MANAGEMENT'S DISCUSSION & ANALYSIS

H1 2025 in Review

Tamarack generated adjusted funds flow(1) of $423.2 million and free funds flow(1) of $223.8 million in the first half of 2025, driven by robust production of 68,986 boe per day and lower costs. The Company reduced net debt by $64.3 million and returned $136.9 million to shareholders in the form of dividends and share buybacks. Tamarack has now reduced the common share float by 10.3% since the commencement of the normal course issuer bid in the first quarter of 2024.

Tamarack continues to enhance operating netbacks(1) through improved price realizations and lower lifting costs. The Company is seeing strong reservoir response and decline mitigation on base production from ongoing Clearwater waterflood investments at Nipisi, Marten Hills and West Marten. Production growth has also been driven by outperformance in Charlie Lake with production rates at Pipestone and Wembley continuing to exceed expectations. Production outperformance, capital efficiencies and lower netback expenses realized through the strong execution and performance of Tamarack's first half operations and development programs have allowed Tamarack to increase production guidance by 3%, reduce base capital investment guidance by 7% and reduce operating (5%) and transport costs (3%) mid-point guidance for the full year.

About Tamarack Valley Energy Ltd.

Tamarack is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. The Company is currently developing two core projects in Northern Alberta – a Clearwater heavy oil position at Nipisi, Marten Hills and South Clearwater and a Charlie Lake light oil position at Valhalla, Wembley and Pipestone. The Company is incorporated and domiciled in Alberta, Canada with the head office located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. Tamarack is a publicly traded company on the Toronto Stock Exchange ("TSX") and is traded under the symbol "TVE".

As of December 31, 2024, the Company held over 680 sections of acreage across the Clearwater fairway with 134.5 million boe of total gross proved plus probable reserves(1). The Clearwater formations are characterized by strong economics supported by a low-cost structure, low production declines and multiple payouts on initial investment. The formation also responds to enhanced recovery. Tamarack produced over 46,000 boe per day of heavy oil and natural gas from the Clearwater in the second quarter of 2025.

Tamarack holds over 240 sections of Charlie Lake acreage with 70.8 million boe of total gross proved plus probable reserves(1) providing the Company with extensive light oil development opportunities through multi-well pad drilling with extended horizontal reach. The Charlie Lake formations are characterized by short payout periods and low break-even economics. The Company produced over 18,000 boe per day of oil and natural gas (68% liquids) from Charlie Lake in the second quarter of 2025.

Disclaimers

This Management's Discussion and Analysis ("MD&A") provides a review of the operations, financial results and outlook for Tamarack Valley Energy Ltd. ("Tamarack" or the "Company") for the three and six months ended June 30, 2025 and 2024. This MD&A is dated as at July 29, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2025 and 2024 ("Interim Financial Statements") and the audited consolidated financial statements for the years ended December 31, 2024 and 2023 ("Annual Financial Statements"). Additional information relating to Tamarack, including the Company's Annual Information Form for the year ended December 31, 2024, is available on SEDAR+ at www.sedarplus.ca and Tamarack's website at www.tamarackvalley.ca.

The Company uses certain Non-GAAP Financial Measures, Non-GAAP Financial Ratios, Capital Management Measures and Capital Management Ratios in this MD&A. Certain Supplemental Financial Measures are also presented on a per boe, per share or on a percentage basis. For additional information regarding these measures, refer to the "Advisories and guidance" section of this MD&A. Unless otherwise noted, all references to dollar amounts are in Canadian ("CAD") currency.

(1) Based upon the independent reserves evaluations conducted by McDaniel & Associates Consultants Ltd. ("McDaniel") and GLJ Ltd. ("GLJ"), as at December 31, 2024. Refer to "Advisories and guidance" for additional information about the independent reserves evaluations conducted by McDaniel and GLJ. Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Q2 2025 operational and financial highlights

June 30	Three months ended 2025	2024	% change	Six months ended 2025	2024	% change
($ thousands, except per share amounts)						
Oil and natural gas sales	**$ 408,267**	$ 461,479	(12)	**$ 852,555**	$ 854,815	-
Cash provided by operating activities	**189,579**	225,370	(16)	**377,132**	390,571	(3)
Per share – basic[1]	**0.38**	0.41	(7)	**0.74**	0.71	4
Per share – diluted[1]	**0.37**	0.41	(10)	**0.73**	0.71	3
Adjusted funds flow[1]	**197,037**	225,554	(13)	**423,183**	407,110	4
Per share – basic[1]	**0.39**	0.41	(5)	**0.83**	0.74	12
Per share – diluted[1]	**0.39**	0.41	(5)	**0.82**	0.74	11
Free funds flow[1]	**133,114**	137,194	(3)	**223,807**	189,005	18
Per share – basic[1]	**0.26**	0.25	4	**0.44**	0.34	29
Per share – diluted[1]	**0.26**	0.25	4	**0.44**	0.34	29
Net income	**86,237**	94,887	(9)	**150,495**	62,143	142
Per share – basic	**0.17**	0.17	-	**0.30**	0.11	173
Per share – diluted	**0.17**	0.17	-	**0.29**	0.11	164
Net debt[1]	**711,132**	882,669	(19)	**711,132**	882,669	(19)
Investments in oil and natural gas assets	**63,166**	86,341	(27)	**195,897**	214,562	(9)
Weighted average shares outstanding						
Basic	**503,447**	548,012	(8)	**509,346**	548,449	(7)
Diluted	**508,268**	551,763	(8)	**514,244**	551,880	(7)
Average daily production						
Heavy oil (bbls/d)	**42,004**	37,660	12	**41,198**	36,957	11
Light oil (bbls/d)	**14,149**	14,807	(4)	**14,177**	15,039	(6)
NGL (bbls/d)	**3,120**	2,533	23	**3,064**	2,229	37
Natural gas (mcf/d)	**65,922**	54,856	20	**63,284**	53,144	19
Total (boe/d)	**70,260**	64,143	10	**68,986**	63,082	9
Average sale prices						
Heavy oil ($/bbl)	**$ 73.58**	$ 88.23	(17)	**$ 78.19**	$ 82.41	(5)
Light oil ($/bbl)	**82.76**	106.24	(22)	**87.75**	96.23	(9)
NGL ($/bbl)	**29.97**	36.58	(18)	**32.49**	39.15	(17)
Natural gas ($/mcf)	**2.00**	1.51	32	**2.30**	2.20	5
Total ($/boe)	**63.85**	79.06	(19)	**68.28**	74.45	(8)
Benchmark pricing						
West Texas Intermediate (US$/bbl)	**63.74**	80.57	(21)	**67.58**	78.77	(14)
Western Canadian Select (WCS) (C$/bbl)	**73.96**	91.63	(19)	**79.13**	84.70	(7)
WCS differential (US$/bbl)	**10.27**	13.61	(25)	**11.47**	16.46	(30)
Edmonton Par (Cdn$/bbl)	**84.25**	105.28	(20)	**89.79**	98.72	(9)
Edmonton Par differential (US$/bbl)	**2.84**	3.63	(22)	**3.91**	6.14	(36)
Foreign Exchange (USD to CAD)	**1.38**	1.37	1	**1.41**	1.36	4
Operating netback ($/boe)						
Oil and natural gas sales	**63.85**	79.06	(19)	**68.28**	74.45	(8)
Royalty expenses	**(12.15)**	(14.67)	(17)	**(13.11)**	(14.08)	(7)
Net production expenses[1]	**(8.01)**	(9.84)	(19)	**(7.89)**	(9.95)	(21)
Transportation expenses	**(3.54)**	(3.93)	(10)	**(3.61)**	(4.05)	(11)
Operating field netback ($/boe)[1]	**40.15**	50.62	(21)	**43.67**	46.37	(6)
Realized commodity hedging gain (loss)	**0.11**	(0.67)	nm	**(0.79)**	(0.16)	394
Operating netback ($/boe)[1]	**$ 40.26**	$ 49.95	(19)	**$ 42.88**	$ 46.21	(7)
Adjusted funds flow ($/boe)[1]	**$ 30.82**	$ 38.64	(20)	**$ 33.89**	$ 35.46	(4)

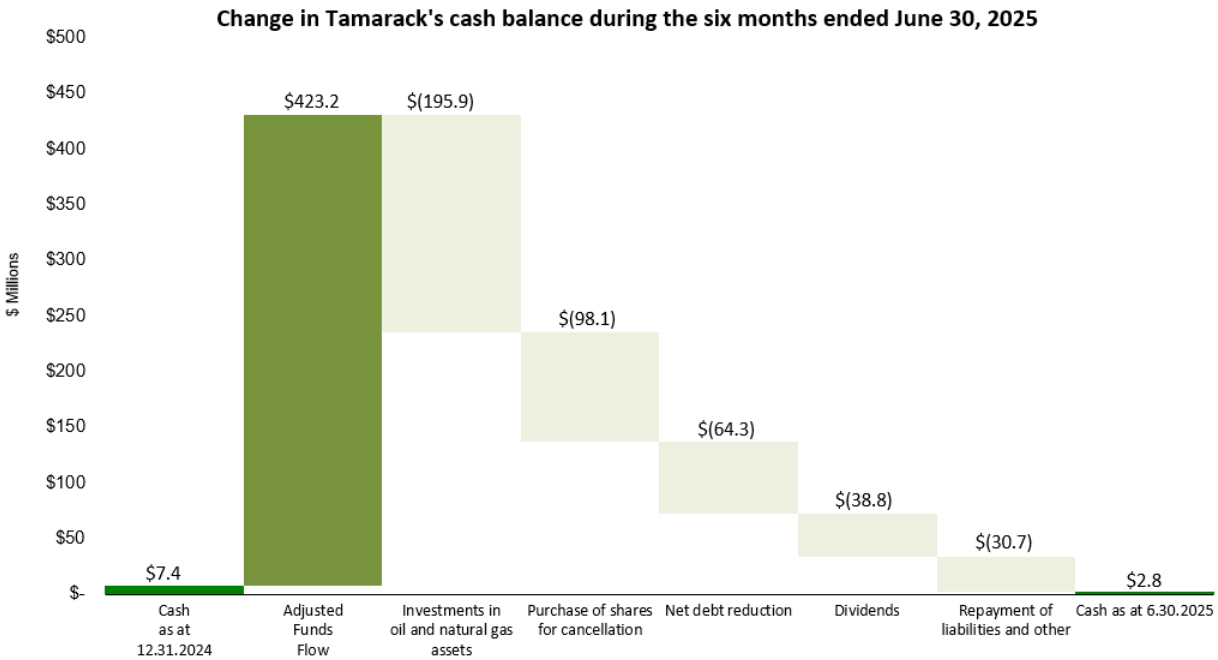
(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Highlights for the three and six months ended June 30, 2025

- **Production** – Corporate production in the second quarter of 2025 averaged 70,260 boe per day, reflecting a 10% increase compared to the second quarter of 2024, primarily due to ongoing drilling and development activities in the Clearwater and Charlie Lake areas. Production growth has been supported by strong reservoir response and decline mitigation on base production from ongoing waterflood investments in the Clearwater and new Charlie Lake drills at Pipestone and Wembley, which continue to exceed expectations. Tamarack expects to begin flowing Charlie Lake production volumes through the third-party CSV Albright Facility in the third quarter of 2025.
- **Price realizations** – In the second quarter of 2025, the Company's heavy oil price differential, net of transportation expenses(1) relative to the Western Canadian Select benchmark price, improved by 51% compared to the second quarter of 2024, from $7.94 per bbl down to $3.88 per bbl. Higher realizations were primarily due to higher product deliveries through a third-party Nipisi pipeline and blending terminal, optimized sales points for trucked heavy oil production and strong trading differentials from ongoing marketing initiatives.
- **Operating netbacks** – Operating netbacks(1) were $40.26 per boe in the second quarter of 2025, a 19% decline compared to $49.95 per boe during the same period in the prior year, primarily due to lower benchmark prices, partially offset by the improved price realizations and lower lifting costs.
- **Cash Flows** – Tamarack delivered cash provided by operating activities of $189.6 million and adjusted funds flow(1) of $197.0 million during the three months ended June 30, 2025, which represent declines of 16% and 13% over the same periods in 2024, primarily due to lower benchmark commodity prices, partially offset by production outperformance. Robust free funds flow(1) of $133.1 million recognized in the second quarter of 2025 was driven by capital efficiencies and the impact of quarter-over-quarter phasing of the Company's 2025 capital program. Year to date, Tamarack has generated free funds flow of $223.8 million, an 18% increase over the first half of 2024.
- **Capital investments** – Tamarack invested $63.2 million in the second quarter of 2025 and $195.9 million in the first half of 2025, primarily for ongoing development of the Clearwater. The Company drilled 19.0 net Clearwater heavy oil production wells and 11.0 water injection wells to support the ongoing expansion of the waterflood in the Clearwater area in the second quarter of 2025. Tamarack is planning to ramp up water injection rates by over 200% in 2025 from 10,000 bbl per day to over 30,000 bbl per day (year-over-year exit rates).
- **Return of capital** – During the three months ended June 30, 2025, the Company repurchased 10.1 million common shares for a total cost of $41.8 million under its normal course issuer bid program. Year to date, the Company has acquired 22.6 million common shares, or 4% of the common share float, for a total cost of $98.1 million. Together with declared dividends, Tamarack returned $136.9 million to shareholders in the first half of the year. The Company reduced net debt(1) by $64.3 million in H1 2025, down to $711.1 million, and continues to target $500 million of net debt(1) in 2027 (at a WTI price of US$65 per barrel).
- **Issuance of senior unsecured notes** – On July 25, 2025, the Company issued $325.0 million aggregate principal amount of 6.875% interest-bearing senior unsecured notes due on July 25, 2030 (the "2030 Notes"). The 2030 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. Net proceeds from the transaction at the date of closing were utilized primarily to repay amounts outstanding under the Credit Facility and redeem $100.0 million of the 2027 Notes (the "Financing Arrangement"). Following the closing of the Financing Arrangement, Tamarack held undrawn credit capacity of over $600 million.
- **Acquisition of Clearwater heavy oil assets** – On July 29, 2025, Tamarack acquired all of the issued and outstanding shares of a privately held third-party company for cash consideration of $51.5 million, prior to closing adjustments (the "Clearwater Acquisition"). As part of the acquisition, Tamarack obtained approximately 1,100 boe per day of Clearwater heavy oil and natural gas production and over 114 net sections of stacked Clearwater and other potential multi-zone mineral rights in the Nipisi, Marten Hills, Figure Lake and Seal asset areas near the Company's core holdings in the Clearwater.

