



MANAGEMENT'S DISCUSSION AND ANALYSIS

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 months ended March 31, 2024 and 2023. This MD&A is dated as at May 7, 2024 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 ("Interim Financial Statements") and the audited consolidated financial statements for the year ended December 31, 2023. Additional information relating to Tamarack, including the Company's Annual Information Form for the year ended December 31, 2023, 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 indicated, all references to dollar amounts are in Canadian ("CAD") currency.

About Tamarack Valley Energy Ltd.

Tamarack is a corporation engaged in the sustainable 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. Tamarack also manages an EOR portfolio of diverse assets across Alberta. The Company is committed to the advancement of ESG practices, including GHG emissions management and partnerships with local communities.

As of December 31, 2023, the Company held over 650 sections of acreage across the Clearwater fairway with 112.5 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 has enhanced recovery potential. Tamarack produced over 38,000 boe per day of heavy oil and natural gas from Clearwater in the first quarter of 2024.

Tamarack holds over 250 sections of Charlie Lake acreage with 67.4 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 15,000 boe per day of oil and natural gas from Charlie Lake in the first quarter of 2024.

Tamarack has 103 employees at the corporate head office and eight employees at field level operations. 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".

Q1 2024 in review

Tamarack delivered strong results in the first quarter of 2024 generating free funds flow⁽²⁾ of \$53.3 million, underpinned by steady production of 62,022 boe/d, robust heavy oil price realizations and capital discipline. These operational results allowed the Company to execute its capital management strategy of reducing net debt and growing shareholder returns. In Q1, Tamarack delivered \$46.4 million to shareholders through base dividends and share buybacks. The Company also repaid the remaining balance of the DAP Notes and Term Facility, two instruments that were issued to help fund the Company's transformative acquisitions in 2022. In May 2024, the Company also amended the SLL Facility to extend the tenure and add an uncommitted accordion for \$125.0 million.

(1) Based upon the independent reserves evaluations conducted by McDaniel & Associates Consultants Ltd. ("McDaniel") and GLJ Ltd. ("GLJ"), as at December 31, 2023. Refer to "Advisories and guidance" for additional information about the independent reserves evaluations conducted by McDaniel and GLJ.

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

Q1 2024 operational and financial highlights

| | Three months ended | | | | |
|--|--------------------|-------------------|-----------|----------------------|------------|
| | 2024 | March 31, 2023 | % change | December 31, 2023 | % change |
| (\$ thousands, except per share amounts) | | | | | |
| Oil and natural gas sales, before blending expense | \$ 393,336 | \$ 378,546 | 4 | \$ 418,864 | (6) |
| Cash provided by operating activities | 165,201 | 59,624 | 177 | 215,981 | (24) |
| Per share – basic | 0.30 | 0.11 | 173 | 0.39 | (23) |
| Per share – diluted | 0.30 | 0.11 | 173 | 0.39 | (23) |
| Adjusted funds flow ⁽¹⁾ | 181,556 | 157,271 | 15 | 194,771 | (7) |
| Per share – basic ⁽¹⁾ | 0.33 | 0.28 | 18 | 0.35 | (6) |
| Per share – diluted ⁽¹⁾ | 0.33 | 0.28 | 18 | 0.35 | (6) |
| Free funds flow ⁽¹⁾ | 53,335 | 9,109 | 486 | 67,067 | (20) |
| Per share – basic ⁽¹⁾ | 0.10 | 0.02 | 490 | 0.12 | (20) |
| Per share – diluted ⁽¹⁾ | 0.10 | 0.02 | 491 | 0.12 | (20) |
| Net income (loss) | (32,744) | 2,505 | nm | 57,322 | nm |
| Per share – basic | (0.06) | - | nm | 0.10 | nm |
| Per share – diluted | (0.06) | - | nm | 0.10 | nm |
| Net debt ⁽¹⁾ | 984,768 | 1,374,068 | (28) | 983,585 | 0 |
| Investments in oil and natural gas assets | 128,221 | 148,162 | (13) | 127,704 | 0 |
| Weighted average shares outstanding (thousands) | | | | | |
| Basic | 552,345 | 556,548 | (1) | 556,699 | (1) |
| Diluted | 555,595 | 560,503 | (1) | 560,008 | (1) |
| Average daily production | | | | | |
| Heavy oil (bbls/d) | 36,255 | 34,399 | 5 | 37,447 | (3) |
| Light oil (bbls/d) | 15,270 | 17,035 | (10) | 14,928 | 2 |
| NGL (bbls/d) | 1,925 | 4,122 | (53) | 2,769 | (30) |
| Natural gas (mcf/d) | 51,431 | 74,293 | (31) | 58,419 | (12) |
| Total (boe/d) | 62,022 | 67,938 | (9) | 64,881 | (4) |
| Average sale prices | | | | | |
| Heavy oil, net of blending expense (\$/bbl) ⁽¹⁾ | \$ 75.75 | \$ 61.60 | 23 | \$ 74.09 | 2 |
| Light oil (\$/bbl) | 86.52 | 94.97 | (9) | 99.79 | (13) |
| NGL (\$/bbl) | 42.54 | 45.91 | (7) | 42.31 | 1 |
| Natural gas (\$/mcf) | 2.93 | 3.50 | (16) | 2.82 | 4 |
| Total (\$/boe) | 69.34 | 61.61 | 13 | 70.07 | (1) |
| Benchmark pricing | | | | | |
| West Texas Intermediate (US\$/bbl) | 76.96 | 76.13 | 1 | 78.32 | (2) |
| Western Canadian Select (WCS/Hardisty Heavy) (Cdn\$/bbl) | 77.77 | 69.30 | 12 | 76.96 | 1 |
| WCS differential (US\$/bbl) | 19.31 | 24.88 | (22) | 21.89 | (12) |
| Edmonton Par (Cdn\$/bbl) | 92.15 | 99.01 | (7) | 99.69 | (8) |
| Edmonton Par differential (US\$/bbl) | 8.65 | 2.88 | 200 | 5.19 | 67 |
| Foreign Exchange (USD to CAD) | 1.35 | 1.35 | - | 1.36 | (1) |
| Operating netback (\$/Boe) | | | | | |
| Realized sales price, net of blending ⁽¹⁾ | 69.34 | 61.61 | 13 | 70.07 | (1) |
| Royalty expenses | (13.46) | (11.99) | 12 | (13.81) | 3 |
| Net production expenses ⁽¹⁾ | (9.43) | (10.49) | (10) | (8.89) | (6) |
| Transportation expenses | (4.18) | (3.90) | 7 | (3.56) | (17) |
| Carbon tax | (0.62) | - | nm | (2.53) | nm |
| Operating field netback (\$/Boe) ⁽¹⁾ | 41.65 | 35.23 | 18 | 41.28 | 1 |
| Realized commodity hedging gain (loss) | 0.37 | (1.06) | (135) | 0.80 | (54) |
| Operating netback (\$/Boe)⁽¹⁾ | \$ 42.02 | \$ 34.17 | 23 | \$ 42.08 | (0) |
| Adjusted funds flow (\$/Boe)⁽¹⁾ | \$ 32.17 | \$ 25.72 | 25 | \$ 32.63 | (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.

Highlights for the three months ended March 31, 2024

Production - Production in the first quarter of 2024 averaged 62,022 boe per day. The 9% quarter-over-quarter decline in production compared to Q1 2023 was primarily due to the non-core Cardium asset disposition in November 2023, partially offset by new production from ongoing drilling and development activities in both the Clearwater and Charlie Lake. The Company's oil and liquids weighting also grew to 86% compared to 82%. Highlights of the first quarter program included strong well rates in West Nipisi and West Marten Hills along with encouraging activity in the Charlie Lake which included two wells brought on stream at Wembley that exhibited the highest oil rates relative to other Charlie Lake oil wells.

Realizations - Tamarack has continued to attain higher margins through improved heavy oil price realizations from ongoing marketing initiatives and an improved commodity price environment. In the first quarter of 2024, the Company's heavy oil price differential, net of transportation expenses⁽¹⁾ relative to the Hardisty Heavy benchmark price was \$6.34 per boe, compared to the first quarter 2023 differential of \$13.49 per boe, reflecting a 53% quarter-over-quarter improvement. Higher realized heavy oil prices were primarily due to improved netbacks resulting from the Nipisi pipeline and blending terminal as well as optimized sales points for trucked heavy oil production. Overall, the Company's average realized price of \$69.34 per boe in the first quarter of 2024 improved by 13% compared the same period in the prior year, primarily due to the higher commodity prices and improved heavy oil differentials. The Company expects heavy oil differentials to continue to narrow as the TMX oil pipeline ramps up in Q2 2024.

Cash Flows - Tamarack delivered cash provided by operating activities of \$165.2 million during the three months ended March 31, 2024. The Company also delivered first quarter adjusted funds flow⁽¹⁾ of \$181.6 million supported by strong benchmark commodity prices and heavy oil price realizations and was primarily utilized to fund the Company's winter drilling and development program and return capital to shareholders. Tamarack's free funds flow⁽¹⁾ of \$53.3 million in Q1 2024 reflects a \$44.2 million improvement compared to the same quarter in the prior year.

Investments in Oil and Natural Gas Assets - Tamarack invested \$128.2 million in Q1 2024 for ongoing development of the Clearwater and Charlie Lake plays. The Company's first quarter winter drilling program included 32.9 net Clearwater heavy oil wells and 5.4 net Charlie Lake light oil wells. Capital investments also included \$7.3 million of gas conservation projects for the Clearwater Infrastructure Partnership. These targeted infrastructure investments have facilitated production growth, net production expense⁽¹⁾ reductions and the increased abatement of greenhouse gas emissions. Upon completion of these projects, Tamarack is entitled to the remaining proceeds from the Clearwater Infrastructure Partnership formation of \$15.0 million, which is currently held in a trust subject to the completion of the projects.

