	CAD $3.05	168
1,500	GJ/d	Nov 26	AECO - 7A	Swap	CAD $2.92	47
2,000	GJ/d	Nov 26 - Dec 26	AECO - 7A	Swap	CAD $3.465	164
2,000	GJ/d	Nov 26 - Dec 26	AECO - 7A	Swap	CAD $3.55	174
2,000	GJ/d	Nov 26 - Dec 26	AECO - 7A	Swap	CAD $3.61	181
1,500	GJ/d	Dec 26	AECO - 7A	Swap	CAD $3.26	51
5,000	GJ/d	Oct 26 - Dec 26	AECO - 7A	Collar	CAD $2.00 - $4.40	129
2,000	GJ/d	Oct 26 - Dec 26	AECO - 7A	Collar	CAD $2.25 - $4.10	88
1,500	GJ/d	Oct 26 - Dec 26	AECO - 7A	Collar	CAD $2.00 - $3.85	38
500	GJ/d	Oct 26 - Dec 26	AECO - 7A	Collar	CAD $2.00 - $3.57	13
Q1 2027						
2,000	GJ/d	Jan 27 - Mar 27	AECO - 7A	Swap	CAD $3.465	247
2,000	GJ/d	Jan 27 - Mar 27	AECO - 7A	Swap	CAD $3.55	261
2,000	GJ/d	Jan 27 - Mar 27	AECO - 7A	Swap	CAD $3.61	272
3,000	GJ/d	Jan 27 - Mar 27	AECO - 7A	Swap	CAD $3.00	227
3,000	GJ/d	Jan 27 - Mar 27	AECO - 7A	Collar	CAD $2.25 - $4.35	84
3,000	mmbtu/d	Jan 27 - Mar 27	NYMEX	Collar	USD $3.25 - $6.50	148
3,000	mmbtu/d	Jan 27 - Mar 27	NYMEX	Collar	USD $3.25 - $7.83	163

12. Financial instruments and financial risk management (continued)

c. Market risk (continued)

Q2 2027						
3,000	GJ/d	Apr 27 - Jun 27	AECO - 7A	Swap	CAD $2.00	32
3,000	GJ/d	Apr 27 - Jun 27	AECO - 7A	Swap	CAD $2.00	32
3,000	mmbtu/d	Apr 27 - Jun 27	NYMEX	Swap	USD $2.93	95
3,000	GJ/d	Apr 27 - Jun 27	AECO - 7A	Collar	CAD $1.50 - $2.50	–
3,000	GJ/d	Apr 27 - Jun 27	AECO - 7A	Collar	CAD $1.50 - $2.37	(5)
3,000	mmbtu/d	Apr 27 - Jun 27	NYMEX	Collar	USD $2.50 - $3.43	45
Q3 2027						
3,000	mmbtu/d	Jul 27 - Sep 27	NYMEX	Swap	USD $3.12	17
3,000	mmbtu/d	Jul 27 - Sep 27	NYMEX	Swap	USD $3.13	21
3,000	GJ/d	Jul 27 - Sep 27	AECO - 7A	Swap	CAD $1.85	(13)
3,000	GJ/d	Jul 27 - Sep 27	AECO - 7A	Collar	CAD $1.00 - $2.45	(22)
3,000	mmbtu/d	Jul 27 - Sep 27	NYMEX	Collar	USD $2.50 - $3.98	2
3,000	mmbtu/d	Jul 27 - Sep 27	NYMEX	Collar	USD $2.50 - $3.95	–
Total						**$ 2,989**

As the Company had a limited valuation of derivatives in place as at September 30, 2026, the sensitivity of the fair value of a 10% volatility in commodity prices would have an immaterial impact on unrealized gains (losses) reported in the consolidated statements of income and comprehensive income.

d. Fair value of financial instruments

The following table summarizes the carrying value and fair value of the Company's risk management assets and liabilities.

		September 30, 2026		*December 31, 2025*	
	Measurement Level	***Carrying Amount***	***Fair Value***	*Carrying Amount*	*Fair Value*
Financial Assets					
Financial assets at fair value through profit or loss:					
Commodity contracts	2	**$ 3,059**	**$ 3,059**	$ 1,252	$ 1,252
Financial Liabilities					
Financial liabilities at fair value through profit or loss:					
Commodity contracts	2	**$ 70**	**$ 70**	$ 63	$ 63

13. Capital disclosures

The Company's objective when managing capital is to maintain a flexible capital structure which will allow it to execute its capital expenditure program, which includes expenditures in oil and gas activities which may or may not be successful. Therefore, the Company monitors the level of risk incurred in its capital expenditures to balance the proportion of debt and equity in its capital structure.

The Company considers its capital structure to include shareholders' equity and debt:

	September 30, 2026	*December 31, 2025*
Shareholders' equity	**$ 618,286**	$ 590,468
Bank debt	**$ 126,052**	$ 127,666

14. Contingency

In the normal conduct of operations, there are pending claims by and against the Company. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, the final determination of these other litigations will not materially affect the Company's financial position or results of operations.