  Tamarack continues to high-grade its asset portfolio, with the Clearwater Acquisition partially funded by proceeds from the recent divestiture of the Company's non-core oil and natural gas assets in the Southern Alberta Penny area. The synergistic tuck-in acquisition further enhances Tamarack's contiguous footprint across the Clearwater fairway, providing the Company with an expanded drilling inventory and additional potential waterflood opportunities at accretive metrics.

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios, Supplemental Financial Measures and Forward-looking statements.



Refer to "Advisories and guidance" for Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Annual guidance

2025 Outlook **For the year ended December 31, 2025**	**Revised guidance (July 29, 2025)**	**Guidance (Dec. 4, 2024)**	**% change**
Capital investments ($ millions)(1)	**400 - 420**	430 - 450	(7)
Annual average production (boe/d)	**67,000 - 69,000**	65,000 - 67,000	3
Average oil & NGL weighting (%)	**83 - 85**	83 - 85	-
Royalty rate (%)	**20 - 22**	20 - 22	-
Corporate wellhead price differential - Oil	**1.50 - 2.50**	1.50 - 2.50	-
Net production ($/boe)(2)	**8.00 - 8.50**	8.40 - 8.90	(5)
Transportation ($/boe)	**3.75 - 4.00**	3.75 - 4.25	(3)
General and administrative ($/boe)	**1.30 - 1.45**	1.30 - 1.45	-
Interest ($/boe)	**2.70 - 3.10**	2.90 - 3.30	(6)
Income taxes (% of Adjusted Funds flow(2) before tax)	**10 - 12**	10 - 12	-

(1) Amounts exclude asset retirement obligations, acquisitions and dispositions.
(2) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios, Supplemental Financial Measures and Forward-looking statements.

Tamarack has raised its production guidance by 3% for 2025, reflecting a 6% growth in corporate production year-over-year. Tamarack continues to exceed production expectations driven by strong base volumes and lower declines from positive waterflood response in the Clearwater and production outperformance from new wells at Charlie Lake. Full year production guidance reflects the impact of planned turnarounds expected during the third quarter of 2025. Commissioning of the third-party CSV Albright gas processing facility is anticipated in the third quarter of 2025 and is expected to improve Tamarack's field egress capacity from Charlie Lake and support the Company's ongoing development of that area in the near term.

The Company has reduced capital investment guidance by 7% for 2025, primarily due to ongoing capital efficiencies from expanded multi-well-pad development schemes and solid run times, including additional scope being added to the program for further waterflood expansion in the Clearwater. Strong execution of the 2025 capital investment program, together with net proceeds from the Penny asset divestiture, has allowed Tamarack to remain on track with its previous net debt(2) target of $500 million in 2027 following the Clearwater Acquisition (at a WTI price of US$65 per barrel).

Net production expense guidance was reduced by 5% for the full year, primarily due to continued improvements to the Company's lifting costs as a result of field infrastructure investments, waterflood reinjection, carbon abatement initiatives, higher production and improved run times. Net production expenses also declined from non-core property dispositions in the first half of 2025, which carried higher operating costs on a per barrel basis relative to Tamarack's corporate averages on retained assets. Transportation expense guidance was narrowed for the full year, reflecting the ongoing impact of infrastructure investments and reduced trucking activities. The Company has reduced interest expense guidance by 6% for 2025, primarily due to lower variable interest rates and overall lower net debt.

Tamarack remains well positioned with over $600 million of available credit capacity following the closing of the Financing Arrangement and Clearwater Acquisition in July. Despite recent volatility in benchmark commodity prices, at current strip prices (approximately US$65 per bbl WTI), the Company expects to generate free funds flows that exceed the Company's original budget at US$70 per bbl WTI, primarily due to improved heavy oil price differentials, lower lifting costs, production outperformance and improved capital efficiencies. With low breakeven economics on the Company's core plays and a disciplined hedging program, Tamarack expects to generate significant free cash flows in 2025. Tamarack continues to view share repurchases as an attractive option and intends to utilize the majority of any free funds flow generated from the business to return capital to shareholders and reduce net debt.

Production

	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Heavy oil (bbls/d)	**42,004**	37,660	12	**41,198**	36,957	11
Light oil (bbls/d)	**14,149**	14,807	(4)	**14,177**	15,039	(6)
Natural gas liquids (bbls/d)	**3,120**	2,533	23	**3,064**	2,229	37
Natural gas (mcf/d)	**65,922**	54,856	20	**63,284**	53,144	19
Total (boe/d)	**70,260**	64,143	10	**68,986**	63,082	9
Total (boe)	**6,393,643**	5,837,006	10	**12,486,440**	11,481,039	9
Percentage of oil and NGLs	**84%**	86%	(2)	**85%**	86%	(1)

Tamarack's production during the three and six months ended June 30, 2025 increased by 10% and 9%, respectively, compared to the same periods in 2024, primarily due to ongoing drilling and development programs in the Clearwater and Charlie Lake areas. The Company continues to see strong reservoir response and decline mitigation on base production from ongoing waterflood investments in the Clearwater. Tamarack exited the second quarter of 2025 injecting over 18,000 bbl per day of source and recycled water in the Clearwater area, with plans to increase injection rates to over 30,000 bbl per day by the end of the year, reflecting a 200% increase over 2024 exit injection rates. Production growth was also driven by production on Charlie Lake drills at Pipestone and Wembley, which continue to exceed expectations.

Benchmark prices

	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
West Texas Intermediate (WTI) (US$/bbl)	**$ 63.74**	$ 80.57	(21)	**$ 67.58**	$ 78.77	(14)
Western Canadian Select (WCS) (CAD/bbl)	**73.96**	91.63	(19)	**79.13**	84.70	(7)
WCS differential, relative to WTI (US$/bbl)	**10.27**	13.61	(25)	**11.47**	16.46	(30)
Edmonton Par (light sweet) (CAD/bbl)	**84.25**	105.28	(20)	**89.79**	98.72	(9)
Edmonton Par differential to WTI (US$/bbl)	**2.84**	3.63	(22)	**3.91**	6.14	(36)
NYMEX monthly settlement (US$/mmbtu)	**3.44**	1.89	82	**3.55**	2.07	71
AECO monthly index (CAD/mcf)	**$ 2.06**	$ 1.43	44	**$ 2.04**	$ 1.74	17
Foreign exchange (USD to CAD)	**1.38**	1.37	1	**1.41**	1.36	4

The price of WTI for crude oil sales at Cushing, Oklahoma is the primary benchmark for crude oil pricing in North America. The differential price between Western Canadian crude and WTI is impacted by multiple factors, including domestic production, inventory levels, pipeline capacity, US refinery intake capacity, trade policies and storage constraints in Canada. The price that Tamarack receives for the sale of its crude oil is discounted for delivery points in Alberta and adjusted for quality based on the actual density of the oil relative to the quoted benchmark.

During the three and six months ended June 30, 2025, the WTI benchmark decreased by 21% and 14%, respectively, compared to the same periods in 2024. WTI benchmark price volatility in the first half of the year was primarily driven by the ongoing threat of changes to U.S. foreign trading policies, global conflicts and growth in global oil supply from OPEC+ and non-OPEC+ producing nations.

The WCS differential strengthened by 25% and 30% in the three and six months ended June 30, 2025, compared to the same periods in 2024, primarily due to enhanced egress out of the Western Canadian Sedimentary Basin provided by the TMX pipeline, which came online in the second quarter of 2024. Sanctions imposed by the U.S government on heavy oil producing countries and lower heavy oil inventories in both Canada and the U.S. also drove narrower differentials in the first half of 2025.

The Edmonton Par differential strengthened by 22% and 36% during the three and six months ended June 30, 2025, relative to the comparative periods, largely driven by an overall decline of light oil supply out of the basin.

Oil and natural gas sales

($ thousands, except per unit)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Heavy oil	**$ 281,232**	$ 302,371	(7)	**$ 583,014**	$ 554,302	5
Light oil	**106,556**	143,152	(26)	**225,171**	263,375	(15)
Natural gas	**11,970**	7,525	59	**26,353**	21,253	24
Natural gas liquids	**8,509**	8,431	1	**18,017**	15,885	13
Oil and natural gas sales	**$ 408,267**	$ 461,479	(12)	**$ 852,555**	$ 854,815	-
Heavy oil ($/bbl)	**$ 73.58**	$ 88.23	(17)	**$ 78.19**	$ 82.41	(5)
Light oil ($/bbl)	**82.76**	106.24	(22)	**87.75**	96.23	(9)
Natural gas ($/mcf)	**2.00**	1.51	32	**2.30**	2.20	5
Natural gas liquids ($/bbl)	**29.97**	36.58	(18)	**32.49**	39.15	(17)
Oil and natural gas sales ($/boe)	**$ 63.85**	$ 79.06	(19)	**$ 68.28**	$ 74.45	(8)

For the three months ended June 30, 2025, revenues decreased by $53.2 million compared to the same period in 2024 due to $97.2 million from lower realized pricing, partially offset by $44.0 million from higher production. For the first half of 2025, revenues remained relatively consistent due to lower realized pricing of $77.0 million being mostly offset by $74.7 million from higher production. The Company's realized sales per boe declined by 19% and 8% for the three and six months ended June 30, 2025, respectively, compared to the same periods in the prior year, largely due to lower WTI benchmark prices, particularly in the second quarter. Tamarack's realized sales prices for the three months ended June 30, 2025 were improved by lower USD to CAD foreign exchange rates. The following tables summarize the Company's wellhead price realizations relative to quoted benchmark prices:

Heavy oil wellhead price realization ($/bbl)	Three months ended			Six months ended		
June 30(1)	**2025**	2024	% change	**2025**	2024	% change
WCS benchmark price	**$ 73.96**	$ 91.63	(19)	**$ 79.13**	$ 84.70	(7)
Less: Tamarack's heavy oil realized price	**(73.58)**	(88.23)	(17)	**(78.19)**	(82.41)	(5)
Heavy oil wellhead price differential	**$ 0.38**	$ 3.40	(89)	**$ 0.94**	$ 2.29	(59)
Add: Transportation expenses - heavy oil	**3.50**	4.54	(23)	**3.54**	4.55	(22)
Heavy oil diff., incl. transportation expenses	**$ 3.88**	$ 7.94	(51)	**$ 4.48**	$ 6.84	(35)

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

During the three and six months ended June 30, 2025, the Company's heavy oil differential, including transportation expenses, improved by 51% and 35%, respectively, compared to the same periods in 2024, reflecting the impact of higher product deliveries through a third-party Nipisi pipeline and blending terminal, optimized sales points for trucked heavy oil production, strong trading differentials and prices received from sales of the Company's CHV and CWH products.

Light oil wellhead price realization ($/bbl)	Three months ended			Six months ended		
June 30(1)	**2025**	2024	% change	**2025**	2024	% change
Edmonton Par benchmark price	**$ 84.25**	$ 105.28	(20)	**$ 89.79**	$ 98.72	(9)
Less: Tamarack's light oil realized price	**(82.76)**	(106.24)	(22)	**(87.75)**	(96.23)	(9)
Light oil wellhead price differential	**1.49**	(0.96)	(255)	**2.04**	2.49	(18)
Add: Transportation expenses - light oil	**4.66**	3.65	28	**4.80**	3.97	21
Light oil diff., incl. transportation expenses	**$ 6.15**	$ 2.69	129	**$ 6.84**	$ 6.46	6

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

During the three and six months ended June 30, 2025, the Company's light oil differential, including transportation expenses, increased by 129% and 6%, respectively, compared to the same periods in the prior year, primarily due to non-recurring pipeline adjustments driving the low differential in the second quarter of 2024. Tamarack's realized prices were also impacted by higher light oil transportation expenses for the three and six months ended June 30, 2025, compared to the same periods in the prior year, as a result of higher pipeline tariffs and third-party pipeline service interruptions in May 2025.

Risk management

($ thousands, except per boe)	Three months ended		Six months ended	
June 30	**2025**	2024	**2025**	2024
Realized gain (loss)	**$ 688**	$ (3,907)	**$ (9,897)**	$ (1,827)
Unrealized gain (loss)	**39,425**	21,381	**21,070**	(34,209)
Total risk management contracts	**$ 40,113**	$ 17,474	**$ 11,173**	$ (36,036)
Realized gain (loss) ($/boe)	**$ 0.11**	$ (0.67)	**$ (0.79)**	$ (0.16)

Risk management gains recognized for the three months ended June 30, 2025 were primarily due to declines in benchmark oil prices, relative to the Company's fixed contract positions. Year to date, risk management gains were primarily due to the declines in benchmark oil prices in the second quarter of 2025, partially offset by realized losses in the first quarter of 2025 driven by improved differentials and lower USD to CAD foreign exchange rates. As at June 30, 2025, Tamarack's outstanding commodity risk management contracts had a net asset value of $5.4 million (Dec. 31, 2024 – $15.7 million net liability).

Royalties

($ thousands, except per boe)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Total royalty expenses	**$ 77,690**	$ 85,650	(9)	**$ 163,687**	$ 161,619	1
Total ($/boe)	**12.15**	14.67	(17)	**13.11**	14.08	(7)
Percentage of sales (%)	**19**	19	-	**19**	19	-

For the three and six months ended June 30, 2025, royalty expenses averaged 19% of oil and natural gas sales. Royalty expenses per boe decreased by 17% and 7%, respectively, compared to the same periods in 2024, primarily due to lower realized prices, particularly in the second quarter.

Net production expenses

($ thousands, except per boe)	Three months ended			Six months ended		
June 30[(1)]	**2025**	2024	% change	**2025**	2024	% change
Production expenses	**$ 51,485**	$ 58,080	(11)	**$ 99,361**	$ 116,545	(15)
Less: processing income	**(273)**	(617)	(56)	**(858)**	(2,318)	(63)
Total net production expenses	**$ 51,212**	$ 57,463	(11)	**$ 98,503**	$ 114,227	(14)
Total ($/boe)	**$ 8.01**	$ 9.84	(19)	**$ 7.89**	$ 9.95	(21)

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

For the three and six months ended June 30, 2025, net production expenses per boe decreased 19% and 21%, respectively, compared to the same periods in 2024, primarily due to field infrastructure investments, lower trucking costs from waterflood reinjection, lower energy costs, in-field pipeline connections, carbon abatement initiatives, higher production and improved run times. Net production expenses also declined due to non-core property dispositions in 2025, which carried higher operating costs on a per barrel basis relative to Tamarack's corporate averages on retained assets.