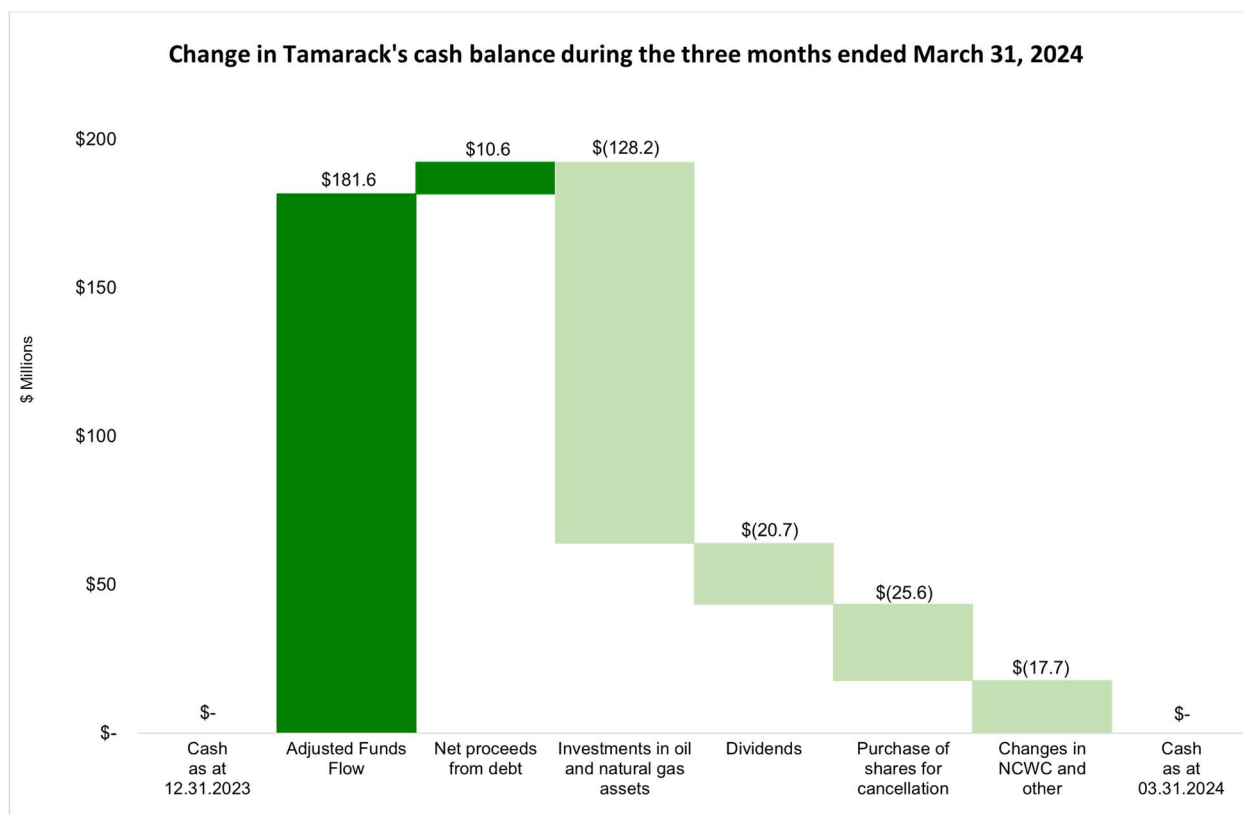
Debt Renewal - During the first quarter of 2024, the Company repaid its Term Facility and DAP Notes which was primarily funded utilizing available capacity under the Company's SLL Facility. Repayment of these instruments has eased covenant restrictions under the Company's Syndicated Credit Facility and reduced Tamarack's average borrowing costs for the remainder of the year. In May 2024, Tamarack also amended the SLL Facility primarily to extend the maturity date by one year to 2027 and to add 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 syndicate approval for a total potential capacity of \$1.0 billion. As at March 31, 2024, Tamarack had undrawn capacity of \$227.6 million under the Company's \$875.0 million revolving credit facility.

Shareholder Returns - The Company exited 2023 having reduced net debt by \$373.0 million in the year and achieving its first debt threshold within its pre-established return of capital framework. In response, Tamarack accelerated its enhanced return initiative by renewing its normal course issuer bid, with TSX approvals received in January 2024 to reacquire up to 54.6 million common shares until January 18, 2025. During the first quarter of 2024, the Company purchased and cancelled 7.6 million common shares for \$25.6 million. Tamarack also declared base dividends to shareholders of \$20.7 million (\$0.0375 per share). Since 2022, Tamarack has now returned over \$185.0 million to shareholders in the form of dividends and share buybacks.

Third-party facility service interruption

In early April, there was an unplanned service disruption at a third-party gas plant at Mitsue, Alberta that processes Tamarack's solution gas from various batteries in the Nipisi area. Due to flaring limitations set by the Alberta Energy Regulator, Tamarack temporarily shut-in approximately 6,200 boe per day of production. The Company is in the process of implementing several strategies to restore the majority of the production back on-stream ahead of the operator returning the facility to operation. As of May 7, 2024, the Company has been able to restore all but 1,050 – 1,250 boe per day of production (60% natural gas). The Company's full-year guidance remains unchanged with average production of 61,000 – 63,000 boe per day.

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



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Annual guidance

| 2024 Outlook | Guidance (Feb. 27, 2024) | Presentation change | Revised guidance (May 7, 2024) |
|--|-----------------------------|------------------------|-----------------------------------|
| For the year ended December 31 | 2024 | | 2024 |
| Capital investments (\$ millions) ⁽¹⁾ | 390 - 440 | - | 390 - 440 |
| Annual average production (boe/d) | 61,000 - 63,000 | - | 61,000 - 63,000 |
| Average oil & NGL weighting (%) | 84 - 86 | - | 84 - 86 |
| Royalty rate (%) | 20 - 22 | - | 20 - 22 |
| Corporate wellhead price differential - Oil | 2.50 - 3.50 | (0.50) | 2.00 - 3.00 |
| Net production (\$/boe) ⁽²⁾ | 8.75 - 9.25 | - | 8.75 - 9.25 |
| Transportation (\$/boe) | 3.25 - 3.60 | 0.50 | 3.75 - 4.10 |
| Carbon tax (\$/boe) | 0.50 - 1.00 | - | 0.50 - 1.00 |
| General and administrative (\$/boe) | 1.35 - 1.50 | - | 1.35 - 1.50 |
| Interest (\$/boe) | 3.80 - 4.20 | - | 3.80 - 4.20 |
| Income taxes (% of Adjusted Funds flow) | 9 - 11 | - | 9 - 11 |

(1) Capital investments reflected in the table above reflects Tamarack's base 2024 budget and excludes the impact of the incremental CSV Albright expansion budget of \$40 - \$50 million. Amounts also exclude decommissioning obligation expenditures, acquisitions and dispositions and Clearwater Infrastructure Partnership gas conservation projects.

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

Including the anticipated impact of the non-core Redwater disposition and third-party Mitsue gas processing facility service interruptions in April, the Company's full-year guidance remains unchanged with average production of 61,000 – 63,000 boe per day. Based on discussions with the counterparty and Tamarack's ongoing mitigation efforts to divert restricted volumes from the affected third-party facility, the Company currently anticipates being able to maintain annual production guidance, which is subject to change and dependent upon, among other things, certain regulatory approvals, successful execution of these ongoing mitigation initiatives and execution of the remaining 2024 capital program.

First quarter net production expenses on a per boe basis exceeded the annual guidance primarily due to seasonality and inclement weather. Production expense guidance for the full year remains unchanged. The Company's transportation expense guidance was increased by \$0.50 per boe to reflect the Nipisi heavy oil transportation contract as a gross transportation expense rather than reduction of the realized heavy oil wellhead price. The revised guidance format does not impact Tamarack's operating netbacks or cash flows for the year ended December 31, 2024 as the update reflects an offsetting reclass between the Company's revenues and transportation expenses.

Tamarack's capital guidance balances maximizing free funds flow generation with a significant amount being directed towards shareholder returns. The Company's capital investments guidance is maintained at \$390 - \$440 million focused primarily on Clearwater and Charlie Lake drilling and development activities. 2024 investments include secondary recovery expansion of Clearwater waterflood projects at Nipisi and Marten Hills. Other capital projects consist of infrastructure expansions in the Clearwater area to support ongoing production growth and emissions reduction initiatives. The Company anticipates G&A costs for the full year to be within the guidance range of \$1.35-\$1.50.

Production

| March 31 | Three months ended | | |
|------------------------------|--------------------|-----------|----------|
| | 2024 | 2023 | % change |
| Production | | | |
| Heavy oil (bbls/d) | 36,255 | 34,399 | 5 |
| Light oil (bbls/d) | 15,270 | 17,035 | (10) |
| Natural gas liquids (bbls/d) | 1,925 | 4,122 | (53) |
| Natural gas (mcf/d) | 51,431 | 74,293 | (31) |
| Total (boe/d) | 62,022 | 67,938 | (9) |
| Total (boe) | 5,644,033 | 6,114,404 | (8) |
| Percentage of oil and NGLs | 86% | 82% | 5 |

Tamarack's production in the first quarter of 2024 decreased 9% compared to the same period in 2023, primarily due to the disposition of the non-core Cardium assets in the fourth quarter of 2023 and base declines, partially offset by higher production from the Company's ongoing drilling and development programs. The Company's oil and NGL weighting for the three months ended March 31, 2024 increased by 5% compared to the same period in 2023, primarily due to the dispositions in Q4 2023 and Q1 2024.

Petroleum and natural gas sales

| (\$ thousands, except per unit) | | | |
|--|--------------------|------------|----------|
| March 31 | Three months ended | | |
| | 2024 | 2023 | % change |
| Revenue | | | |
| Heavy oil, net of blending expense ⁽¹⁾ | \$ 249,926 | \$ 190,693 | 31 |
| Light oil | 120,223 | 145,613 | (17) |
| Natural gas | 13,728 | 23,382 | (41) |
| Natural gas liquids | 7,454 | 17,032 | (56) |
| Total, net of blending expense ⁽¹⁾ | \$ 391,331 | \$ 376,720 | 4 |
| Average realized price: | | | |
| Heavy oil, net of blending expense (\$/bbl) ⁽¹⁾ | \$ 75.75 | \$ 61.60 | 23 |
| Light oil (\$/bbl) | 86.52 | 94.97 | (9) |
| Natural gas (\$/mcf) | 2.93 | 3.50 | (16) |
| Natural gas liquids (\$/bbl) | 42.54 | 45.91 | (7) |
| Combined average oil and NGL (\$/boe) | 77.63 | 70.67 | 10 |
| Revenue, net of blending expense (\$/boe) ⁽¹⁾ | \$ 69.34 | \$ 61.61 | 13 |

(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 months ended March 31, 2024, revenues increased by \$14.6 million compared to the same period in 2023, due to higher realized prices of \$47.2 million, partially offset by lower production of \$32.6 million. The Company's realized price improved by 13% in the first quarter of 2024 compared the same period in the prior year, primarily due to improved benchmark commodity prices and heavy oil differentials.

| March 31 | Three months ended | | | |
|--|--------------------|----------|----------|------|
| | 2024 | 2023 | % change | |
| Benchmark pricing | | | | |
| West Texas Intermediate (US\$/bbl) | \$ 76.96 | \$ 76.13 | | 1 |
| Western Canadian Select (WCS/Hardisty Heavy) (Cdn\$/bbl) | 77.77 | 69.30 | | 12 |
| WCS differential, relative to WTI (US\$/bbl) | 19.31 | 24.88 | | (22) |
| Edmonton Par (light sweet) (Cdn\$/bbl) | 92.15 | 99.01 | | (7) |
| Edmonton Par differential, relative to WTI (US\$/bbl) | 8.65 | 2.88 | | 200 |
| NYMEX monthly settlement (US\$/mmbtu) | 2.24 | 3.42 | | (35) |
| AECO daily index (Cdn\$/mcf) | 2.48 | 3.20 | | (23) |
| AECO monthly index (Cdn\$/mcf) | \$ 2.04 | \$ 4.32 | | (53) |
| Foreign exchange (USD to CAD) | 1.35 | 1.35 | | (0) |

The price of West Texas Intermediate (“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 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 also adjusted for quality based on the density of the oil relative to the quoted benchmark.

During the three months ended March 31, 2024, the WTI benchmark price remained relatively flat, compared to the same period in 2023, as commodity price pressures stemming from supply disruptions due to ongoing regional conflicts in Ukraine and the middle east, persistent production restrictions imposed by OPEC+ and replenishments of the US strategic oil reserve, were mostly offset by growth in North American production, quarter-over-quarter.

| March 31 | Three months ended | | | |
|--|--------------------|----------|---------------|----------|
| | 2024 | 2023 | \$/bbl change | % change |
| Heavy oil wellhead price realization (\$/bbl) | | | | |
| Hardisty Heavy benchmark price | \$ 77.77 | \$ 69.30 | \$ 8.47 | 12 |
| Less: Tamarack's heavy oil realized price, net of blending | (75.75) | (61.60) | (14.15) | 23 |
| Heavy oil wellhead price differential ⁽¹⁾ | \$ 2.02 | \$ 7.70 | \$ (5.68) | (74) |
| Add: Transportation expenses - heavy oil | 4.32 | 5.79 | (1.47) | (25) |
| Heavy oil differential, including transportation expenses ⁽¹⁾ | \$ 6.34 | \$ 13.49 | \$ (7.15) | (53) |
| Light oil wellhead price realization (\$/bbl) | | | | |
| Edmonton Par benchmark price | \$ 92.15 | \$ 99.01 | \$ (6.86) | (7) |
| Less: Tamarack's light oil realized price | (86.52) | (94.97) | 8.45 | (9) |
| Light oil wellhead price differential ⁽¹⁾ | 5.63 | 4.04 | 1.59 | 39 |
| Add: Transportation expenses - light oil | 4.86 | 2.08 | 2.78 | 133 |
| Light oil differential, including transportation expenses ⁽¹⁾ | \$ 10.49 | \$ 6.12 | \$ 4.37 | 71 |

(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 has continued to drive higher margins through improved heavy oil price realizations from ongoing marketing initiatives and an improved commodity price environment. During the first quarter of 2024, the Company's heavy oil differential including transportation expenses improved by 53% compared to the first quarter of 2023, primarily due to improved netbacks resulting from the commencement of new oil transportation contracts on the Nipisi pipeline and blending terminal as well as optimized sales points for trucked heavy oil production.

During the first quarter of 2024, Tamarack's realized light oil prices were relatively consistent with the decline in light oil benchmark commodity prices. Relative to the WTI benchmark price, the Edmonton Par light oil differential widened by 200% compared to the same period in 2023, primarily due to a surplus in supply of light sweet at Edmonton, unplanned refinery outages and higher than normal pipeline apportionment.

In the first quarter of 2024, the Company's light oil differential including transportation expenses widened by 71% compared to the same period in the prior year, due to pipeline adjustments in the first quarter. The Company expects light oil differentials to improve in the second quarter of 2024.

Risk management

| (\$ thousands, except per boe) | Three months ended | | | |
|---------------------------------|--------------------|----------|------|---------|
| | March 31 | 2024 | 2023 | |
| Realized gain (loss) | \$ | 2,080 | \$ | (6,504) |
| Unrealized loss | | (55,590) | | (2,349) |
| Total risk management contracts | \$ | (53,510) | \$ | (8,853) |
| Realized gain (loss) (\$/boe) | \$ | 0.37 | \$ | (1.06) |

Changes in crude oil benchmarks and price differentials can have a significant impact on Tamarack's oil and natural gas sales, cash provided by operating activities and adjusted funds flow. Tamarack enters into risk management contracts on a prudent, non-speculative basis in order to reduce liquidity risk and stabilize near-term cash flows which allows the Company to fund capital investment programs, net debt reduction and the return of capital to shareholders.

Risk management instruments are measured at their estimated fair market value at each reporting period. An unrealized gain on commodity risk management contracts reflects a non-cash increase in value resulting from a decline in future estimated commodity prices relative to Tamarack's contract positions. A realized commodity risk management contract gain generally reflects the actual cash settlement of the Company's fixed price position relative to a lower actual underlying market price at the maturity date. Realized and unrealized losses generally result from increases in actual and future estimated commodity prices, respectively.

As at March 31, 2024, Tamarack's outstanding risk management contracts had a net liability value of \$22.2 million (December 31, 2023 – \$30.7 million net asset). Tamarack's derivative contracts can be found in note 6 of the Interim Financial Statements.

Royalties

| (\$ thousands, except per boe) | Three months ended | | | | |
|--|--------------------|--------|------|----------|----|
| | March 31 | 2024 | 2023 | % change | |
| Royalty expenses | \$ | 75,969 | \$ | 73,292 | 4 |
| \$/boe | | 13.46 | | 11.99 | 12 |
| Percentage of sales, net of blending (%) | | 19 | | 19 | - |

Royalties as a percentage of sales, net of blending expense, for the three months ended March 31, 2024 was consistent with the same period in the prior year. Gross royalty expense increased by 4% in the first quarter of 2024, compared to the same period in 2023, due to higher commodity prices partially offset by lower production.

Net production expenses

| (\$ thousands, except per boe) | Three months ended | | | | |
|--|--------------------|---------|------|----------|------|
| | March 31 | 2024 | 2023 | % change | |
| Production expenses | \$ | 54,940 | \$ | 65,040 | (16) |
| Less: processing income | | (1,701) | | (909) | 87 |
| Total net production expenses ⁽¹⁾ | \$ | 53,239 | \$ | 64,131 | (17) |
| Total (\$/boe) ⁽¹⁾ | \$ | 9.43 | \$ | 10.49 | (10) |

(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 months ended March 31, 2024, per unit net production expenses declined by 10% compared to the same period in 2023, primarily due to the new gas-gathering facilities brought on-line in the second half of 2023, the commissioning of the Wembley gas plant at Charlie Lake and the realization of synergies across the Clearwater asset areas at Nipisi and Marten Hills.

Transportation expenses

| (\$ thousands, except per boe) | Three months ended | | | | |
|--------------------------------|--------------------|--------|------|----------|-----|
| | March 31 | 2024 | 2023 | % change | |
| Transportation expense - oil | \$ | 21,006 | \$ | 21,128 | (1) |
| Transportation expense - gas | | 2,571 | | 2,710 | (5) |
| Total transportation expenses | \$ | 23,577 | \$ | 23,838 | (1) |
| Total (\$/boe) | \$ | 4.18 | \$ | 3.90 | 7 |

(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 rather than a transportation expense.