Transportation expenses

($ thousands, except per boe)	Three months ended			Six months ended		
June 30[(1)]	**2025**	2024	% change	**2025**	2024	% change
Transportation expense - oil	**$ 19,368**	$ 20,478	(5)	**$ 38,741**	$ 41,484	(7)
Transportation expense - gas	**3,250**	2,455	32	**6,309**	5,026	26
Total transportation expenses	**$ 22,618**	$ 22,933	(1)	**$ 45,050**	$ 46,510	(3)
Total ($/boe)	**$ 3.54**	$ 3.93	(10)	**$ 3.61**	$ 4.05	(11)

(1) Pipeline tariffs are generally classified as transportation expenses when the Company has firm commitments or contractual arrangements on the pipeline. Pipeline tariffs may also be included indirectly as a deduction from the base price paid by a purchaser of Tamarack's oil, NGL and gas sales. In the latter case, the tariffs are reflected as a reduction of revenue.

For the three and six months ended June 30, 2025, transportation expenses per boe decreased by 10% and 11%, respectively, compared to the same periods in 2024, primarily due to lower oil transportation expenses as a result of the Company's third-party Nipisi oil pipeline contract that commenced in the second quarter of 2024, field pipeline infrastructure investments and reduced trucking activities. Gross gas transportation expenses increased for the three and six months ended June 30, 2025, compared to the same periods in 2024, primarily due to higher production.

Operating netback

($ thousands)	Three months ended			Six months ended		
June 30[(1)]	**2025**	2024	% change	**2025**	2024	% change
Oil and natural gas sales	**$ 408,267**	$ 461,479	(12)	**$ 852,555**	$ 854,815	-
Royalty expenses	**(77,690)**	(85,650)	(9)	**(163,687)**	(161,619)	1
Net production expenses	**(51,212)**	(57,463)	(11)	**(98,503)**	(114,227)	(14)
Transportation expenses	**(22,618)**	(22,933)	(1)	**(45,050)**	(46,510)	(3)
Operating field netback	**$ 256,747**	$ 295,433	(13)	**$ 545,315**	$ 532,459	2
Realized hedging gain (loss)	**688**	(3,907)	nm	**(9,897)**	(1,827)	442
Operating netback	**$ 257,435**	$ 291,526	(12)	**$ 535,418**	$ 530,632	1

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

($/boe)	Three months ended			Six months ended		
June 30[(1)]	**2025**	2024	% change	**2025**	2024	% change
Oil and natural gas sales	**$ 63.85**	$ 79.06	(19)	**$ 68.28**	$ 74.45	(8)
Royalty expenses	**(12.15)**	(14.67)	(17)	**(13.11)**	(14.08)	(7)
Net production expenses	**(8.01)**	(9.84)	(19)	**(7.89)**	(9.95)	(21)
Transportation expenses	**(3.54)**	(3.93)	(10)	**(3.61)**	(4.05)	(11)
Operating field netback	**$ 40.15**	$ 50.62	(21)	**$ 43.67**	$ 46.37	(6)
Realized hedging gain (loss)	**0.11**	(0.67)	nm	**(0.79)**	(0.16)	394
Operating netback	**$ 40.26**	$ 49.95	(19)	**$ 42.88**	$ 46.21	(7)

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

For the three and six months ended June 30, 2025, the operating netback per boe decreased by 19% and 7%, respectively, compared to the same periods in 2024, primarily due to lower benchmark oil prices, particularly in the second quarter. The pricing declines were partially offset by lower net production, transportation and royalty expenses and higher production.

General and administrative ("G&A") expenses

($ thousands, except per boe)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
G&A costs	**$ 12,309**	$ 11,392	8	**$ 24,594**	$ 23,711	4
Less: capitalized costs and recoveries	**(3,541)**	(3,363)	5	**(7,249)**	(6,715)	8
G&A expenses	**$ 8,768**	$ 8,029	9	**$ 17,345**	$ 16,996	2
Total ($/boe)	**$ 1.37**	$ 1.38	(1)	**$ 1.39**	$ 1.48	(6)

For the six months ended June 30, 2025, G&A costs per boe decreased by 6% compared to the same period in 2024, primarily due to higher production.

Stock-based compensation expense

($ thousands, except per boe)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Stock-based compensation costs	**$ 6,894**	$ 4,089	69	**$ 11,251**	$ 10,638	6
Less: capitalized costs	**(875)**	(608)	44	**(2,451)**	(2,615)	(6)
Stock-based compensation expense	**$ 6,019**	$ 3,481	73	**$ 8,800**	$ 8,023	10
Total ($/boe)	**$ 0.94**	$ 0.60	57	**$ 0.70**	$ 0.70	-

For the three months ended June 30, 2025, stock-based compensation expense per boe increased by 57% compared to the same period in 2024, primarily due to an increase in Tamarack's share price during the period.

Finance expense

($ thousands, except per boe)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Credit Facility	**$ 6,025**	$ 12,295	(51)	**$ 12,631**	$ 24,481	(48)
Senior Notes	**5,425**	5,393	1	**10,788**	10,816	-
Clearwater infrastructure liability and other	**4,881**	3,865	26	**9,577**	8,409	14
Interest expense	**$ 16,331**	$ 21,553	(24)	**$ 32,996**	$ 43,706	(25)
Deferred borrowing costs and loan accretion	**2,943**	1,786	65	**5,470**	3,875	41
Accretion of asset retirement obligations	**1,612**	1,400	15	**3,232**	3,072	5
Finance expense	**$ 20,886**	$ 24,739	(16)	**$ 41,698**	$ 50,653	(18)
Total interest expense ($/boe)	**$ 2.55**	$ 3.69	(31)	**$ 2.64**	$ 3.81	(31)

For the three and six months ended June 30, 2025, interest expense decreased by 24% and 25%, respectively, compared to the same periods in the prior year, primarily due to the lower average balances of the Credit Facility, repayment of the DAP Notes in the first half of 2024 and lower interest rates on bank debt following rate cuts by the central bank since June 2024. This decline was partially offset by higher interest expense recognized on the Clearwater infrastructure liability following the expansion of the partnership during the third quarter of 2024.

Income taxes

($ thousands)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Current income tax expense	**$ 26,655**	$ 30,443	(12)	**$ 52,198**	$ 54,668	(5)
Deferred income tax expense (recovery)	**1,772**	(7,782)	nm	**(693)**	(43,588)	(98)
Total income tax expense	**$ 28,427**	$ 22,661	25	**$ 51,505**	$ 11,080	365
Statutory tax rate	**23%**	23%	-	**23%**	23%	-
Effective tax rate	**25%**	19%	32	**25%**	15%	67

During the three months ended June 30, 2025, total income tax increased by 25%, compared to the second quarter of 2024, primarily due to deferred income taxes on unrealized derivative gains, partially offset by lower operating netbacks. The increase in total income tax during the six months ended June 30, 2025, compared to the same period in the prior year, was primarily due to losses on dispositions and unrealized derivative losses recognized in the first half of 2024.

Depletion and depreciation (“D&D”)

($ thousands, except per boe)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Depletion and depreciation	**$ 143,661**	$ 148,630	(3)	**$ 283,980**	$ 296,831	(4)
Total ($/boe)	**$ 22.47**	$ 25.46	(12)	**$ 22.74**	$ 25.85	(12)

For the three and six months ended June 30, 2025, D&D expense per boe decreased by 12% compared with the same periods in the prior year, primarily due to higher reserves added from ongoing drilling, development and waterflood activities in the Clearwater area and lower relative future development costs from improved capital efficiencies. Gross D&D expense for the three and six months ended June 30, 2025 declined primarily due to the lower depletion rates, partially offset by higher production.

Adjusted funds flow and net income

($ thousands, except per share amounts)	Three months ended			Six months ended		
June 30[(1)]	**2025**	2024	% change	**2025**	2024	% change
Cash provided by operating activities	**$ 189,579**	$ 225,370	(16)	**$ 377,132**	$ 390,571	(3)
Settlement of asset retirement obligations	**757**	2,019	(63)	**3,479**	3,543	(2)
Changes in non-cash working capital	**6,701**	(1,835)	nm	**42,572**	12,996	228
Adjusted funds flow	**$ 197,037**	$ 225,554	(13)	**423,183**	407,110	4
Per share - basic	**0.39**	0.41	(5)	**0.83**	0.74	12
Per share - diluted	**0.39**	0.41	(5)	**0.82**	0.74	11
Net income	**$ 86,237**	$ 94,887	(9)	**$ 150,495**	$ 62,143	142
Per share - basic	**0.17**	0.17	-	**0.30**	0.11	173
Per share - diluted	**0.17**	0.17	-	**0.29**	0.11	164

(1) Refer to "Advisories and guidance” for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Adjusted funds flow in the second quarter of 2025 decreased by 13% compared to the second quarter of 2024, primarily due to lower operating netbacks. Adjusted funds flow increased by 4% for the six months ended June 30, 2025, compared to the same period in the prior year, primarily due to higher operating netbacks in the first quarter of 2025 and higher production and lower financing expenses throughout the first half of the year. Cash provided by operating activities for the three and six months ended June 30, 2025 decreased by 16% and 3%, respectively, primarily due to the changes in adjusted funds flow and non-cash working capital from the settlement of income tax instalments.

Net income for the three months ended June 30, 2025 declined by 9% compared to the same period in 2024, primarily due to lower adjusted funds flow. For the six months ended June 30, 2025, the increase in net income was primarily due to losses on dispositions and unrealized derivative losses recognized in the first half of 2024. Year to date, improvements in cash provided by operating activities, adjusted funds flow and net income on a per share basis were bolstered by a lower average number of common shares outstanding as a result of the Company’s ongoing share buybacks in 2024 and the first half of 2025.

Investments in oil and natural gas assets

($ thousands)	Three months ended			Six months ended		
June 30	**2025**	2024	% change	**2025**	2024	% change
Drilling, completion and equipping	**$ 49,284**	$ 46,588	6	**$ 155,442**	$ 143,118	9
Facilities	**11,455**	31,183	(63)	**32,728**	58,558	(44)
Land, seismic and other	**2,427**	8,570	(72)	**7,727**	12,886	(40)
Investments in oil and natural gas assets	**$ 63,166**	86,341	(27)	**$ 195,897**	214,562	(9)
Dispositions	**(23,254)**	(80)	nm	**(23,369)**	1,717	nm

The following table summarizes the number of net wells drilled during the three and six months ended June 30, 2025 and 2024:

	Three months ended		Six months ended	
June 30	**2025**	2024	**2025**	2024
Clearwater horizontal heavy oil wells	**19.0**	10.8	**46.3**	43.7
Charlie Lake horizontal light oil wells	**-**	-	**5.8**	4.4
Injection wells and other	**11.0**	3.0	**14.0**	4.0
	30.0	13.8	**66.1**	52.1

Capital investments in the first half of 2025 included the ongoing waterflood expansion activities in the Clearwater. Capital investments declined in the second quarter of 2025 primarily due to the timing impact of quarter-over-quarter phasing of the Company's 2025 capital program. The Company also invested $7.7 million to acquire mineral rights in the Clearwater during the six months ended June 30, 2025.

Dispositions

On December 17, 2024, Tamarack entered into a purchase and sale agreement for the disposition of substantially all of the non-core oil and natural gas assets in the Southern Alberta Penny CGU for gross cash proceeds of $28.0 million before closing adjustments. As at December 31, 2024, the assets and corresponding liabilities were presented as held for sale at their anticipated fair value less costs to sell, which resulted in an impairment loss of $38.1 million. As part of the sale, Tamarack's asset retirement obligations were reduced by $14.5 million. The transaction was completed on May 21, 2025.

Liquidity and capital resources

Tamarack actively manages capital and liquidity risk through the continuous monitoring of asset performance, forecasting anticipated future cash flows in conjunction with the design of the annual capital investment programs, maintaining available credit under bank facilities, managing debt maturity dates, hedging a portion of the Company's production, judiciously assessing new capital investment, acquisition or divestment opportunities and the pursuit of new liquidity, if necessary.

The Company continues to prioritize shareholder returns and net debt reduction with free funds flow generated by the business. Tamarack believes that available credit and net proceeds from bond refinancing activities, together with future anticipated adjusted funds flow and proceeds from dispositions, will be sufficient to fund Tamarack's planned 2025 capital development programs, acquisitions, dividends and any share repurchases.

The following table summarizes free funds flow for the three and six months ended June 30, 2025:

($ thousands)	Three months ended		Six months ended	
June 30[(1)]	**2025**	2024	**2025**	2024
Adjusted funds flow	**$ 197,037**	$ 225,554	**$ 423,183**	$ 407,110
Investments in oil and natural gas assets	**(63,166)**	(86,341)	**(195,897)**	(214,562)
Settlement of asset retirement obligations	**(757)**	(2,019)	**(3,479)**	(3,543)
Free funds flow	**$ 133,114**	$ 137,194	**$ 223,807**	$ 189,005

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Shareholder returns

Period ended	Cumulative dividend per common share	Total dividends distributed	Shares retired through NCIB (thousands)	Total NCIB repurchases	Total shareholder distributions
December 31, 2022	$ 0.1165	**$ 55,268**	-	**$ -**	$ 55,268
December 31, 2023	0.1500	**83,521**	-	**-**	83,521
December 31, 2024	0.1502	**81,474**	33,889	**135,352**	216,826
June 30, 2025	$ 0.0765	**38,799**	22,638	**98,133**	136,932
Total		**$ 259,062**	56,527	**$ 233,485**	$ 492,547

Tamarack continues to distribute a monthly base dividend of $0.01275 per common share, which was increased from $0.0125 per common share in November 2024. In January 2025, the Company renewed its normal course issuer bid, allowing Tamarack to purchase up to 51.3 million common shares of the Company until January 18, 2026. The Company had previously received approval in 2024 to purchase up to 54.6 million common shares until January 18, 2025.