For the three months ended March 31, 2024, oil transportation expenses were relatively flat compared to the same period in 2023, as lower transportation expenses incurred from the start-up of the Secure-Pembina Nipisi pipeline and lower production volumes were mostly offset by the impacts of new pipeline transportation contracts. Transportation expenses for natural gas declined by 5% during the three months ended March 31, 2024, compared to the same period in the prior year, primarily due to lower natural gas production following the disposition of the non-core Cardium assets.

On a per boe basis, transportation expenses increased by 7% in the first quarter of 2024, primarily due to lower production and the impact of new oil pipeline transportation contracts. The Company's transportation expense increased by approximately \$0.50 per boe due to the commencement of a Nipisi heavy oil transportation contract (reflected as gross transportation expense instead of a revenue deduct). These transportation contracts have contributed to improved heavy oil price realizations in the first quarter of 2024 with the heavy differential, including transportation expenses declining by 53%, quarter-over-quarter (refer to the "Petroleum and natural gas sales" section for further details).

Operating netback

| (\$/boe) | Three months ended | | | |
|---|--------------------|----------|----------|--|
| March 31 | 2024 | 2023 | % change | |
| Realized sales price, net of blend expense ⁽¹⁾ | \$ 69.34 | \$ 61.61 | 13 | |
| Royalty expenses | (13.46) | (11.99) | 12 | |
| Net production expenses ⁽¹⁾ | (9.43) | (10.49) | (10) | |
| Transportation expenses | (4.18) | (3.90) | 7 | |
| Carbon tax | (0.62) | - | nm | |
| Operating field netback ⁽¹⁾ | \$ 41.65 | \$ 35.23 | 18 | |
| Realized hedging gain (loss) | 0.37 | (1.06) | (135) | |
| Operating netback ⁽¹⁾ | \$ 42.02 | \$ 34.17 | 23 | |

| (\$ thousands) | Three months ended | | | |
|---|--------------------|------------|----------|--|
| March 31 | 2024 | 2023 | % change | |
| Realized sales price, net of blend expense ⁽¹⁾ | \$ 391,331 | \$ 376,720 | 4 | |
| Royalty expenses | (75,969) | (73,292) | 4 | |
| Net production expenses ⁽¹⁾ | (53,239) | (64,129) | (17) | |
| Transportation expenses | (23,577) | (23,838) | (1) | |
| Carbon tax | (3,525) | - | nm | |
| Operating field netback ⁽¹⁾ | \$ 235,021 | \$ 215,461 | 9 | |
| Realized hedging gain (loss) | 2,080 | (6,504) | (132) | |
| Operating netback ⁽¹⁾ | \$ 237,101 | \$ 208,957 | 13 | |

(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 months ended March 31, 2024, the operating netback per boe increased by 23% compared to the same period in 2023 primarily due to a higher heavy oil commodity price and lower net production expenses partially offset by higher royalties, transportation expenses and carbon taxes.

The operating netback for the three months ended March 31, 2024 increased 13% compared to the same period in 2023 due to higher heavy oil commodity prices and lower net production expenses partially offset by lower production and carbon taxes.

General and administrative ("G&A") expenses

| (\$ thousands, except per boe) | Three months ended | | | |
|--|--------------------|-----------|----------|--|
| March 31 | 2024 | 2023 | % change | |
| G&A costs | \$ 12,319 | \$ 10,602 | 16 | |
| Less: capitalized costs and recoveries | (3,352) | (2,803) | 20 | |
| G&A expenses | \$ 8,967 | \$ 7,799 | 15 | |
| Total (\$/boe) | \$ 1.59 | \$ 1.28 | 24 | |

For the three months ended March 31, 2024, G&A costs per boe increased by 24% compared to the same period in 2023, primarily due to higher legal and other expenses in the first quarter. G&A guidance for the year remains unchanged.

Stock-based compensation expense

| (\$ thousands, except per boe) | Three months ended | | | | |
|----------------------------------|--------------------|---------|------|----------|-----|
| | March 31 | 2024 | 2023 | % change | |
| Equity-settled plans | \$ | 2,703 | \$ | 2,404 | 12 |
| Cash-settled plans | | 3,846 | | 1,685 | 128 |
| Stock-based compensation costs | | 6,549 | | 4,089 | 60 |
| Less: capitalized costs | | (2,007) | | (1,303) | 54 |
| Stock-based compensation expense | \$ | 4,542 | \$ | 2,786 | 63 |
| Total (\$/boe) | \$ | 0.80 | \$ | 0.46 | 74 |

Stock-based compensation expense for the three months ended March 31, 2024, increased by 63% compared to the same period in 2023, primarily due to new grants issued in the first quarter, higher staff counts and an increase in Tamarack's share price.

Finance expense

| (\$ thousands, except per boe) | Three months ended | | | | |
|---|--------------------|---------|------|----------|-------|
| | March 31 | 2024 | 2023 | % change | |
| Syndicated Facility | \$ | 12,186 | \$ | 13,065 | (7) |
| SL Notes | | 5,423 | | 5,364 | 1 |
| Clearwater infrastructure liability | | 3,596 | | - | nm |
| DAP Notes | | 792 | | 3,679 | (78) |
| Other interest and fees | | 156 | | 2,132 | (93) |
| Cash interest expense | \$ | 22,153 | \$ | 24,240 | (9) |
| Deferred borrowing costs and loan accretion | | 2,098 | | 1,860 | 13 |
| Unrealized foreign exchange loss (gain) on debt | | 2,690 | | (8,810) | (131) |
| Unrealized loss (gain) on cross-currency swaps | | (2,699) | | 8,242 | (133) |
| Accretion of decommissioning obligations | | 1,672 | | 2,253 | (26) |
| Finance expense | \$ | 25,914 | \$ | 27,785 | (7) |
| Total finance expense (\$/boe) | | 4.59 | | 4.54 | 1 |
| Total cash interest expense (\$/boe) | | 3.93 | | 3.96 | (1) |
| Average draw on Syndicated Facility | \$ | 631,951 | \$ | 717,690 | (12) |
| Average outstanding SL Notes | \$ | 300,000 | \$ | 300,000 | - |
| Average outstanding DAP Notes | \$ | 56,667 | \$ | 256,111 | (78) |

For the three months ended March 31, 2024, cash interest expense decreased by 9% compared to the same period in the prior year, primarily due to the lower average balances of the Syndicated Facility and DAP Notes, partially offset by interest expense on the Clearwater infrastructure liability that was issued in the fourth quarter of 2023.

The Company amortizes capitalized issuance costs over the term of its corresponding debt instrument and incurs standby fees on the undrawn portion of the Syndicated Facility. Financing expenses include the realized and unrealized gains and losses resulting from the revaluation of outstanding US dollar denominated credit facility draws at each reporting period, as well as the corresponding foreign exchange cross-currency swap contracts that are notionally aligned with these hedged credit facility draws. Offsetting realized gains and losses from the net settlement of these financial instruments are reflected net in the table above.

Income taxes

| (\$ thousands) | Three months ended | | | | |
|-------------------------------------|--------------------|----------|------|----------|-------|
| | March 31 | 2024 | 2023 | % change | |
| Current income tax expense | \$ | 24,225 | \$ | 20,289 | 19 |
| Deferred income tax recovery | | (35,806) | | (12,098) | 196 |
| Total income tax expense (recovery) | \$ | (11,581) | \$ | 8,191 | (241) |
| Statutory tax rate | | 23% | | 23% | - |
| Effective tax rate | | 26% | | 77% | (66) |

Current income tax expenses for the three months ended March 31, 2024 increased by 19% compared to the same period in the prior year, primarily due to higher adjusted funds flow. The increase in deferred income tax recoveries during the first quarter of 2024 was primarily due to the net losses incurred. Tamarack's effective tax rate for accounting purposes in Q1 2024 was 26%, compared to the statutory tax rate of 23%, primarily due to the amortization of unrecognized tax assets and liabilities acquired from business combinations in prior years that were subject to the initial recognition exemption at the time of purchase.

Depletion, depreciation and amortization (“DD&A”)

| (\$ thousands, except per boe) | | Three months ended | | |
|------------------------------------|----|--------------------|------------|----------|
| March 31 | | 2024 | 2023 | % change |
| Depletion and depreciation | \$ | 147,324 | \$ 157,537 | (6) |
| Amortization of undeveloped leases | | 877 | 769 | 14 |
| Total | \$ | 148,201 | \$ 158,306 | (6) |
| Total (\$/boe) | \$ | 26.26 | \$ 25.89 | 1 |

For the three months ended March 31, 2024, DD&A expense per boe increased by 1% compared to 2023, primarily due to the disposition of the non-core Cardium CGU in the fourth quarter of 2023 which carried lower average depletion rates relative to the Company’s corporate average on the core asset areas. Gross DD&A expense in the first quarter of 2024 decreased 6% compared to the first quarter of 2023 due to lower production volumes partially offset by higher depletion rates.

Dispositions

In the first quarter of 2024 the Company sold certain non-core oil and natural gas assets in the Redwater area to a third-party for nominal consideration and recorded a loss on disposition of \$38.0 million. As part of the disposition, the Company de-recognized uninflated, undiscounted decommissioning obligations of \$14.2 million.