During the six months ended June 30, 2025, the Company purchased and cancelled 22.6 million common shares at an average price of $4.25 per common share, for a total repurchase cost of $98.1 million, including $1.9 million of federal taxes. Subsequent to the second quarter of 2025, Tamarack declared cash dividends of $0.01275 per share on July 15, 2025 and as of July 28, 2025, had repurchased 1.8 million common shares for $9.0 million.

Net debt

($ thousands)[1]		June 30, 2025		December 31, 2024		June 30, 2024
Cash	$	(2,755)	$	(7,391)	$	(11,155)
Accounts receivable		(137,221)		(139,223)		(153,498)
Prepaid expenses and deposits		(28,082)		(11,186)		(9,818)
Cross currency swap liability (asset)		2,444		(4,159)		2,589
Assets held for sale, net		-		(23,231)		-
Accounts payable and accrued liabilities		137,735		199,808		150,205
Working capital deficiency (surplus)		(27,879)		14,618		(21,677)
Debt		717,395		738,123		877,802
Government loans and other		21,616		22,697		26,544
Net debt	$	711,132	$	775,438	$	882,669
Current quarter adjusted funds flow	$	197,037	$	223,431	$	225,554
Annualized factor		4		4		4
Annualized adjusted funds flow	$	788,148	$	893,724	$	902,216
Net debt to annualized adjusted funds flow		0.9 x		0.9 x		1.0 x

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Tamarack utilizes adjusted funds flow and net debt as capital management measures to assess financial performance and liquidity. As at June 30, 2025, the ratio of net debt to annualized second quarter adjusted funds flow was 0.9 (Dec. 31, 2024 – 0.9).

Debt instruments

		Credit Facility		2027 Notes		Total
Balance at December 31, 2024	$	444,800	$	293,323	$	738,123
Repayment of debt instruments, net		(18,340)		-		(18,340)
Unrealized foreign exchange gain		(6,089)		-		(6,089)
Amortization of deferred borrowing costs		2,287		1,414		3,701
Balance at June 30, 2025	$	422,658	$	294,737	$	717,395

As at June 30, 2025, Tamarack had access to a covenant-based $875.0 million revolving lending facility (the “Credit Facility”). The Credit Facility also has an uncommitted accordion feature that provides the Company with the ability to access an incremental $125.0 million of secured debt, subject to certain conditions, including approvals from the lending syndicate. During the second quarter of 2025, the Credit Facility was amended primarily to extend the maturity date by one year to April 30, 2028. As at June 30, 2025, Tamarack had undrawn credit capacity of $440.4 million.

Financial covenants on the Credit Facility	Covenant	June 30, 2025
Total debt to EBITDA ratio	<3.5:1.0	0.7:1.0
Senior debt to EBITDA ratio	<3.0:1.0	0.4:1.0
Interest Coverage ratio	>3.0:1.0	19.1:1.0

The Company carries $300.0 million of 7.25% interest-bearing senior unsecured notes maturing on May 10, 2027 (the “2027 Notes”). The 2027 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. The Company currently holds a prepayment option to repurchase the 2027 Notes at a cost of 102.0% of principal as at June 30, 2025.

Issuance of senior unsecured notes

On July 25, 2025, the Company issued $325.0 million aggregate principal amount of 6.875% interest-bearing senior unsecured notes due on July 25, 2030 (the “2030 Notes”). The 2030 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. Net proceeds from the financing arrangement at the date of closing were utilized primarily to repay amounts outstanding under the Credit Facility and redeem $100.0 million of the 2027 Notes (the “Financing Arrangement”).

Following the Financing Arrangement and Clearwater Acquisition, the Company’s pro forma debt maturity profile was as follows:

		Actual - June 30, 2025			Proforma - June 30, 2025	
Principal balance outstanding ($ thousands)[1]		Amount	Maturity date		Amount	Maturity date
2030 Notes	$	-	-	$	325,000	July 25, 2030
2027 Notes		300,000	May 10, 2027		200,000	May 10, 2027
Credit Facility draws		428,700	April 30, 2028		264,300	April 30, 2028
Undrawn Credit Facility capacity	$	440,400	April 30, 2028	$	604,800	April 30, 2028

(1) Balances in the table above reflect the face value of the Company’s outstanding indebtedness as at June 30, 2025, excluding unamortized deferred borrowing costs which are netted under IFRS. The Company's undrawn Credit Facility capacity reflects the impact of $5.9 million of letters of credit issued and outstanding under the facility.

Tamarack continues to prioritize balance sheet strength, together with ongoing shareholder returns and development of the Company's Clearwater and Charlie Lake assets. Tamarack has refinanced a portion of its indebtedness by extending the maturities on approximately 40% of the Company's debt to 2030 and created a more flexible capital structure with a laddered debt maturity profile.

Share capital

(thousands)	**July 28, 2025**	June 30, 2025	December 31, 2024
Common shares outstanding	**497,732**	499,473	522,207
Common shares held in treasury	**897**	941	845
Total common shares	**498,629**	500,414	523,052
Equity-settled stock options	**205**	205	360
Equity-settled RSUs	**5,146**	5,172	4,467
Equity-settled PSUs	**3,340**	3,335	2,767
Cash-settled RIAs	**937**	936	943
Cash-settled PIAs	**4,774**	4,774	4,344

At any given time, the balance of issued and outstanding equity compensation units that are granted to officers, employees, directors and consultants of the Company or its subsidiaries ("service providers") may not exceed 4% of the outstanding common share float of the Company, pursuant to Tamarack's stock-based compensation plans. During the six months ended June 30, 2025, the Company granted 5.3 million share-based awards at a weighted average fair value of $4.15 per share which was primarily based on the Company's share price at the date of grant. Tamarack utilized acquired treasury shares to settle 1.8 million stock-based compensation units that were exercised in the six months ended June 30, 2025, resulting in no dilution of common shares.

Commitments and contingencies

As at June 30, 2025	2025	2026	2027	2028	2029+	**Total**
Credit Facility	$ -	$ -	$ -	$ 428,652	$ -	**$ 428,652**
Senior Notes	-	-	300,000	-	-	**300,000**
Accounts payable and accrued liabilities	133,619	4,116	-	-	-	**137,735**
Risk management contracts	2,017	1,008	-	-	-	**3,025**
Clearwater Infrastructure Partnership (CIP)	3,948	8,283	9,152	10,187	148,722	**180,292**
Other liabilities, excluding CIP	3,569	19,094	16,533	4,524	2,588	**46,308**
Financial liabilities on the balance sheet	143,153	32,501	325,685	443,363	151,310	**1,096,012**
Interest on debt and other liabilities	30,746	60,715	45,680	22,713	93,445	**253,299**
Take-or-pay commitments	18,038	35,239	31,972	32,925	60,189	**178,363**
Processing commitments	4,397	14,242	14,242	13,641	91,556	**138,078**
Total financial commitments	$ 196,334	$ 142,697	$ 417,579	$ 512,642	$ 396,500	**$1,665,752**

Tamarack is involved in legal claims against the Company that have arisen in the normal course of business. While the final outcomes of such claims cannot be predicted with certainty and could be material, Tamarack believes that the claims are without merit and the amounts are unsubstantiated. The Company also does not anticipate that any of these legal proceedings will have a material impact on Tamarack's consolidated financial position or results of operations. No provision has been recorded in the financial statements.

Selected quarterly information

	Jun. 30, 2025	Mar. 31 2025	Dec. 31 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31 2024	Dec. 31 2023	Sep. 30, 2023
Financial results (000s, except per share amounts)								
Oil and natural gas sales	**$ 408,267**	$ 444,288	$ 426,482	$ 439,435	$ 461,479	$ 393,336	$ 418,864	$ 506,365
Cash provided by operating activities	**189,579**	187,553	201,798	240,843	225,370	165,201	215,981	199,756
Per share – basic[1]	**0.38**	0.36	0.38	0.45	0.41	0.30	0.39	0.36
Per share – diluted[1]	**0.37**	0.36	0.38	0.44	0.41	0.30	0.39	0.36
Adjusted funds flow[1]	**$ 197,037**	$ 226,146	$ 223,431	$ 220,419	$ 225,554	$ 181,556	$ 194,771	$ 255,199
Per share – basic[1]	**0.39**	0.44	0.42	0.41	0.41	0.33	0.35	0.46
Per share – diluted[1]	**0.39**	0.43	0.42	0.40	0.41	0.33	0.35	0.46
Net income (loss)	**$ 86,237**	$ 64,258	$ 6,382	$ 93,694	$ 94,887	$ (32,744)	$ 57,322	$ 8,634
Per share – basic	**0.17**	0.12	0.01	0.17	0.17	(0.06)	0.10	0.02
Per share – diluted	**0.17**	0.12	0.01	0.17	0.17	(0.06)	0.10	0.02
Dividends declared per share	**$ 0.0383**	$ 0.0383	$ 0.0380	$ 0.0375	$ 0.0375	$ 0.0375	$ 0.0375	$ 0.0375
Weighted-average shares outstanding (000s)								
Basic	**503,447**	515,306	529,136	540,990	548,012	552,345	556,699	556,708
Diluted	**508,268**	520,368	533,845	545,266	551,763	555,595	560,008	558,569

	Jun. 30, 2025	Mar. 31 2025	Dec. 31 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31 2024	Dec. 31 2023	Sep. 30, 2023
Sales volumes								
Heavy oil (bbls/d)	**42,004**	40,383	39,341	39,047	37,660	36,255	37,447	35,900
Light oil (bbls/d)	**14,149**	14,204	13,822	13,203	14,807	15,270	14,928	16,674
NGL (bbls/d)	**3,120**	3,007	2,841	2,915	2,533	1,925	2,769	3,623
Natural gas (mcf/d)	**65,922**	60,616	60,602	59,154	54,856	51,431	58,419	72,597
Total (boe/d)	**70,260**	67,697	66,104	65,024	64,143	62,022	64,881	68,597
Realized prices								
Heavy oil ($/bbl)	**$ 73.58**	$ 83.03	$ 79.69	$ 84.98	$ 88.23	$ 76.36	$ 74.28	$ 92.88
Light oil ($/bbl)	**82.76**	92.78	94.30	97.79	106.24	86.52	99.79	107.83
NGL ($/bbl)	**29.97**	35.13	32.84	39.58	36.58	42.54	42.31	41.46
Natural gas ($/mcf)	**2.00**	2.64	1.71	0.87	1.51	2.93	2.82	2.60
Total ($/boe)	**63.85**	72.92	70.12	73.46	79.06	69.69	70.17	80.24
Operating netback ($/bbl)								
Oil and natural gas sales	**$ 63.85**	$ 72.92	$ 70.12	$ 73.46	$ 79.06	$ 69.69	$ 70.17	$ 80.24
Royalty expenses	**(12.15)**	(14.11)	(13.42)	(15.74)	(14.67)	(13.46)	(13.81)	(13.38)
Net production expenses(1)	**(8.01)**	(7.76)	(7.16)	(8.70)	(9.84)	(10.06)	(11.42)	(8.47)
Transportation expenses	**(3.54)**	(3.68)	(3.30)	(2.36)	(3.93)	(4.18)	(3.56)	(4.13)
Realized hedging gain (loss)	**0.11**	(1.74)	(1.59)	0.03	(0.67)	0.37	0.80	(2.52)
Operating netback(1)	**40.26**	45.63	44.65	46.69	49.95	42.36	42.18	51.74
Balance sheet (000s)								
Investment in oil and natural gas assets	**63,166**	132,731	127,311	109,032	86,341	128,221	127,704	122,759
Dispositions	**(23,254)**	(115)	(1,107)	(1,076)	(80)	1,797	(100,038)	(38,987)
Total assets	**3,860,188**	3,988,091	3,988,763	3,998,420	4,028,689	4,116,037	4,210,348	4,443,837
Debt	**717,395**	764,614	738,123	724,080	866,647	924,517	911,978	1,244,957
Net debt(1)	**711,132**	768,625	775,438	807,401	882,669	984,768	983,585	1,128,030
Asset retirement obligations	**175,157**	184,950	180,281	168,966	161,817	166,135	189,971	166,868

(1) Refer to "Advisories and guidance" for information on Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures.

Significant factors and trends that have impacted the Company's results during the above quarterly periods include:

- Volatility in commodity prices and differentials and the resulting effect on revenue, cash provided by operating activities, adjusted funds flow and earnings.
- The volatility in asset retirement obligations due to fluctuations in discount rates, acquisitions and dispositions.
- The Company uses derivative contracts to reduce the financial impact of volatile commodity prices, foreign exchange and interest rates, which can cause significant fluctuations in earnings due to unrealized gains and losses recognized on a quarterly basis.
- On November 3, 2023, the Company sold its non-core Cardium assets for gross cash consideration of $123.0 million and recorded a loss on the disposal of $111.7 million. Net proceeds were $98.9 million. The disposed assets included production of approximately 7,000 boe per day.
- On December 15, 2023, Tamarack and 12 First Nations and Métis communities formed the Clearwater Infrastructure Partnership whereby participating communities acquired an 85% non-operated working interest in Tamarack infrastructure assets in the Clearwater area with a fair value of $172.0 million for total consideration of $146.2 million and a 15% operated working interest in the partnership.
- On March 1, 2024, the Company sold certain non-core Redwater oil and natural gas assets for nominal consideration and recorded a loss of $38.0 million. The disposition included a reduction of asset retirement obligations of $14.2 million. The disposed assets included production of approximately 400 boe per day.
- On September 17, 2024, Tamarack expanded the Clearwater Infrastructure Partnership to include a 13th Indigenous community partner to the arrangement. The Company transferred Clearwater assets with a fair value of $50.8 million into the partnership for cash consideration of $43.2 million and a retained 15% interest in the partnership.
- On December 17, 2024, Tamarack entered into a purchase and sale agreement for the disposition of substantially all of the non-core oil and natural gas assets in the Southern Alberta Penny area for gross cash proceeds of $28.0 million before closing adjustments. As part of the sale, Tamarack's asset retirement obligations were reduced by $14.5 million. As at December 31, 2024, the assets and corresponding liabilities were presented as held for sale at their anticipated recoverable value, resulting in an impairment loss of $38.1 million. The transaction was completed on May 21, 2025.

Advisories and guidance

Critical accounting policies, estimates and judgments

Tamarack utilized significant estimates, assumptions and judgments in order to apply the relevant accounting policies to the preparation of the Interim Financial Statements in accordance with International Accounting Standards 34 Interim Financial Reporting. A summary of this information can be found in the Interim and Annual Financial Statements. The key accounting policies of the Company that are subject to significant estimates, assumptions or judgments consist of oil and natural gas assets, impairment, financial instruments, asset retirement obligations, income taxes and the basis of consolidation. There were no new or significant updates to the application of the Company's critical accounting policies, estimates, assumptions or judgments during the three and six months ended June 30, 2025.

Certain comparative figures in the Interim Financial Statements have been adjusted to conform with the current period presentation. On the statement of cash flows and Balance Sheet, cash has been presented separately instead of being netted against debt. On the income statement, blending expenses have been combined with product purchases and carbon taxes have been combined with production expenses. There were no changes to the consolidated operating results or financial position for the three and six months ended June 30, 2024 as a result of these presentation changes.

Non–GAAP financial measures and non-GAAP financial ratios

This document contains the terms "net production expenses", "operating netback", "operating field netback", "heavy oil differential including transportation expenses" and "light oil differential including transportation expenses", which are non-GAAP financial measures, or ratios if calculated on a per boe or per share basis. These non-GAAP financial measures and ratios do not have any standardized meaning prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other issuers without taking into account the method by which the measures are prepared. These performance measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP and should be read in conjunction with the Interim and Annual Financial Statements. Refer to the discussion of the Company's operating results for further details regarding the calculation and measurement of these measures.

The Company no longer utilizes the non-GAAP measure revenue, net of blending expenses, which had previously combined oil and natural gas sales together with blending expenses. The impact of the change is $0.9 million and $2.0 million, respectively, for the three and six months ended June 30, 2025 (June 30, 2024 - $0.1 million and $2.1 million, respectively). As a result of this change, blending expenses are excluded from operating netback, but continue to be included within adjusted funds flow. Net production expenses and carbon taxes were previously presented separately in the operating netback table. For the second quarter of 2025, these measures have been combined. This reclass of $1.4 million and $3.3 million, respectively, for the three and six months ended June 30, 2025 (June 30, 2024 - $2.9 million and $6.5 million, respectively) does not affect the operating netback.

The non-GAAP financial ratios consisting of non-GAAP measures presented on a per share basis are determined by dividing the value of the financial measure by the weighted average common shares outstanding and diluted weighted average common shares outstanding during the period. These per share disclosures allow Tamarack and others to understand the value of selected financial information that is attributable to each common share. The non-GAAP financial ratios consisting of non-GAAP measures presented on a per boe basis are determined by dividing the value of the financial measure by the sales volumes in the period. These per boe disclosures allow Tamarack and others to assess the profitability of each barrel of oil equivalent produced and also facilitates a comparison of current period performance to historical periods, or to peer results, by isolating the impact of differences in production volumes.

Heavy and light oil differentials including transportation expenses

The calculation of the Company's heavy oil differential including transportation expenses and light oil differential including transportation expenses is presented in the "Oil and natural gas sales" section of this MD&A and is determined by comparing the Company's realized price on a per barrel basis to the published benchmark price, including the impact of transportation expenses. The Company and others utilize this performance measure to assess the value of net wellhead revenue received by Tamarack for each barrel sold, relative to the published benchmark price during that period. These performance measures are presented on a per boe basis as a non-GAAP financial ratio.

Net production expenses

Tamarack generates processing income from third parties that utilize excess capacity at Tamarack's facilities. In this MD&A, processing income is recognized as a reduction to production expenses, whereas processing income is reported separately in the Interim Financial Statements. If Tamarack has excess capacity at one of its facilities, the Company will seek to process third-party volumes as a means of offsetting a portion of the facility costs. Accordingly, net production expenses allow Tamarack and others to assess the performance of its field and facility operating results by including the associated income generated from plant operations. Net production expenses are also presented on a per boe basis as a non-GAAP financial ratio.

Operating netback and operating field netback

The calculation of the Company's Operating Netback and Operating Field Netback is presented in the operating results section of this MD&A. Tamarack and others utilize the Operating Netback and Operating Field Netback measures to assess the operational performance of the Company's assets areas by isolating the impact of corporate and other overhead related expenditures. These metrics are also presented on a per boe basis as a non-GAAP financial ratio.

Capital Management Measures and Ratios

This document contains capital management measures of "adjusted funds flow", "free funds flow", "net debt", "working capital deficiency (surplus)" and "net debt to annualized adjusted funds flow" which the Company utilizes to manage its capital. Refer to the Interim and Annual Financial Statements for further details. These capital management measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers without taking into account the method by which the measures are prepared. These performance measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP and should be read in conjunction with the Annual Financial Statements. Refer to the discussion of the Company's operating results and the "Liquidity and Capital Resources" section for further details regarding the calculation of these measures.

Adjusted funds flow

Adjusted funds flow is defined as cash provided by operating activities excluding asset retirement obligation expenditures, transaction costs and changes in non-cash working capital. Asset retirement obligation expenditures and transactions costs from business combinations both result from the Company's capital budgeting and strategic planning processes, which first considers available adjusted funds flow. Asset retirement obligation expenditures vary from period to period depending on capital programs, government regulations and the maturity of the Company's operating areas. By also excluding changes in non-cash working capital from cash provided by operating activities, the adjusted funds flow measure provides a meaningful metric for Tamarack and others by establishing a clear link between the Company's cash flows, income statement and operating netbacks by isolating the impact of changes in the timing between accrual and cash settlement dates, which are generally within Management's control. Tamarack uses adjusted funds flow to assess the Company's financial performance and cash generated from operating activities. Adjusted funds flow per share and adjusted funds flow per boe are supplemental financial measures and are calculated by dividing adjusted funds flow by the Company's weighted average basic and diluted shares outstanding and total sales volumes during the period, respectively.

Free funds flow

Free funds flow is defined as adjusted funds flow less investments in oil and natural gas assets and the settlement of asset retirement obligations. Management utilizes free funds flow to assess how much cash was generated in excess of the Company's capital investment and asset retirement programs within the same period, which can be utilized to reduce net debt, fund acquisitions or return capital to shareholders. Free funds flow is also presented on a per share basis as a capital management ratio.

Net debt and working capital (surplus) deficiency

The calculation of the Company's Net Debt and Working Capital (surplus) Deficiency is included under "Liquidity and Capital Resources". Tamarack and others utilize net debt and working capital (surplus) deficiency to assess liquidity and balance sheet strength by aggregating the select financial assets and financial liabilities on the Company's balance sheet.

Net debt to annualized adjusted funds flow

Net debt to annualized adjusted funds flow is a capital management ratio and is calculated as net debt divided by the annualized adjusted funds flow for the most recently completed quarter. Tamarack and others utilize net debt to annualized adjusted funds flow to provide a snapshot of the overall financial health of the Company and assess the Company's ability to fund capital investments, acquisitions, the servicing of debt costs, debt reduction, the ability to raise new debt, repurchase shares or make dividend payments. The calculation of the Company's net debt to annualized adjusted funds flow is included in the section titled "Liquidity and Capital Resources".

Supplemental financial measures

Per share disclosures

Tamarack's supplemental financial measures on a per share basis consist of cash provided by operating activities per share, adjusted funds flow and free funds flow per share. These supplemental financial measures are determined by dividing the value of the financial measure by the weighted average common shares outstanding and diluted weighted average common shares outstanding, as presented in the Interim and Annual Financial Statements. The per share disclosures allow Tamarack and others to understand the value of the selected financial information attributable to each common share holder. Free funds flow per share is a capital management ratio as discussed above.

Per BOE disclosures

Tamarack's supplementary financial measures on a per boe basis consist of average heavy oil realized price per bbl, average light oil realized sales price per bbl, average NGL realized sales price per bbl, average natural gas realized sales price per mcf, heavy oil differential including transportation expenses, light oil differential including transportation expenses, royalty expense per boe, transportation expenses per boe, realized commodity hedging gain/loss per boe, G&A expense per boe, stock-based compensation expense per boe, interest expense per boe and D&D per boe. The calculation of the heavy oil differential including transportation expenses and light oil differential including transportation expenses is included in the operating results section of this MD&A. Certain measures are presented on a per boe basis to allow Tamarack and others to assess the profitability of each barrel produced, and allows for a comparison of current period performance to historical periods, or to peer results, by isolating for the impact of differences in production volumes. Net production expenses per boe, operating field netback per boe and operating netback per boe are non-GAAP financial ratios as discussed above.

Percentage of sales

Tamarack's supplementary financial measures as percentage of revenue consists of the average royalty rate. The average royalty rate as a percentage of sales is used by Tamarack and others to understand the average effective amount of royalties owing for each dollar of sales that is generated.

Disclosure controls and internal controls over financial reporting

Part 1 of National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings defines disclosure controls and procedures ("DC&P") as "controls and other procedures of an issuer that are designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the issuer's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure".

The Company has designed DC&P to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of annual financial statements for external purposes in accordance with GAAP. The Company is required to disclose herein any change in the Company's ICFR that occurred during the recent fiscal period that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

No material changes to the Company's DC&P and its ICFR were identified during the period ended June 30, 2025 that have materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting. As a result, the Company's DC&P and ICFR were effective as at June 30, 2025. Internal control systems, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Volumetric reporting

For the purpose of reporting unit production and related units of measurement, natural gas volumes have been converted to a barrel of oil equivalent (boe) using six thousand cubic feet equal to one barrel. A boe conversion ratio of 6:1 is based on an energy equivalency conversion at the burner tip but does not necessarily represent a value equivalency at the wellhead where production is actually measured and reported. This conversion complies with the Canadian Securities Administrators' National Instrument 51–101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), however, a Boe unit of measurement could be misleading, particularly if used in isolation.

Climate change

The Company continues to monitor the impact of global demand for carbon-based energy and advancement of alternative energy sources. Emissions, carbon and other regulations impacting climate related matters are constantly evolving. With respect to ESG and climate reporting, the International Sustainability Standards Board ("ISSB") was created on November 3, 2021 to develop consistent, comparable and reliable sustainability disclosure standards. On June 26, 2023, the ISSB issued IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 and IFRS S2 are voluntary and effective for annual reporting periods beginning on or after January 1, 2024. The standards provide for transitional relief allowing an issuer to limit its disclosure to climate-related risks and opportunities in the first year.

On December 18, 2024, the Canadian Sustainability Standards Board published its first two disclosure standards for sustainability reporting in Canada (general sustainability disclosures and climate related disclosures). Most notably, the new standards retained the requirement for companies to disclose their scope 3 emissions. The standards provide for numerous transitional provisions and allowances between 2025 and 2028 to facilitate the adoption by Canadian companies.

The Canadian Securities Administrators ("CSA") are responsible for determining the reporting requirements for public companies in Canada and decisions related to the adoption of the sustainability disclosure standards, including the effective annual reporting dates. The CSA issued proposed National Instrument ("NI 51-107 – Disclosure of Climate-related Matters") in October 2021. The CSA has indicated it will consider the ISSB sustainability standards and developments in the United States in its decisions related to developing climate-related disclosure requirements for reporting issuers in Canada. The CSA will involve the Canadian Sustainability Standards Board ("CSSB") for their combined review of the ISSB issued sustainability standards for their suitability for adoption in Canada. However, in April 2025, the CSA announced that it is pausing further work on the development of mandatory climate-related disclosure rules, in light of recent developments in the United States and internationally. The CSA has indicated that it will monitor domestic and international regulatory developments with respect to climate-related disclosures and expects to revisit this project in future years to finalize the requirements for Canadian issuers. Until such time as the CSA and CSSB make decisions on sustainability standard adoption in Canada, there is no requirement for public companies in Canada to adopt the sustainability standards. The Company is actively evaluating the potential effects of the sustainability standards.

Risks

Tamarack faces business risks, both known and unknown, with respect to its oil and gas exploration, development, and production activities that could cause actual results or events to differ materially from those forecasts. Most of these risks (financial, operational or regulatory) are not within the Company's control. While the following sections discuss some of these risks, they should not be construed as exhaustive. Tamarack is directly impacted by these risks:

- Continued volatility in commodity and petroleum product prices
- Inflation risk
- Environmental and climate change risk
- Financial risks
- Operational risks
- Regulatory risks

For additional information on the risks relating to Tamarack's business, see "Risk Factors" in Tamarack's Annual Information Form and "Business Risks" in Tamarack's Annual MD&A for the year ended December 31, 2024.