Adjusted funds flow and net income (loss)

| (\$ thousands, except per share amounts) | | Three months ended | | |
|--|----|--------------------|-----------|----------|
| March 31 | | 2024 | 2023 | % change |
| Cash provided by operating activities | \$ | 165,201 | \$ 59,624 | 177 |
| Decommissioning expenditures | | 1,524 | 875 | 74 |
| Changes in non-cash working capital | | 14,831 | 96,772 | (85) |
| Adjusted funds flow ⁽¹⁾ | | 181,556 | 157,271 | 15 |
| Per share - basic ⁽¹⁾ | | 0.33 | 0.28 | 18 |
| Per share - diluted ⁽¹⁾ | | 0.33 | 0.28 | 18 |
| Net income (loss) | \$ | (32,744) | \$ 2,505 | nm |
| Per share - basic | | (0.06) | - | nm |
| Per share - diluted | | (0.06) | - | nm |

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

Cash provided by operating activities increased by 177% in the first quarter of 2024, compared to the same period in the prior year, primarily due to a full year of 2022 tax instalments remitted to the Government in the first quarter of 2023 (reflected through non-cash working capital). Adjusted funds flow for the three months ended March 31, 2024 increased by 15% compared to the prior year, primarily due to higher realized commodities prices, partially offset by lower production.

The Company recorded a net loss of \$32.7 million during the three months ended March 31, 2024, compared to net income of \$2.5 million in the same period in 2023. The net loss was primarily due to an unrealized loss on risk management contracts and the loss on disposition of non-core Redwater assets, partially offset by higher operating netbacks.

Investments in oil and natural gas assets

| (\$ thousands) | | Three months ended | | |
|--|----|--------------------|------------|----------|
| March 31 | | 2024 | 2023 | % change |
| Drilling, completion and equipping | \$ | 96,530 | \$ 96,571 | (0) |
| Facilities | | 27,375 | 50,001 | (45) |
| Land, seismic and other | | 4,316 | 1,590 | 171 |
| Exploration and development expenditures | \$ | 128,221 | \$ 148,162 | (13) |
| Acquisitions | \$ | - | \$ 2,939 | (100) |
| Dispositions | \$ | 1,797 | \$ (180) | nm |

The following table summarizes the number of wells drilled by Tamarack during the three months ended March 31, 2024 and 2023:

| <i>Net wells drilled</i> | Three months ended | |
|--------------------------|--------------------|-------------|
| | 2024 | 2023 |
| March 31 | | |
| Clearwater | 32.9 | 32.0 |
| Charlie Lake | 5.4 | 7.8 |
| | 38.3 | 39.8 |

First quarter 2024 investments included numerous infrastructure expansion projects in the Clearwater area for gas conservation, oil treating and water injection as well as construction of the Wembley gas plant. The targeted infrastructure investments have facilitated production growth, net production expense reductions and the abatement of greenhouse gas emissions.

First quarter capital investments also included \$7.3 million of gas conservation projects that were sanctioned with the Clearwater Infrastructure Partnership. The company expects to invest \$6.6 million in the second quarter of 2024 to complete these projects. Upon completion of these facilities, Tamarack is entitled to the remaining proceeds from the Clearwater Infrastructure Partnership formation of \$15.0 million, which is currently held in a trust subject to the completion of these projects.

Liquidity and capital resources

Capital Management

Tamarack continues to execute a measured approach to capital allocation that balances capital investments with net debt reductions, optimization and shareholder returns. The Company exited 2023 having reduced net debt by \$373.0 million and achieving its first debt threshold within its pre-established return of capital framework. In response, Tamarack accelerated its enhanced return initiative by renewing its normal course issuer bid, with TSX approvals received in January 2024 to reacquire up to 54.6 million common shares until January 18, 2025. The Company purchased \$25.6 million of common shares for cancellation during the first quarter of 2024. Tamarack also continues to distribute a monthly base dividend of \$0.0125 per common share.

The Company actively manages 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, 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.

As at March 31, 2024, the Company's ratio of net debt to annualized first quarter adjusted funds flow was 1.4 (December 31, 2023 – 1.3). The Company believes that available credit and future anticipated adjusted funds flow will be sufficient to fund Tamarack's 2024 development capital programs, dividend payments and any share repurchases.

Indebtedness

| (\$ thousands) | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|----------------|-------------------|----------------|
| Accounts payable and accrued liabilities | \$ 211,271 | \$ 201,531 | \$ 240,488 |
| Cross currency swap liability | 2,473 | 5,172 | 8,995 |
| Accounts receivable | (168,186) | (141,041) | (151,289) |
| Prepaid expenses and deposits | (11,740) | (18,024) | (12,372) |
| Working capital deficiency | 33,818 | 47,638 | 85,822 |
| Note receivable | - | - | (20,000) |
| Debt | 924,517 | 909,758 | 1,286,718 |
| Government loan and other | 26,433 | 26,189 | 21,528 |
| Net debt ⁽¹⁾ | \$ 984,768 | \$ 983,585 | \$ 1,374,068 |
| Current quarter adjusted funds flow ⁽¹⁾ | \$ 181,556 | \$ 194,771 | \$ 157,271 |
| Annualized factor | 4 | 4 | 4 |
| Annualized adjusted funds flow ⁽¹⁾ | \$ 726,224 | \$ 779,084 | \$ 629,084 |
| Net debt to annualized adjusted funds flow ⁽¹⁾ | 1.4 | 1.3 | 2.2 |

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

Net debt remained relatively flat in the first quarter of 2024 as Adjusted Funds Flow was primarily utilized to fund the Company's front-loaded winter drilling and development programs and deliver shareholder returns.

| | SLL Facility | SL Notes | Term Facility | DAP Notes | Total |
|--|-------------------|-------------------|---------------|-------------|-------------------|
| Balance at December 31, 2023 | \$ 479,168 | \$ 290,423 | \$ 83,500 | \$ 56,667 | \$ 909,758 |
| Proceeds from debt instruments, net | 150,718 | - | - | - | 150,718 |
| Repayment of debt instruments, net | - | - | (83,500) | (56,667) | (140,167) |
| Unrealized foreign exchange loss | 2,690 | - | - | - | 2,690 |
| Amortization of deferred borrowing costs | 807 | 711 | - | - | 1,518 |
| Balance at March 31, 2024 | \$ 633,383 | \$ 291,134 | \$ - | \$ - | \$ 924,517 |
| Presented as: | | | | | |
| Current liabilities | \$ - | \$ - | \$ - | \$ - | \$ - |
| Non-current liabilities | \$ 633,383 | \$ 291,134 | \$ - | \$ - | \$ 924,517 |

As at March 31, 2024, Tamarack has access to an \$875.0 million three-year covenant-based sustainability-linked lending facility (the "SLL Facility") maturing on May 10, 2026. For the three months ended March 31, 2024, the average interest rate on the SLL Facility draws was 7.56% (December 31, 2023 – 7.49%) and Tamarack had undrawn capacity of \$227.6 million. The SLL Facility, together with a two-year secured amortizing term-loan (the "Term Facility") collectively formed Tamarack's syndicated, covenant-based credit facility (the "Syndicated Facility"). The Term Facility was a covenant-based, non-revolving lending arrangement with a maturity date of October 13, 2024 that was fully repaid on March 22, 2024.

Subsequent to the quarter, the SLL Facility was amended primarily to extend the maturity date of the facility by one year to April 30, 2027. The Company also added an uncommitted accordion feature that provides Tamarack with the ability to access an incremental \$125.0 million of secured debt, subject to certain conditions, including approvals from the lending syndicate.

The Company carries \$300.0 million of 7.25% interest-bearing senior unsecured sustainability-linked notes maturing on May 10, 2027 (the "SL Notes"). The SL Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. The Company also issued \$300.0 million aggregate principal amount of 5.75% interest-bearing deferred acquisition payments (the "DAP Notes") in connection with the Deltastream Acquisition in 2022. The DAP Notes were fully repaid on March 27, 2024.

Financial covenants on debt

| Covenant description | March 31, 2024 | Covenant |
|-----------------------------|----------------|----------|
| Total Debt to EBITDA ratio | 1.0:1.0 | <3.5:1.0 |
| Senior Debt to EBITDA ratio | 0.7:1.0 | <3.0:1.0 |
| Interest Coverage ratio | 10.7:1.0 | >3.0:1.0 |

Commitments and contingencies

The following table summarizes the Company's commitments as at March 31, 2024:

| | 2024 | 2025 | 2026 | 2027 | 2028+ | Total |
|--|------------|------------|------------|------------|------------|-------------|
| SLL Facility ⁽¹⁾ | \$ - | \$ - | \$ 641,900 | \$ - | \$ - | \$ 641,900 |
| SL Notes | - | - | - | 300,000 | - | 300,000 |
| Accounts payable and accrued liabilities | 211,271 | - | - | - | - | 211,271 |
| Risk management contracts | 23,466 | - | - | - | - | 23,466 |
| Clearwater Infrastructure Partnership | 4,064 | 5,810 | 6,409 | 7,069 | 121,839 | 145,191 |
| Other liabilities, excluding CIP | 13,340 | 9,396 | 11,861 | 14,179 | 6,773 | 55,549 |
| Financial liabilities | 252,141 | 15,206 | 660,170 | 321,248 | 128,612 | 1,377,377 |
| Off-balance sheet arrangements: | | | | | | |
| Interest on debt instruments | 63,251 | 83,509 | 52,142 | 20,438 | 82,206 | 301,546 |
| Take-or-pay commitments | 22,849 | 33,102 | 30,215 | 29,840 | 79,961 | 195,967 |
| Processing commitments | 6,607 | 7,473 | 10,945 | 10,945 | 124,836 | 160,806 |
| Purchase commitments and other | 2,250 | - | - | - | - | 2,250 |
| Total financial commitments | \$ 347,098 | \$ 139,290 | \$ 753,472 | \$ 382,471 | \$ 415,615 | \$2,037,946 |

⁽¹⁾ On May 3, 2024, the SLL facility was amended to extend the maturity date to April 30, 2027.