Forward-looking statements

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe", "strive" and similar expressions or the negative of such terms or other comparable terminology. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company;
- the Company's commitment to maintaining financial flexibility and liquidity;
- U.S. and Canadian foreign policies, including the impact of tariffs or threat of tariffs or potential export restrictions on the Company's products;
- the Company's business strategy, objectives, strength and focus, including with respect to acquisitions;
- the Company's plans to continue developing and expand its core asset base in Northern Alberta, being the Clearwater heavy oil position at Nipisi, Marten Hills and South Clearwater and a Charlie Lake light oil position at Valhalla, Wembley, and Pipestone;
- the Company's continued consideration of the impact of climate change and possible upcoming related financial and operational challenges and implications with respect to the future of the Company;
- the Company's continued consideration of the potential impacts of the evolving global demand for carbon-based energy and global advancement of alternative energy sources;
- the expected benefits, including reduction of asset retirement obligations and improvement of the Company's focus on core areas, of recently completed non-core dispositions such as the Penny oil asset divestiture;
- expectations relating to future realized commodity prices, volatile commodity prices, royalty rates and oil price differentials and the effects thereof, including with respect to revenue, earnings and stability to oil pricing;
- expectations surrounding the Company's ongoing enhancement of operating netbacks and the ability to maintain full-year production guidance;
- expectations regarding future price realizations, lifting costs and sustained capital efficiencies from multi-well pad development and enhanced production from Clearwater waterflood response;
- the Company's financial and physical hedging program, including the use of financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates, and interest rates, and the effects thereof on cash flow risk and commodity pricing upside;
- anticipated benefits of Clearwater formations including its enhanced recovery potential;
- anticipated benefits of the Charlie Lake acreage;
- anticipated benefits and effects of the Clearwater Acquisition;
- purchases under the Company's current normal course issuer bid including that the Company will reacquire up to 51.3 million common shares by January of 2026;
- the Company's plans in respect of returns of capital, including dividend and enhanced return programs;
- the Company's expectations surrounding its 2025 capital guidance, funding thereof and the ability to satisfy its planned 2025 capital development program, while maximizing free funds flow generation with a significant portion being directed towards shareholder returns by way of dividend payments and share repurchases, as well as net debt reduction;
- expectations regarding continued significant free funds flow generation throughout 2025 at current strip pricing and in excess of the Company's original budget, supported by low breakeven economics, disciplined hedging activities, and available credit capacity;
- the Company's belief that available credit facilities and anticipated adjusted funds flow will be sufficient to fund 2025 capital programs, dividends and share repurchases;
- the Company's 2025 outlook and planned 2025 capital projects and ongoing assessments in respect of the same;
- expectations surrounding the Credit Facility and the terms thereof, including the ability to access an incremental $125.0 million of secured debt subject to certain conditions;
- financial covenants applicable to the Credit Facility;
- Tamarack's 2025 production guidance, net production expense guidance and ongoing assessments in respect of the same;
- the Company's ability to meet its obligations and commitments under the 2027 Notes;
- the Company's expectations relating to the continued generation of higher margins through improved heavy oil price differentials and the benefits of enhanced market egress following the TMX pipeline expansion;
- contractual obligations and commitments;
- estimates used to calculate asset retirement obligations and depletion of PP&E;
- Tamarack's plan with respect to waterflood investments at Nipisi, Marten Hills and West Marten;
- the Company's capital investment plans, including drilling activities in the Clearwater and Charlie Lake plays, the ongoing expansion of the Clearwater waterflood and the expectation to ramp up water injection rates in the Clearwater area to over 30,000 bbls per day by the end of 2025;
- the Company's expectations surrounding continued production growth supported by strong reservoir response and decline mitigation on base production from ongoing Clearwater waterflood investments, including in respect of sustaining initial production rates on Charlie Lake drills at Pipestone and Wembley;
- expectations surrounding Tamarack's gas conservation initiatives;
- the Company's risk management activities (including plans to continue actively managing capital and liquidity risk through continuous monitoring of asset performance, forecasting anticipated future cash flows in conjunction with the design of the annual capital investment programs, maintaining available credit under bank facilities, staggering debt maturity dates, hedging a portion of the Company's production, judiciously assessing new capital investment, acquisition or divestment opportunities and the pursuit of new liquidity, if necessary);
- the Company's plans in respect to its employees including for its employees to address the continued development of new or established reservoirs on a go-forward basis using the same procedure as is used to address exploration risk and the effects thereof on mitigation of operation risk;
- Tamarack's stock-based compensation plans and the equity compensation unit issuable thereunder;
- expectations surrounding the Company's major infrastructure projects and anticipated benefits thereof, including with respect to the performance of its Clearwater and Charlie Lake drilling programs and the commissioning of the CSV Albright gas processing facility;
- expectations regarding the Company's ongoing monitoring of evolving climate-related disclosure standards and the potential impacts on reporting obligations and business operations;
- expectations surrounding identified changes to the Company's DC&P and its ICFR (or lack thereof) and its affect on the Company's internal controls over financial reporting on a go-forward basis (including the lack thereof);
- expectations regarding the merits and the outcome of ongoing litigation; and
- the Company's expectations regarding inflation and interest rates and the ability to manage such pressures.

With respect to the forward-looking statements contained in this MD&A, Tamarack has made assumptions regarding, among other things:

- future commodity prices, price differentials and the actual prices received for the Company's products;
- expected net production expenses and transportation expenses;
- expected net debt target of $500 million in 2027, which is based on the following assumptions: production of 68,000 - 73,000 boe per day, WTI price of US$65 per bbl, differentials of (US$13.25) per boe, (US$3.00) MSW, USD

to CAD foreign exchange rate of 1.30 and shareholder returns of 60% of free cash flow, in-line with the Company's current return of capital framework;
- estimated proved plus probable oil and natural gas reserves;
- the effects of heavy volume apportionment and fluctuating diluent costs on the heavy oil market in Alberta;
- the ability to obtain equipment and services in the field in a timely and efficient manner;
- the ability to add production and reserves through acquisition and/or drilling at competitive prices;
- the timing of anticipated future production additions from the Company's properties and acquisitions;
- the realization of anticipated benefits of the Company's acquisitions, such as the Clearwater Acquisition, including related drilling programs, as applicable;
- the ability to explore and realize benefits from exposure to diversified gas markets;
- drilling results, including field production rates and decline rates;
- the performance of the waterflood projects;
- the continued application of horizontal drilling and fracturing techniques and pad drilling;
- the continued availability of capital and skilled personnel;
- the ability to obtain financing on acceptable terms;
- the accuracy of Tamarack's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation;
- the impact of increasing competition;
- the ability of the Company to secure adequate product transportation;
- the ability to enter into future commodity derivative contracts on acceptable terms;
- the continuation of the current tax, royalty and regulatory regime;
- the volatility in commodity prices and oil price differentials and the resulting effect on Tamarack's revenue, cash provided by operating activities, adjusted funds flows and earnings;
- the actions of OPEC+ and non-OPEC+ oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand including in respect of recent cuts to the group's production quotas;
- the ability to adjust capital spending relative to commodity prices and use financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates and interest rates;
- Tamarack's ability to maintain financial flexibility; and
- the impact of inflation on costs and interest rates.

Without limitations of the foregoing, future dividend payments, if any, and the level thereof, are uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, commodity prices, free funds flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tamarack to pay dividends, and the frequency thereof, will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include:

- the material uncertainties and risks described under the heading "Advisories and guidance";
- the material assumptions and observations described under the headings "About Tamarack Valley Energy Ltd.", "H1 2025 in review", "Q2 2025 operational and financial highlights", "Highlights for the three and six months ended June 30, 2025", "Annual guidance", "Production", "Benchmark prices", "Oil and natural gas sales", "Risk management", "Royalties", "Net production expenses", "Transportation expenses", "Operating netback", "General and administrative ("G&A") expenses", "Stock-based compensation expense", "Finance expense", "Income taxes", "Depletion and depreciation ("D&D")", "Adjusted funds flow and net income", "Investments in oil and natural gas assets", "Dispositions", "Liquidity and capital resources", "Share capital", "Commitments and contingencies" and "Selected quarterly information";
- the risks relating to inclement and severe weather events and natural disasters, including fire, drought and flooding and corresponding effects, including in respect to safety, asset integrity, shutting in production, impact on production, maintaining 2025 guidance and resumption of operations;
- the risks with respect to unplanned third-party pipeline or natural gas processing facility outages;
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production and including continued weakness and volatility in commodity prices and petroleum product prices;
- the actions of OPEC+ and non-OPEC+ oil and gas exporting countries to set production levels and the influence on oil prices and global demand;
- Russia's military actions in Ukraine;
- the Israel-Hamas conflict;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved plus probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- risk that existing tariffs and additional or expanded tariffs imposed by the U.S. administration and other countries on Canadian goods or other restrictive trade measures, including with respect to crude oil and natural gas, and that such measures (and/or the Canadian government's response to such measures, including retaliatory countermeasures) adversely affect the demand and/or market price for the Company's products and/or otherwise adversely affect the Company;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- increased borrowing costs due to increased lending rates from prime rate increase, negative changes to financial metrics evaluated under the Credit Facility;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- evolving climate change disclosure standards and sustainability reporting requirements, and the potential impacts on the Company's operations and reporting obligations;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation and future development costs;
- the ability to access sufficient capital from internal and external sources;
- changes in tax, royalty and environmental legislation and any government policy, including Bill C-59;
- any legal proceedings, the results thereof and the impact on the Company's business, financial condition and results of operations;
- third party inability to manage inflationary cost pressures;
- changes in the political landscape, both domestically and abroad; and
- increased operating and capital costs due to inflationary pressures (actual and anticipated).

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, increased supply resulting from evolving exploitation methods, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also, to be considered are increased levels of political uncertainty and possible changes to existing international trading agreements and relationships. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Additional information on these and other factors that could affect the business, operations or financial results of Tamarack are included in reports on file with applicable securities regulatory authorities, including but not limited to Tamarack's Annual Information Form for the year ended December 31, 2024, which may be accessed on Tamarack's SEDAR+ profile www.sedarplus.com or on the Company's website at www.tamarackvalley.ca.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tamarack's 2025 development capital program and plans regarding payment of 2025 dividends and any share repurchases by using available increased credit facilities combined with anticipated adjusted funds flow, commodity prices, Tamarack's 2025 capital guidance and components thereof including prospective results of operations and production, planned investment in oil and natural gas assets; expected capital expenditures (including in respect of Tamarack's capital E&D budget), 2025 annual guidance and the components thereof including capital investments and annual average production, average oil & NGL weighting, and expenses (including expected royalty rates, net production expenses, transportation expenses, leasing expenditures, carbon tax, G&A expenses, interest and income taxes), payout of wells, adjusted funds flow, net debt (and the reduction thereof) targets, capital requirements, return of capital, the Company's 2025 budget and associated targets, debt repayments, Tamarack's 2025 base capital investment program of $400 - 420 million, targeting average production range of 67,000 – 69,000 boe per day in 2025 at Clearwater and Charlie Lake development areas, anticipated generation of significant free cash flow in 2025 based on current strip prices, the use of free cash flow for share repurchases and debt reduction, the availability and use of credit facilities, expected commitments and contingencies of the Company over the upcoming years and the components thereof, total returns and components thereof, decline rates, and expected ongoing enhancement of operating netbacks through improved realizations and lower lifting costs, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumptions outlined under "Non-GAAP Financial Measures and Non-GAAP Financial Ratios" and "Capital Management Measures and Ratios", and should not be used for purposes other than those for which it is disclosed herein. Tamarack and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Tamarack's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

The forward-looking statements and FOFI contained in this MD&A, as defined by Canadian securities legislation, are approved by management as of the date hereof and Tamarack undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.

Reserves disclosure

All references to reserves are presented on a gross basis, reflecting Tamarack's working interest before royalties. The figures are based on the independent evaluation reports of McDaniel and GLJ, dated January 20, 2025 and January 10, 2025, respectively, and have an effective date of December 31, 2024. The reports were prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook and contain significant estimates, assumptions and judgments relating to crude oil and natural gas reserves, production, commodity prices, future development costs and operating related expenses. These reports are subject to significant measurement uncertainty as actual results may differ from these estimates and could be material.

Certain oil and gas terms

Certain terms used in this MD&A that are not otherwise defined herein are provided below:

- **developed producing reserves** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- **developed reserves** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
- **reserves** are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.
- **proved reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- **probable reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- **Proved plus probable reserves** is the sum of proved reserves and probable reserves.
- **gross** means: in relation to reserves, the applicable working interest (operating or non-operating) share before royalties and without including any royalty interests; and, in relation to wells, the total number of wells in which the Company has an interest.
- **net** means: in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.

Note regarding product types

This MD&A includes references to total average daily production, crude oil production, NGLs production and natural gas production. NGLs refers to all natural gas liquids, consisting of condensate, pentanes plus, butane, propane and ethane. Natural gas refers to conventional natural gas and shale gas combined. Crude oil refers to light, medium, and heavy crude oil combined.

Short-Term Production

References in this MD&A to initial production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Tamarack.

Abbreviations

AECO	Alberta Energy Company benchmark for natural gas
Bbl(s)	barrel(s)
bbls/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CGU	Cash-generating unit
CHV	Conventional heavy oil product
CWH	Clearwater heavy oil product
ESG	Environment, sustainability and governance
GAAP	Generally accepted accounting principles
IFRS	IFRS Accounting Standards
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
MSW	mixed sweet blend, the benchmark for conventionally produced light sweet crude oil in Western Canada
NCWC	non-cash working capital
NGL	natural gas liquids
nm	not meaningful information
NYMEX	New York Mercantile Exchange
OPEC	Organization of Petroleum Exporting Countries
OPEC+	OPEC plus certain other oil-producing countries
PP&E	Property, plant and equipment
WCS	Western Canadian Select, the benchmark for both conventionally produced and oilsands produced heavy sour crude oil in Western Canada
WTI	West Texas Intermediate, the reference price paid for crude oil of standard grade in US dollars at Cushing, Oklahoma

TAMARACK VALLEY ENERGY LTD.

Unaudited Condensed Interim Consolidated Balance Sheets
(thousands of Canadian dollars)

As at	Notes	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash		$ 2,755	$ 7,391
Accounts receivable		137,221	139,223
Prepaid expenses and deposits		28,082	11,186
Risk management contracts	5	5,979	20,050
Assets held for sale	3	-	37,558
		174,037	215,408
Oil and natural gas assets	3	3,686,151	3,773,355
		3,860,188	3,988,763
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		137,735	199,808
Risk management contracts	5	3,025	31,563
Other liabilities	6	24,549	22,004
Asset retirement obligations	8	7,160	7,700
Liabilities associated with assets held for sale	3	-	14,327
		172,469	275,402
Debt	4	717,395	738,123
Other liabilities	6	194,871	206,684
Asset retirement obligations	8	167,997	172,581
Deferred income taxes		473,423	474,116
		1,726,155	1,866,906
Shareholders' equity			
Share capital	9	1,688,514	1,764,900
Treasury shares	9	(3,805)	(3,735)
Contributed surplus	13	19,506	20,823
Retained earnings		429,818	339,869
		2,134,033	2,121,857
		$ 3,860,188	$ 3,988,763

Commitments and contingencies	7
Subsequent events	15

See accompanying notes to the Interim Financial Statements.

TAMARACK VALLEY ENERGY LTD.

Unaudited Condensed Interim Consolidated Statements of Income and Comprehensive Income
(thousands of Canadian dollars, except per share amounts)

		Three months ended June 30		Six months ended June 30	
	Notes	**2025**	2024	**2025**	2024
Revenue					
Oil and natural gas sales	11	**$ 408,267**	$ 461,479	**$ 852,555**	$ 854,815
Sale of purchased product		**15,371**	6,457	**17,404**	12,808
Processing and other income		**204**	689	**861**	2,497
Royalties		**(77,690)**	(85,650)	**(163,687)**	(161,619)
		346,152	382,975	**707,133**	708,501
Risk management contracts					
Realized gain (loss)	5	**688**	(3,907)	**(9,897)**	(1,827)
Unrealized gain (loss)	5	**39,425**	21,381	**21,070**	(34,209)
		386,265	400,449	**718,306**	672,465
Expenses					
Production	2	**51,485**	58,080	**99,361**	116,545
Transportation		**22,618**	22,933	**45,050**	46,510
Product purchases and blending	2	**16,353**	6,811	**19,510**	15,474
General and administrative		**8,768**	8,029	**17,345**	16,996
Stock-based compensation	13	**6,019**	3,481	**8,800**	8,023
Finance	12	**20,886**	24,739	**41,698**	50,653
Depletion and depreciation	3	**143,661**	148,630	**283,980**	296,831
Loss on dispositions and other	3	**1,811**	10,198	**562**	48,210
		271,601	282,901	**516,306**	599,242
Net income before income taxes		**114,664**	117,548	**202,000**	73,223
Income taxes					
Current income tax expense		**26,655**	30,443	**52,198**	54,668
Deferred income tax expense (recovery)		**1,772**	(7,782)	**(693)**	(43,588)
		28,427	22,661	**51,505**	11,080
Net income and comprehensive income		**$ 86,237**	$ 94,887	**$ 150,495**	$ 62,143
Net income per share					
Basic	10	**$ 0.17**	$ 0.17	**$ 0.30**	$ 0.11
Diluted	10	**$ 0.17**	$ 0.17	**$ 0.29**	$ 0.11

See accompanying notes to the Interim Financial Statements.

TAMARACK VALLEY ENERGY LTD.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(thousands of Canadian dollars)

		Three months ended June 30		Six months ended June 30	
	Notes	**2025**	2024	**2025**	2024
Operating activities					
Net income		**$ 86,237**	$ 94,887	**$ 150,495**	$ 62,143
Items not affecting cash:					
Depletion and depreciation	3	**143,661**	148,630	**283,980**	296,831
Deferred income tax expense (recovery)		**1,772**	(7,782)	**(693)**	(43,588)
Unrealized (gain) loss on risk management contracts	5	**(39,425)**	(21,381)	**(21,070)**	34,209
Non-cash finance expenses	12	**4,555**	3,186	**8,702**	6,947
Loss on dispositions and other	3	**1,621**	9,526	**372**	47,538
Non-cash stock-based compensation	13	**(1,384)**	(1,512)	**1,397**	3,030
Settlement of asset retirement obligations	8	**(757)**	(2,019)	**(3,479)**	(3,543)
Changes in non-cash working capital	14	**(6,701)**	1,835	**(42,572)**	(12,996)
Cash provided by operating activities		**189,579**	225,370	**377,132**	390,571
Financing activities					
Net proceeds (repayment) of revolving debt	4	**(44,389)**	(48,046)	**(18,340)**	100,452
Repayment of term debt instruments	4	**-**	-	**-**	(140,167)
Repayment of other liabilities	6	**(9,430)**	(2,141)	**(12,396)**	(4,446)
Purchase of common shares for cancellation	9	**(41,803)**	(8,100)	**(98,133)**	(33,735)
Purchase of common shares for treasury	9	**(4,001)**	(4,000)	**(8,017)**	(5,000)
Proceeds from exercise of equity compensation units	9, 13	**112**	1,004	**244**	1,224
Dividends	9	**(19,233)**	(20,380)	**(38,799)**	(41,104)
Changes in non-cash working capital	14	**(2,679)**	(27)	**2,668**	(120)
Cash used in financing activities		**(121,423)**	(81,690)	**(172,773)**	(122,896)
Investing activities					
Investments in oil and natural gas assets	3	**(63,166)**	(86,341)	**(195,897)**	(214,562)
Proceeds (payments) from disposals	3	**23,254**	80	**23,369**	(1,717)
Changes in non-cash working capital	14	**(33,448)**	(46,264)	**(36,467)**	(42,461)
Cash used in investing activities		**(73,360)**	(132,525)	**(208,995)**	(258,740)
Change in cash		**(5,204)**	11,155	**(4,636)**	8,935
Cash, beginning of period		**7,959**	-	**7,391**	2,220
Cash, end of period		**$ 2,755**	$ 11,155	**$ 2,755**	$ 11,155

See accompanying notes to the Interim Financial Statements.

TAMARACK VALLEY ENERGY LTD.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(thousands of Canadian dollars)

As at	Notes	June 30, 2025	June 30, 2024
Share capital			
Balance, beginning of year		**$ 1,764,900**	$ 1,879,250
Purchase of common shares for cancellation	9	**(76,386)**	(32,715)
Balance, end of period		**1,688,514**	1,846,535
Treasury shares			
Balance, beginning of year		**(3,735)**	(2,416)
Purchase of common shares for exercise of equity compensation units	9	**(8,017)**	(5,000)
Exercise of equity compensation units	9	**7,703**	4,440
Proceeds from exercise of equity compensation units	9, 13	**244**	1,224
Balance, end of period		**(3,805)**	(1,752)
Contributed surplus			
Balance, beginning of year		**20,823**	28,458
Exercise of equity compensation units	9	**(7,703)**	(4,440)
Stock-based compensation	13	**6,386**	5,681
Balance, end of period		**19,506**	29,699
Retained earnings			
Balance, beginning of year		**339,869**	269,640
Purchase of common shares for cancellation	9	**(21,747)**	(1,020)
Dividends	9	**(38,799)**	(41,104)
Net income		**150,495**	62,143
Balance, end of period		**$ 429,818**	$ 289,659
Total shareholders' equity, beginning of year		**$ 2,121,857**	$ 2,174,932
Total shareholders' equity, end of period		**$ 2,134,033**	$ 2,164,141

See accompanying notes to the Interim Financial Statements.

(thousands of Canadian dollars, unless otherwise indicated)

1. Reporting entity

Tamarack Valley Energy Ltd. ("Tamarack" or the "Company") is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. Tamarack is a publicly traded company on the Toronto Stock Exchange ("TSX") and is traded under the symbol "TVE". The Company is incorporated and domiciled in Alberta, Canada with a registered office address located at Suite 4300, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5 and the head office address located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. These unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2025 and 2024 (the "Interim Financial Statements") were approved and authorized by the Board of Directors on July 29, 2025.

2. Basis of preparation

These Interim Financial Statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board. They have been prepared on a historical cost basis with the exception of certain financial instruments and equity compensation units which are measured at their estimated fair value. These Interim Financial Statements are condensed as they do not include all information required by IFRS Accounting Standards for annual financial statements and, therefore, should be read in conjunction with Tamarack's annual financial statements for the year ended December 31, 2024 (the "Annual Financial Statements"). These statements follow the same accounting policies as the Annual Financial Statements.

These Interim Financial Statements consist of Tamarack and its subsidiaries. Intercompany balances and any income and expenses arising from intercompany transactions have been eliminated. These Interim Financial Statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

Certain comparative figures in these Interim Financial Statements have been adjusted to conform with the current period presentation. On the balance sheet and statement of cash flows, cash has been presented separately instead of being netted against debt. On the statements of income and comprehensive income, blending expenses have been presented together with product purchases and carbon taxes have been combined with production expenses. There were no changes to the consolidated operating results or financial position for the three and six months ended June 30, 2024, as a result of these presentation changes.

3. Oil and natural gas assets

Cost		**PP&E**		**E&E**		**Total**
Balance at December 31, 2024(1)	$	5,932,013	$	67,031	**$**	**5,999,044**
Investments in oil and natural gas assets		195,897		-		**195,897**
Non-cash capitalized costs		1,072		-		**1,072**
Disposals		(157,441)		-		**(157,441)**
Balance at June 30, 2025	$	5,971,541	$	67,031	**$**	**6,038,572**
Accumulated depletion, depreciation and impairment losses		**PP&E**		**E&E**		**Total**
Balance at December 31, 2024(1)	$	2,175,355	$	12,776	**$**	**2,188,131**
Depletion and depreciation		281,968		2,012		**283,980**
Disposals		(119,690)		-		**(119,690)**
Balance at June 30, 2025	$	2,337,633	$	14,788	**$**	**2,352,421**
Carrying amounts		**PP&E**		**E&E**		**Total**
At December 31, 2024(1)	$	3,756,658	$	54,255	**$**	**3,810,913**
At June 30, 2025	$	3,633,908	$	52,243	**$**	**3,686,151**

(1) Carrying amount at December 31, 2024 includes $154.0 million of costs related to assets held for sale, net of $116.4 million of accumulated depletion, depreciation and impairment losses.

On December 17, 2024, Tamarack entered into a purchase and sale agreement for the disposition of substantially all of the non-core oil and natural gas assets in the Southern Alberta Penny CGU for gross cash proceeds of $28.0 million before closing adjustments. As at December 31, 2024, the assets and corresponding liabilities were presented as held for sale at their anticipated fair value less costs to sell, which resulted in an impairment loss of $38.1 million. As part of the sale, Tamarack's asset retirement obligations were reduced by $14.5 million (Note 8). The transaction was completed on May 21, 2025.

During the six months ended June 30, 2024, the Company sold certain non-core oil and natural gas assets to third parties for nominal proceeds and recorded a loss on disposition of $47.5 million. As part of the dispositions, Tamarack reduced asset retirement obligations by $18.7 million.

4. Debt

	Notes		Credit Facility		2027 Notes		Total
Balance at December 31, 2024		$	444,800	$	293,323	$	**738,123**
Repayment of debt instruments, net			(18,340)		-		**(18,340)**
Unrealized foreign exchange gain	12		(6,089)		-		**(6,089)**
Amortization of deferred borrowing costs	12		2,287		1,414		**3,701**
Balance at June 30, 2025		$	422,658	$	294,737	$	**717,395**
Effective interest rate (annualized)			6.27%		8.13%		
Maturity date			April 30, 2028		May 10, 2027		

Credit Facility

As at June 30, 2025, Tamarack had access to a covenant-based $875.0 million revolving lending facility (the "Credit Facility"). The Credit Facility also has an uncommitted accordion feature that provides the Company with the ability to access an incremental $125.0 million of secured debt, subject to certain conditions, including approvals from the lending syndicate. The Credit Facility bears interest at a variable market-based interest rate plus an applicable credit margin depending on the Company's senior debt to EBITDA ratio and is secured by a $2.5 billion debenture with fixed coverage over all assets of Tamarack, excluding the Clearwater Infrastructure Partnership assets. On June 6, 2025, the Credit Facility was amended primarily to extend the maturity date of the facility by one year to April 30, 2028. As at June 30, 2025, Tamarack had access to $440.4 million of undrawn credit under the Credit Facility. There were $5.9 million of letters of credit issued and outstanding under the facility.

Financial covenants on the Credit Facility	Covenant	June 30, 2025
Total Debt to EBITDA ratio	<3.5:1.0	**0.7:1.0**
Senior Debt to EBITDA ratio	<3.0:1.0	**0.4:1.0**
Interest Coverage ratio	>3.0:1.0	**19.1:1.0**

2027 Notes

During 2022, the Company issued $300.0 million aggregate principal amount of 7.25% interest-bearing senior unsecured notes due May 10, 2027 (the "2027 Notes"). The 2027 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity and are not governed by any financial covenants. The Company currently holds a prepayment option to repurchase the 2027 Notes at a cost of 102.0% as at June 30, 2025.

5. Risk management contracts

		Commodity related contracts		Debt[(1)] related contracts		Total
Balance at December 31, 2024	$	(15,672)	$	4,159	$	**(11,513)**
Realized (gain) loss on settlements		9,897		(25,447)		**(15,550)**
Change in fair market value		11,173		18,844		**30,017**
Balance at June 30, 2025	$	5,398	$	(2,444)	$	**2,954**
Consisting of:						
Current asset	$	5,979	$	-	$	**5,979**
Current liability	$	(581)	$	(2,444)	$	**(3,025)**

(1) Realized gains and losses from the settlement of cross-currency swap contracts are presented net of the offsetting realized foreign exchange gains and losses on the loan principal within the Company's finance expenses.

At June 30, 2025, the Company held the following commodity, FX derivative and debt cross-currency contract positions:

Crude oil derivatives		Q3 2025	Q4 2025	Q1 2026	Q2 2026
WTI 2-way collar	**Volume (bbls/d)**	**21,000**	**22,000**	**20,500**	**11,500**
	Average Put/Call/Premium (USD/bbl)	60.16 / 81.50 / 0.24	53.64 / 77.14 / 0.69	51.22 / 75.52 / 0.55	52.83 / 75.13 / 0.22
MSW differential	**Volume (bbls/d)**	**5,000**	**5,000**	**-**	**-**
	Average Fixed Price (USD/bbl)	(3.93)	(3.93)	-	-
WCS differential	**Volume (bbls/d)**	**13,000**	**16,000**	**8,500**	**-**
	Average Fixed Price (USD/bbl)	(12.68)	(15.09)	(13.67)	-

Natural gas derivatives		Summer 25[1]	Winter 25-26[2]
AECO 5A swap	**Volume (GJ/d)**	**25,500**	**-**
	Average Fixed Price (CAD/GJ)	2.69	-
NYMEX collar	**Volume (mmbtu/d)**	**-**	**22,500**
	Average Put/Call (USD/mmbtu)	-	3.50 / 5.20

(1) Summer runs from April 1 to October 31 of the given year
(2) Winter runs from November 1 to March 31 of the given year

Foreign exchange derivatives		Q3 2025	Q4 2025	Q1 2026	Q2 2026
CAD/USD collar	**Amount (USD/month)**	**$5,000,000**	**$5,000,000**	**$2,000,000**	**$2,000,000**
	Average Put/Call (CAD/USD)	1.34 / 1.39	1.34 / 1.39	1.36 / 1.44	1.36 / 1.44
CAD/USD variable collar	**Amount (USD/month)**	**$31,500,000**	**$31,500,000**	**$3,000,000**	**$3,000,000**
	Average Put/Call/knock-in (CAD/USD)[1]	1.34/1.40/1.37	1.34/1.40/1.37	1.36/1.44/1.40	1.36/1.44/1.40
CAD/USD variable collar extension	**Amount (USD/month)**	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**
	Average Put/Call/knock-in (CAD/USD)[1]	1.35/1.44/1.39	1.35/1.44/1.39	1.36/1.46/1.40	1.36/1.46/1.40
CAD/USD swap	**Amount (USD/month)**	**$3,000,000**	**$3,000,000**	**-**	**-**
	Average Fixed Price (CAD/USD)	1.35	1.35	-	-

(1) If the average rate for the month exceeds the call, Tamarack receives an average rate forward equivalent to the knock-in rate.