Clearwater Infrastructure Partnership

The Clearwater Infrastructure Partnership liability reflects an Indigenous-held, non-operated 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 average take-or-pay commitment of 29,000 boe per day, where volumes can be utilized on a prescribed fee-for-service basis.

As at March 31, 2024, Tamarack held a \$15.0 million promissory note from the Clearwater Infrastructure Partnership. Under the terms of the arrangement, Tamarack assumed minimum capital investment obligations of \$15.0 million to complete the construction of ongoing gas conservation and enhancements projects with respect to certain infrastructure assets contributed to the partnership. Proceeds from the promissory note are being held in trust and are payable to Tamarack upon completion of these projects, which is anticipated in the second quarter of 2024. As at March 31, 2024, the projects were approximately 85% complete.

Contingencies

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 the Interim Financial Statements.

Share capital

The following table summarizes the Company's outstanding common shares and stock-based compensation units issued and outstanding as at the dates listed:

| (thousands) | May 6, 2024 | March 31, 2024 | December 31, 2023 |
|--------------------------------|-------------|----------------|-------------------|
| Common shares | 548,549 | 548,809 | 556,183 |
| Common shares held in treasury | 164 | 565 | 758 |
| Equity-settled stock options | 952 | 952 | 1,037 |
| Equity-settled RSUs | 5,529 | 5,865 | 3,587 |
| Equity-settled PSUs | 3,057 | 3,122 | 2,143 |
| Cash-settled RIAs | 1,052 | 1,409 | 810 |
| Cash-settled PIAs | 4,804 | 5,569 | 3,850 |

Pursuant to Tamarack's stock-based compensation plans, the Company may grant up to an aggregate of 38.4 million equity compensation units to officers, employees, directors and consultants of the Company or its subsidiaries ("service providers"). During the three months ended March 31, 2024, the Company issued 6.8 million stock-based awards at a weighted average fair value of \$3.70 per share which was primarily based on the Company's share price at the date of grant. Tamarack utilized acquired treasury shares to settle 0.5 million stock-based compensation units that were exercised in the first quarter of 2024 resulting in no dilution of Tamarack's outstanding common shares.

Normal course issuer bid

In January 2024, Tamarack received approval from the TSX to purchase up to 54.6 million common shares under the normal course issuer bid until January 18, 2025. During the three months ended March 31, 2024, the Company purchased and cancelled 7.6 million common shares at an average price of \$3.31 per common share, for a total repurchase cost of \$25.6 million.

Dividends

The following table summarizes the cumulative dividends declared from 2022 to the first quarter of 2024:

| Year to Date | Cumulative dividend per common share | Amount |
|----------------------|--------------------------------------|------------|
| December 31, 2022 | \$ 0.1165 | \$ 55,268 |
| December 31, 2023 | \$ 0.1500 | \$ 83,521 |
| March 31, 2024 | \$ 0.0375 | \$ 20,724 |
| Total base dividends | | \$ 159,513 |

Subsequent to March 31, 2024, Tamarack declared dividends of \$0.0125 per share on April 15, 2024.

Selected quarterly information

| | Mar. 31, 2024 | Dec. 31, 2023 | Sept. 30, 2023 | Jun. 30, 2023 | Mar. 31, 2023 | Dec. 31, 2022 | Sept. 30, 2022 | Jun. 30, 2022 |
|---|------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|------------------|
| Sales volumes | | | | | | | | |
| Natural gas (mcf/d) | 51,431 | 58,419 | 72,597 | 68,027 | 74,293 | 68,355 | 62,428 | 67,195 |
| Oil and NGL (bbls/d) | 53,450 | 55,144 | 56,497 | 55,400 | 55,556 | 52,951 | 33,071 | 32,578 |
| Average boe/d (6:1) | 62,022 | 64,881 | 68,597 | 66,738 | 67,938 | 64,344 | 43,476 | 43,777 |
| Product prices | | | | | | | | |
| Natural gas (\$/mcf) | 2.93 | 2.82 | 2.60 | 2.39 | 3.50 | 4.89 | 6.27 | 7.81 |
| Oil and NGL (\$/bbl) | 78.04 | 79.58 | 94.07 | 76.24 | 71.03 | 80.38 | 95.93 | 121.17 |
| Oil equivalent (\$/boe) | 69.69 | 70.17 | 80.24 | 65.72 | 61.91 | 71.34 | 81.98 | 102.16 |
| <i>(000s, except per share amounts)</i> | | | | | | | | |
| Financial results | | | | | | | | |
| Gross revenues | 393,336 | 418,864 | 506,365 | 399,155 | 378,546 | 422,313 | 327,910 | 406,971 |
| Cash provided by operating activities | 165,201 | 215,981 | 199,756 | 156,265 | 59,624 | 227,889 | 229,927 | 214,708 |
| Adjusted funds flow ⁽²⁾ | 181,556 | 194,771 | 255,199 | 157,253 | 157,271 | 196,746 | 177,834 | 203,622 |
| Per share – basic ⁽²⁾ | 0.33 | 0.35 | 0.46 | 0.28 | 0.28 | 0.36 | 0.40 | 0.47 |
| Per share – diluted ⁽²⁾ | 0.33 | 0.35 | 0.46 | 0.28 | 0.28 | 0.36 | 0.40 | 0.46 |
| Net income (loss) | (32,744) | 57,322 | 8,634 | 25,735 | 2,505 | 50,441 | 124,793 | 143,507 |
| Per share – basic | (0.06) | 0.10 | 0.02 | 0.05 | 0.00 | 0.09 | 0.28 | 0.33 |
| Per share – diluted | (0.06) | 0.10 | 0.02 | 0.05 | 0.00 | 0.09 | 0.28 | 0.33 |
| Operating netback ⁽²⁾ | 237,101 | 251,172 | 326,408 | 222,712 | 208,955 | 250,087 | 207,575 | 239,502 |
| Investment in O&NG assets | 128,221 | 127,704 | 122,759 | 117,831 | 148,162 | 125,276 | 98,451 | 109,483 |
| Acquisitions ⁽¹⁾ | – | 1,612 | 800 | 12,148 | 2,939 | 1,447,973 | 1,365 | 112,175 |
| Dispositions ⁽¹⁾ | 1,797 | (100,038) | (38,987) | (2,271) | (180) | (21,873) | (59,498) | (15,482) |
| Total assets | 4,116,037 | 4,208,128 | 4,443,837 | 4,559,903 | 4,593,760 | 4,619,701 | 2,839,146 | 2,829,984 |
| Net debt ⁽²⁾ | 984,768 | 983,585 | 1,128,030 | 1,373,620 | 1,374,068 | 1,356,570 | 286,762 | 470,563 |
| Debt | 924,517 | 909,758 | 1,244,957 | 1,329,581 | 1,286,718 | 1,195,206 | 189,870 | 519,847 |
| Dividends declared per share | 0.0375 | 0.0375 | 0.0375 | 0.0375 | 0.0375 | 0.0350 | 0.0300 | 0.0266 |
| Decommissioning obligations | 166,135 | 189,971 | 166,868 | 266,898 | 265,374 | 264,988 | 237,813 | 238,768 |

⁽¹⁾ Includes cash and non-cash consideration.

⁽²⁾ 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 flows and earnings.
- The volatility in decommissioning 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 June 10, 2022, Tamarack closed the acquisition of Southern Clearwater area properties. The assets include approximately 2,100 boe per day of oil weighted assets, along with adding 34,560 net acres in the Southern Clearwater oil play of Alberta for a purchase price of approximately \$108.1 million.
- On July 21, 2022, Tamarack closed the disposition of non-Core Viking oil CGU assets for total consideration of \$57.9 million, including cash of \$37.9 million and a \$20.0 million 12.5% interest-bearing promissory note due on July 21, 2025. In the fourth quarter of 2023, the Company believed the collection of the promissory note was uncertain and a full provision was recorded.
- On October 13, 2022, Tamarack closed the acquisition of Clearwater area properties. The assets include approximately 19,500 boe per day of oil weighted assets, along with adding 184 net sections in the Clearwater oil play of Alberta for a total purchase consideration of approximately \$1.4 billion.
- On July 31, 2023, the Company issued a GORR on select portions of its Clearwater and Charlie Lake oil properties and sold a working interest in the Company's Wembley gas plant to a third party for cash proceeds of \$39.5 million.
- 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 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 decommissioning obligations of \$14.2 million.

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 Notes 2-4 of the 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, provisions, 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 months ended March 31, 2024.

Certain comparative figures in the Interim Financial Statements have been adjusted to conform with the current period presentation. On the statement of income (loss) and comprehensive income (loss), product purchases and sales of purchased product were disaggregated from oil and natural gas sales. On the statement of cash flows, accrued current income tax expense, non-cash finance expense, net proceeds from other liabilities, and dividends have been reflected separately from

changes in non-cash working capital. There were no changes to the consolidated operating results or financial position for the three months ended March 31, 2023 as a result of these presentation changes.

Non-GAAP financial measures and non-GAAP financial ratios

This document contains the terms “revenue, net of blending expense”, “net production expenses”, “operating netback”, “operating field netback”, “heavy oil differential including transportation expenses”, “light oil differential including transportation expenses” and “free funds flow”, 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 IFRS 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 IFRS 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 of this MD&A for further details regarding the calculation and measurement of these measures.

The non-GAAP financial ratios consisting of non-GAAP measures presented on a per share basis are determined 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 holder. 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 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.

Revenue, net of blending expense

Blending expense for the three months ended March 31, 2024 was \$2.0 million compared to \$1.8 million in the same period in 2023. Blending expense consists of the cost of blending diluent that is purchased to reduce the viscosity of heavy oil transported through pipelines to meet minimum flow rate specifications. The blending expense represents the differential between the cost of purchasing and transporting the diluent and the realized price of the blended product sold. In this MD&A, blending expense is recognized as a reduction to heavy oil revenues, whereas blending expense is reported as an expense in the Interim Financial Statements. Revenue, net of blending expenses allows Tamarack and others to assess the performance of the Company’s net realized price from marketing downstream sales by including the associated cost of diluent that was purchased and resold within the blended stream. Revenue, net of blending expenses is also presented on a per boe basis as a non-GAAP financial ratio.

Differential including transportation expense

The calculation of the Company’s heavy oil differential including transportation expenses and light oil differential including transportation expenses, is presented in the “Petroleum and natural gas sales” section of this MD&A and is determined by comparing the Company’s realized price to the published benchmark price, plus transportation expenses. The Company and others utilize these performance measures to assess the value of net revenue received by Tamarack for each barrel sold relative to the published market 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 as other income 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 to reduce the cost of operating those facilities. Accordingly, net production expenses allows 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 Field Operating Netback is presented in the operating results section of this MD&A. Tamarack and others utilize the Operating Netback and Field Operating 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.

Free funds flow

Management utilizes free funds flow to determine how much cash was generated in excess of the Company’s capital investment programs within the same period, which can be utilized to reduce debt, fund acquisitions or return capital to shareholders. Free funds flow is also presented on a per share basis as a non-GAAP financial ratio. The following table reconciles the free funds flow measure reported in this MD&A to the Interim Financial Statements:

| Three months ended March 31, | 2024 | | 2023 | |
|---|-------------|------------------|-------------|-----------|
| Adjusted funds flow | \$ | 181,556 | \$ | 157,271 |
| Investments in oil and natural gas assets | | (128,221) | | (148,162) |
| Free funds flow | \$ | 53,335 | \$ | 9,109 |

Capital Management Measures and Ratios

This document contains capital management measures of “adjusted 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 Note 13 of the Interim Financial Statements for further details. These capital management measures do not have any standardized meaning prescribed by IFRS 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 IFRS 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 and measurement of these measures.

Adjusted funds flow

Adjusted funds flow is defined as cash provided by operating activities excluding decommissioning obligation expenditures, transaction costs and changes in non-cash working capital. Decommissioning 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. Decommissioning obligations also vary from period to period depending on capital programs, government regulations and the maturity of the Company’s operating areas. By excluding changes in non-cash working capital from cash provided by operating activities, the 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 the capital management measure by the Company’s weighted average basic and diluted shares outstanding, and total sales volumes during the period, respectively.

Net debt and working capital deficiency (surplus)

The calculation of the Company's Net Debt and Working Capital Deficiency (surplus) is included in the section titled "Liquidity and Capital Resources". Tamarack and others utilize net debt and working capital deficiency (surplus) 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 supplementary financial measures on a per share basis consist of cash provided by operating activities per share and adjusted funds flow per share. These supplementary financial measures are determined 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 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 non-GAAP financial ratio as discussed above.

Per BOE disclosures

Tamarack's supplementary financial measures on a per boe basis consist of average light oil realized sale price per bbl, average NGL realized sales price per bbl, average natural gas realized price per mcf, heavy oil differential including transportation expenses, light oil differential including transportation expenses, royalty expense per boe, transportation expenses per boe, carbon tax per boe, realized commodity hedging gain/loss per boe, G&A expense per boe, stock-based compensation expense per boe, cash interest expense per boe, finance expense per boe and DD&A 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. Total revenue, net of blending expense per boe, 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, net of blending expense, 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 IFRS Accounting Standards. 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 DCP and its ICFR were identified during the period ended March 31, 2024 that have materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting. As a result, the Company's DCP and ICFR were effective as at March 31, 2024. 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 assess 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 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.

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. 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.

Sustainability

Tamarack is committed to the continued advancement of our ESG practices as outlined in the Company's 2023 Sustainability Report released on June 29, 2023. This report provides details on Tamarack's approach to sustainability, including our commitments to GHG emissions management and to continued Indigenous and community partnerships. The report also highlights specific, measurable goals and targets related to key focus areas set by the Company. Tamarack amended its revolving bank facility to a Sustainability-Linked Lending Facility ("SLL Facility") in 2021 to incorporate sustainability-linked interest rate terms. The Company also issued \$300.0 million of 7.25% senior unsecured sustainability-linked notes ("SL Notes") (refer to the "Liquidity and Capital Resources" section of this MD&A). The Company plans to release its 2024 Sustainability Report in Q2 2024.

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:

- 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, 2023.

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;
- the Company's business strategy, objectives, strength and focus, including with respect to acquisitions;
- restoration of third-party service interruptions for natural gas processing;
- the impacts on the Company of the military conflict between Russia and Ukraine as well as the war between Israel and Hamas;
- the Company's plans to continue 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's commitment to advancing ESG practices, managing GHG emissions and partnerships with local communities;
- 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 Company's expectation that the third-party gas processing facility at Mitsue, Alberta will be back online early in the third quarter of 2024;
- the Company's expectation that light oil differentials will improve in the second quarter of 2024;
- expectations surrounding ESG disclosure and reporting policies and standards imposed by the ISSB and the potential impacts thereof including IFRS S1 and IFRS S2 and proposed NI 51-107 and timing thereof (including expectations surrounding the CSA review process and intentions);
- 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;
- 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;
- purchases under the Company's normal course issuer bid including that the Company will reacquire up to 54.6 million common shares by January of 2025;
- the Company's plans in respect of returns of capital, including dividend and enhanced return programs;
- the Company's expectations surrounding its 2024 capital program and funding thereof, including in relation to the ability to satisfy its 2024 development capital program, dividend payments and any share repurchases;
- expectations surrounding the SLL Facility as amended and the terms thereof, including the extended maturity date and ability to access an incremental \$125.0 million of secured debt subject to certain conditions;
- the Company's ability to maintain annual production guidance;
- the estimation that there is \$6.6 million of investment remaining to complete gas conservation projects that were sanctioned with the Clearwater Infrastructure Partnership in 2024;
- financial covenants applicable to the Syndicated Facility;
- Tamarack's 2024 production guidance and ongoing assessments in respect of the same;
- commitments and obligations of the Company related to the Clearwater Infrastructure Partnership and pursuant to the definitive agreements entered into with 12 First Nation and Métis communities including in respect of the \$15.0 million minimum capital investment obligations and application thereof towards construction of certain ongoing gas conservation and enhancements projects associated with the assets contributed thereunder;
- expectations surrounding the proceeds payable to Tamarack under the promissory note of \$15.0 million and the timing thereof;
- the Company's commitment to ESG principles and continued Indigenous and community partnerships, including as disclosed in its 2023 Sustainability Report;
- expectations surrounding the release of the Company's 2024 Sustainability Report and the timing thereof;
- expectations surrounding the Company's 2024 capital guidance and outlook, including that capital guidance balances maximizing free funds

flow generation with a significant amount being directly towards shareholder returns;

- the Company's expectation that G&A costs for the full year will be within the guidance range of \$1.35-\$1.50;
- the Company's continued approach to capital allocation;
- the Company's ability to meet its obligations and commitments under the SL Notes;
- the Company's head office sublease, as amended or extended, and the terms thereof;
- the Company's 2024 outlook and planned 2024 capital projects (including infrastructure expansions in the Clearwater area to support ongoing production growth, emissions reduction initiatives and the completion of certain strategic midstream facilities associated with the Clearwater Infrastructure Partnership);
- contractual obligations and commitments;
- estimates used to calculate decommissioning obligations and depletion of PP&E;
- the expectation that heavy oil differentials will continue to narrow as the TMX pipeline ramps up in 2024;
- expectations surrounding pre-tax net present value of Tamarack's 2P reserves;
- Tamarack's 2024 base capital investment guidance of \$390 and \$440 million and anticipated use thereof, being primarily focused on Clearwater and Charlie Lake drilling and development activities;
- Tamarack's plans to invest in secondary recovery expansion of Clearwater waterflood projects at Nipisi and Marten Hills;
- expectations surrounding Tamarack's gas conservation initiatives;
- the Company's risk management activities (including plans to continue actively managing 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;
- the Company's capital management plans, including that it will continue to execute a measured approach to capital allocations that balances capital investments with net debt reduction, optimization and shareholder returns;
- expectations surrounding the Company's major infrastructure projects and anticipated benefits thereof, including with respect to performance of its Clearwater and Charlie Lake drilling programs;
- expectations surrounding management's continued flexibility in respect of its second half capital program (including in relation to fluctuating commodity prices and management's monitoring thereof);
- 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;
- 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 acquisitions, including the acquisitions and the related drilling programs;
- 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 "Advisory and guidance";
- the material assumptions and observations described under the headings "About Tamarack Valley Energy Ltd.", "Q1 2024 in review", "Q1 2024 operational and financial highlights", "Highlights for the three months ended March 31, 2024", "Annual guidance", "Third-party facility service interruption", "Production", "Petroleum 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, depreciation and amortization ("DD&A")", "Dispositions", "Adjusted funds flow and net income (loss)", "Investment in oil and natural gas assets", "Liquidity and capital resources" 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 2024 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 thereof 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;
- 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 SLL Facility and SL Notes sustainability performance targets and/or decreased ESG performance as determined by a third-party rating agency;
- the evolving impact of the pandemics on the Company's business, financial condition and results of operations;
- uncertainty regarding the full impact of pandemics on global economies and oil demand and commodity prices;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation costs 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;
- 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, 2023, 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 2024 development capital program and plans regarding payment of 2024 dividends and any share repurchases by using available increased credit facilities combined with anticipated adjusted funds flow, commodity prices, Tamarack's 2024 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), 2024 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), capital requirements, return of capital, balance sheet strength, the Company's 2024 budget and associated targets, debt repayments, Tamarack's 2024 base capital investment program of \$390 to \$440 million, targeting average production range of 61,000-63,000 boe per day in 2024 at Clearwater and Charlie Lake development areas, expected commitments and contingencies of the Company over the upcoming years and the components thereof, total returns and components thereof, decline rates, netback enhancement from blending, 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.