Cross-currency swaps	Contract type	Notional value ($USD 000s)	Fixed exchange rate	Fixed interest rate ($USD)	Fixed interest rate ($CAD)
Jun 16, 2025 - Jul 16, 2025	**Swap**	$ 188,000,000	**1.37**	6.66%	**5.00%**
Jun 30, 2025 - Jul 31, 2025	**Swap**	$ 125,000,000	**1.37**	6.68%	**4.99%**

6. Other liabilities

	Notes	Clearwater Infrastructure Partnership	Government loans and other	Lease liabilities	Cash-settled awards	Total
Balance at December 31, 2024		$ 178,769	$ 22,697	$ 11,070	$ 16,152	**$ 228,688**
Liabilities incurred, net	13	-	-	-	4,865	**4,865**
Change in estimates		-	258	4,153	-	**4,411**
Payments		(12,676)	(2,306)	(6,894)	(7,403)	**(29,279)**
Interest expense	12	9,128	-	352	-	**9,480**
Accretion	12	288	967	-	-	**1,255**
Balance at June 30, 2025		$ 175,509	$ 21,616	$ 8,681	$ 13,614	**$ 219,420**
Consisting of:						
Current liability		$ 7,881	$ 7,358	$ 2,550	$ 6,760	**$ 24,549**
Non-current liability		$ 167,628	$ 14,258	$ 6,131	$ 6,854	**$ 194,871**

The Clearwater Infrastructure Partnership liability reflects an Indigenous-held 85% share of Tamarack's 16-year take-or-pay commitment to the partnership for the utilization of certain infrastructure assets in the Clearwater area. Tamarack holds a 15% operated share of the partnership and is responsible for all associated operating and maintenance costs. The Company has retained full access to 100% of the partnership's midstream capacity and priority access to any incremental capacity above the minimum take-or-pay commitment, where volumes can be utilized on a prescribed fee-for-service basis.

As at June 30, 2025, the Company holds an interest-free government loan for $22.9 million that is repayable under the Federal Government of Canada's Emissions Reduction Fund for the construction of certain methane conservation facilities in the Company's Clearwater development area. The agreements include scheduled repayment dates within the next three years. The loan will remain interest-free subject to the Company's compliance with the terms and conditions and the pre-established repayment schedule.

7. Commitments and contingencies

As at June 30, 2025	2025	2026	2027	2028	2029+	Total
Credit Facility	$ -	$ -	$ -	$ 428,652	$ -	**$ 428,652**
Senior Notes	-	-	300,000	-	-	**300,000**
Accounts payable and accrued liabilities	133,619	4,116	-	-	-	**137,735**
Risk management contracts	2,017	1,008	-	-	-	**3,025**
Clearwater Infrastructure Partnership (CIP)	3,948	8,283	9,152	10,187	148,722	**180,292**
Other liabilities, excluding CIP	3,569	19,094	16,533	4,524	2,588	**46,308**
Financial liabilities on the balance sheet	143,153	32,501	325,685	443,363	151,310	**1,096,012**
Interest on debt and other liabilities	30,746	60,715	45,680	22,713	93,445	**253,299**
Take-or-pay commitments	18,038	35,239	31,972	32,925	60,189	**178,363**
Processing commitments	4,397	14,242	14,242	13,641	91,556	**138,078**
Total financial commitments	$ 196,334	$ 142,697	$ 417,579	$ 512,642	$ 396,500	**$1,665,752**

Tamarack is involved in legal claims against the Company that have arisen in the normal course of business. While the final outcomes of such claims cannot be predicted with certainty and could be material, Tamarack believes that the claims are without merit and the amounts are unsubstantiated. The Company also does not anticipate that any of these legal proceedings will have a material impact on Tamarack's consolidated financial position or results of operations. Accordingly, no provision has been recorded in these Interim Financial Statements.

8. Asset retirement obligations

As at	Notes	June 30, 2025	December 31, 2024
Balance, beginning of year		**$ 194,608**	$ 189,971
Liabilities incurred		**4,914**	9,403
Change in estimates		**(9,611)**	21,279
Liabilities settled		**(3,479)**	(13,154)
Liabilities disposed	3	**(14,507)**	(18,673)
Accretion	12	**3,232**	5,782
Balance, end of period		**$ 175,157**	$ 194,608
Consisting of:			
Current portion of asset retirement obligations		**$ 7,160**	$ 7,700
Liabilities associated with assets held for sale		**$ -**	$ 14,327
Asset retirement obligations		**$ 167,997**	$ 172,581

Tamarack's asset retirement obligations reflect the estimated cost to dismantle, abandon, reclaim and remediate the Company's assets at the end of their useful lives. As at June 30, 2025, the Company's total undiscounted and uninflated cash flows required to settle its asset retirement obligations was approximately $254.0 million (December 31, 2024 – $268.1 million) and the majority is expected to be incurred over the next 45 years. A risk-free rate of 3.6% (December 31, 2024 – 3.3%) and an inflation rate of 2.0% (December 31, 2024 – 2.0%) were utilized to calculate the present value of the asset retirement obligations.

9. Shareholders' equity

	June 30, 2025		December 31, 2024	
Share capital	**Shares**	**Amount**	Shares	Amount
Balance, beginning of year	**522,207**	**$1,764,900**	556,183	$1,879,250
Purchase of common shares for equity compensation units	**(1,876)**	**-**	(2,981)	-
Issuance of common shares for equity compensation units	**1,780**	**-**	2,894	-
Purchase of common shares for cancellation	**(22,638)**	**(76,386)**	(33,889)	(114,350)
Balance, end of period	**499,473**	**$1,688,514**	522,207	$1,764,900

Shareholder returns

Period ended		Cumulative dividend per common share		Total dividends distributed	Shares retired through NCIB (thousands)		Total NCIB repurchases		Total shareholder distributions
December 31, 2022	$	0.1165	**$**	**55,268**	-	**$**	**-**	$	55,268
December 31, 2023		0.1500		**83,521**	-		**-**		83,521
December 31, 2024		0.1502		**81,474**	33,889		**135,352**		216,826
June 30, 2025	$	0.0765		**38,799**	22,638		**98,133**		136,932
Total			**$**	**259,062**	56,527	**$**	**233,485**	$	492,547

Normal course issuer bid

In the first quarter of 2025, Tamarack received approval from the TSX to purchase up to 51.3 million common shares under a normal course issuer bid until January 18, 2026. Tamarack had previously received approval in 2024 to purchase up to 54.6 million common shares until January 18, 2025. During the six months ended June 30, 2025, the Company purchased and cancelled 22.6 million common shares at an average price of $4.25 per common share, for a total repurchase cost of $98.1 million, including $1.9 million of federal taxes (year ended December 31, 2024 – 33.9 million common shares for $135.4 million). Tamarack de-recognized the net book value of the repurchased shares for $76.4 million, resulting in a net distribution from retained earnings of $21.7 million during the six months ended June 30, 2025.

Treasury shares

During the six months ended June 30, 2025 the Company acquired 1.9 million common shares for $8.0 million to settle exercised share-based compensation units (year ended December 31, 2024 - 3.0 million common shares for $11.6 million). As at June 30, 2025, Tamarack held 0.9 million treasury shares (December 31, 2024 – 0.8 million treasury shares).

10. Earnings per share

	Three months ended June 30				Six months ended June 30			
		2025		2024		**2025**		2024
Net income	**$**	**86,237**	$	94,887	**$**	**150,495**	$	62,143
Weighted average shares outstanding - basic		**503,447**		548,012		**509,346**		548,449
Weighted average shares outstanding - diluted		**508,268**		551,763		**514,244**		551,880
Net income per share - basic	**$**	**0.17**	$	0.17	**$**	**0.30**	$	0.11
Net income per share - diluted	**$**	**0.17**	$	0.17	**$**	**0.29**	$	0.11

For the three and six months ended June 30, 2025, 8.7 million common shares issuable upon the exercise and settlement of equity compensation units were included in the calculation of the diluted weighted average number of common shares outstanding (three and six months ended June 30, 2024 – 8.8 million and 8.6 million, respectively).

11. Oil and natural gas sales

	Three months ended June 30				Six months ended June 30			
		2025		2024		**2025**		2024
Heavy oil	**$**	**281,232**	$	302,371	**$**	**583,014**	$	554,302
Light oil		**106,556**		143,152		**225,171**		263,375
Natural gas		**11,970**		7,525		**26,353**		21,253
Natural gas liquids		**8,509**		8,431		**18,017**		15,885
Oil and natural gas sales	**$**	**408,267**	$	461,479	**$**	**852,555**	$	854,815

12. Finance expense

		Three months ended June 30				Six months ended June 30			
	Notes		**2025**		2024		**2025**		2024
Credit Facility	4	**$**	**6,025**	$	12,295	**$**	**12,631**	$	24,481
Senior Notes	4		**5,425**		5,393		**10,788**		10,816
Clearwater infrastructure liability and other	6		**4,881**		3,865		**9,577**		8,409
Interest expense			**16,331**		21,553		**32,996**		43,706
Deferred borrowing costs and loan accretion	4, 6		**2,943**		1,786		**5,470**		3,875
Accretion of asset retirement obligations	8		**1,612**		1,400		**3,232**		3,072
Finance expense		**$**	**20,886**	$	24,739	**$**	**41,698**	$	50,653

13. Stock-based compensation

	Notes	Three months ended June 30		Six months ended June 30	
		2025	2024	**2025**	2024
Equity-settled stock-based compensation		**$ 3,022**	$ 2,978	**$ 6,386**	$ 5,681
Cash-settled stock-based compensation	6	**3,872**	1,111	**4,865**	4,957
		6,894	4,089	**11,251**	10,638
Capitalized stock-based compensation	3	**(875)**	(608)	**(2,451)**	(2,615)
Stock-based compensation expense		**$ 6,019**	$ 3,481	**$ 8,800**	$ 8,023

Equity compensation plan continuity	**RSUs**	**PSUs**	**RIAs**	**PIAs**	**Stock options**	**Total**
Balance at December 31, 2024	4,467	2,767	943	4,344	360	**12,881**
Granted	1,961	1,138	418	1,777	-	**5,294**
Exercised	(1,173)	(452)	(425)	(1,089)	(155)	**(3,294)**
Forfeited or expired	(83)	(118)	-	(258)	-	**(459)**
Balance at June 30, 2025	5,172	3,335	936	4,774	205	**14,422**
Consisting of:						
Equity-settled units	5,172	3,335	-	-	205	**8,712**
Cash-settled units (Note 6)	-	-	936	4,774	-	**5,710**
Units exercisable	644	58	-	-	205	**907**
Weighted-average remaining life	1.47	1.87	1.73	2.02	0.92	**1.75**

For the six months ended June 30, 2025, Tamarack granted 5.3 million share-based awards at a weighted average fair value of $4.15 per share which was primarily based on the Company's share price at the date of grant. For the six months ended June 30, 2025, actual market and non-market performance adjustment factors on vested PSUs and PIAs averaged 1.25.

14. Supplemental cash flow

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Source/(use) of cash				
Accounts receivable	**$ (1,059)**	$ 14,688	**$ 2,002**	$ (12,457)
Prepaid expenses and deposits	**730**	1,922	**(16,896)**	8,206
Accounts payable and accrued liabilities	**(42,521)**	(61,066)	**(62,073)**	(51,326)
Net changes per consolidated balance sheet	**(42,850)**	(44,456)	**(76,967)**	(55,577)
Adjusted for:				
Changes in long-term liabilities and other	**22**	-	**596**	-
	$ (42,828)	$ (44,456)	**$ (76,371)**	$ (55,577)
Consisting of				
Operating activities	**$ (6,701)**	$ 1,835	**$ (42,572)**	$ (12,996)
Financing activities	**$ (2,679)**	$ (27)	**$ 2,668**	$ (120)
Investing activities	**$ (33,448)**	$ (46,264)	**$ (36,467)**	$ (42,461)

15. Subsequent events

Issuance of senior unsecured notes

On July 25, 2025, the Company issued $325.0 million aggregate principal amount of 6.875% interest-bearing senior unsecured notes due July 25, 2030 (the "2030 Notes"). The 2030 Notes were issued at par under a trust indenture and are unsecured obligations of Tamarack ranking pari passu with all the Company's existing and future senior unsecured debt. The 2030 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. Net proceeds from the financing arrangement at the date of closing were utilized to redeem $100.0 million of the 2027 Notes at a cost of 102.0% of principal and repay approximately $216.4 million of amounts outstanding under the Credit Facility.

Acquisition of Clearwater heavy oil assets

On July 29, 2025, the Company acquired all of the issued and outstanding shares of a privately held third-party company for cash consideration of $51.5 million, prior to closing adjustments. In connection with the acquisition, Tamarack acquired heavy oil production and mineral rights near the Company's core asset holdings in the Clearwater.

Corporate information

Board of Directors

John Rooney [1, 3, 4]
Chair of the Board

Brian Schmidt
Director

Caralyn Bennett [2, 4]
Director

John Leach [1,2]
Director

Marnie Smith [1, 3]
Director

Rene Amirault [4]
Director

Rob Spitzer [2, 3]
Director

Shannon Joseph [4]
Director

[1] *Member of the Audit Committee*
[2] *Member of the Reserves Committee*
[3] *Member of the Compensation and Governance Committee*
[4] *Member of the Environmental, Safety and Sustainability Committee*

Management Team

Brian Schmidt
Chief Executive Officer

Steve Buytels
President and Chief Financial Officer

Kevin Screen
Chief Operating Officer

Ben Stoodley
Vice President, Engineering

Christine Ezinga
Vice President, Business Development and Sustainability

Kevin Johnston
Vice President, Finance

Lynne Chrumka
Vice President, Exploration

Rocky Baker
Vice President, Marketing

Scott Shimek
Vice President, Production and Operations

Sony Gill
Corporate Secretary

Lead Bank Syndicate

National Bank of Canada

Stock Exchange

Toronto Stock Exchange - Symbol: **TVE**

Reserve Evaluators

McDaniel & Associates Consultants Ltd.
GLJ Ltd.

Legal Counsel

Stikeman Elliott LLP

Auditor

KPMG LLP