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.

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 |
| EOR | enhanced oil recovery |
| ESG | Environment, sustainability and governance |
| GHG | Greenhouse gas emissions |
| GJ | gigajoule |
| GJ/d | gigajoule per day |
| IFRS | IFRS Accounting Standards |
| mcf | thousand cubic feet |
| mcf/d | thousand cubic feet per day |
| mmbtu | one million British thermal units |
| mmbtu/d | one million British thermal units per day |
| MSW | mixed sweet blend, the benchmark for conventionally produced light sweet crude oil in Western Canada |
| NGL | natural gas liquids |
| nm | not meaningful information |
| NYMEX | New York Mercantile Exchange |
| PP&E | Property, plant and equipment |
| TP | total proved reserves |
| TPP | total proved plus probable reserves |
| 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 | March 31, 2024 | December 31, 2023 |
|---|-------|---------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Accounts receivable | 3 | \$ 168,186 | \$ 141,041 |
| Prepaid expenses and deposits | | 11,740 | 18,024 |
| Risk management contracts | 6 | 1,312 | 36,092 |
| | | 181,238 | 195,157 |
| Oil and natural gas assets | 4 | 3,934,799 | 4,012,971 |
| | | 4,116,037 | 4,208,128 |
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 211,271 | 201,531 |
| Debt | 5 | - | 140,167 |
| Risk management contracts | 6 | 23,466 | 5,355 |
| Other liabilities | 7 | 21,446 | 15,317 |
| Decommissioning obligations | 9 | 13,634 | 13,000 |
| | | 269,817 | 375,370 |
| Debt | 5 | 924,517 | 769,591 |
| Other liabilities | 7 | 171,766 | 175,774 |
| Decommissioning obligations | 9 | 152,501 | 176,971 |
| Deferred income taxes | 10 | 499,684 | 535,490 |
| | | 2,018,285 | 2,033,196 |
| Shareholders' equity | | | |
| Share capital | 11 | 1,853,718 | 1,879,250 |
| Treasury shares | 11 | (1,778) | (2,416) |
| Contributed surplus | 16 | 29,743 | 28,458 |
| Retained earnings | | 216,069 | 269,640 |
| | | 2,097,752 | 2,174,932 |
| | | \$ 4,116,037 | \$ 4,208,128 |
| Commitments and contingencies | 8 | | |
| Subsequent events | 5, 11 | | |

See accompanying notes to the Unaudited Financial Statements.

TAMARACK VALLEY ENERGY LTD.

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

| Three months ended | Notes | March 31, 2024 | March 31, 2023 |
|--|-------|--------------------|-----------------|
| Revenue | | | |
| Oil and natural gas sales | 14 | \$ 393,336 | \$ 378,546 |
| Sale of purchased product | | 6,351 | 7,038 |
| Processing and other income | | 1,808 | 1,501 |
| Royalties | | (75,969) | (73,292) |
| | | 325,526 | 313,793 |
| Risk management contracts | | | |
| Realized gain (loss) | 6 | 2,080 | (6,504) |
| Unrealized loss | 6 | (55,590) | (2,349) |
| | | 272,016 | 304,940 |
| Expenses | | | |
| Production | | 54,940 | 65,040 |
| Transportation | | 23,577 | 23,838 |
| Product purchases | | 6,658 | 7,038 |
| Carbon tax | | 3,525 | - |
| Blending | | 2,005 | 1,826 |
| General and administrative | | 8,967 | 7,799 |
| Stock-based compensation | 16 | 4,542 | 2,786 |
| Finance | 15 | 25,914 | 27,785 |
| Depletion, depreciation, and amortization | 4 | 148,201 | 158,306 |
| Loss on dispositions | 4 | 38,012 | - |
| Site rehabilitation program grant | 9 | - | (174) |
| | | 316,341 | 294,244 |
| Net income (loss) before income taxes | | (44,325) | 10,696 |
| Income taxes | | | |
| Current income tax expense | 10 | 24,225 | 20,289 |
| Deferred income tax recovery | 10 | (35,806) | (12,098) |
| | | (11,581) | 8,191 |
| Net income (loss) and comprehensive income (loss) | | \$ (32,744) | \$ 2,505 |
| Net income (loss) per share | | | |
| Basic | 12 | \$ (0.06) | \$ - |
| Diluted | 12 | \$ (0.06) | \$ - |

See accompanying notes to the Unaudited Financial Statements.

TAMARACK VALLEY ENERGY LTD.

Unaudited Condensed Interim Consolidated Statements of Cash Flows
(thousands of Canadian dollars)

| Three months ended | Notes | March 31, 2024 | March 31, 2023 |
|---|-------|----------------|----------------|
| Operating activities | | | |
| Net income (loss) | | \$ (32,744) | \$ 2,505 |
| Items not affecting cash: | | | |
| Depletion, depreciation, and amortization | 4 | 148,201 | 158,306 |
| Deferred income tax recovery | 10 | (35,806) | (12,098) |
| Unrealized loss on risk management contracts | 6 | 55,590 | 2,349 |
| Non-cash finance expenses | 15 | 3,761 | 3,597 |
| Loss on dispositions | 4 | 38,012 | - |
| Non-cash stock-based compensation | 16 | 4,542 | 2,786 |
| Site rehabilitation program grant | 9 | - | (174) |
| Decommissioning expenditures | 9 | (1,524) | (875) |
| Changes in non-cash working capital | 17 | (14,831) | (96,772) |
| Cash provided by operating activities | | 165,201 | 59,624 |
| Financing activities | | | |
| Net proceeds from debt | 5 | 150,718 | 148,766 |
| Repayment of debt | 5 | (140,167) | (50,000) |
| Proceeds from issuance of other liabilities | 7 | - | 995 |
| Repayment of other liabilities | 7 | (2,305) | (1,089) |
| Purchase of common shares for cancellation | 11 | (25,635) | - |
| Purchase of common shares for exercise of equity compensation units | 11 | (1,000) | - |
| Proceeds from exercise of equity compensation units | 11 | 220 | 323 |
| Dividends | 11 | (20,724) | (20,865) |
| Changes in non-cash working capital | 17 | (93) | (19) |
| Cash provided by (used in) financing activities | | (38,986) | 78,111 |
| Investing activities | | | |
| Investments in oil and natural gas assets | 4 | (128,221) | (148,162) |
| Acquisitions | | - | (2,939) |
| Proceeds (payments) from disposals | 4 | (1,797) | 180 |
| Changes in non-cash working capital | 17 | 3,803 | 13,186 |
| Cash used in investing activities | | (126,215) | (137,735) |
| Change in cash and cash equivalents | | - | - |
| Cash and cash equivalents, beginning of year | | - | - |
| Cash and cash equivalents, end of period | | \$ - | \$ - |
| Supplemental cash flow information | | | |
| Income taxes paid | | \$ 17,850 | \$ 146,505 |
| Interest paid | | \$ 18,870 | \$ 16,268 |

See accompanying notes to the Unaudited Financial Statements.

TAMARACK VALLEY ENERGY LTD.

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

| As at | March 31, 2024 | March 31, 2023 |
|---|---------------------|---------------------|
| Share capital | | |
| Balance, beginning of year | \$ 1,879,250 | \$ 1,879,250 |
| Purchase of common shares for cancellation | (25,532) | - |
| Balance, end of period | 1,853,718 | 1,879,250 |
| Treasury shares | | |
| Balance, beginning of year | (2,416) | (2,451) |
| Purchase of common shares for exercise of equity compensation units | (1,000) | - |
| Exercise of equity compensation units | 1,418 | 1,441 |
| Proceeds from exercise of equity compensation units | 220 | 323 |
| Balance, end of period | (1,778) | (687) |
| Contributed surplus | | |
| Balance, beginning of year | 28,458 | 27,475 |
| Exercise of equity compensation units | (1,418) | (1,441) |
| Stock-based compensation | 2,703 | 2,404 |
| Balance, end of period | 29,743 | 28,438 |
| Retained earnings | | |
| Balance, beginning of year | 269,640 | 258,965 |
| Purchase of common shares for cancellation | (103) | - |
| Dividends | (20,724) | (20,865) |
| Net income (loss) | (32,744) | 2,505 |
| Balance, end of period | \$ 216,069 | \$ 240,605 |
| Total shareholders' equity, beginning of year | \$ 2,174,932 | \$ 2,163,239 |
| Total shareholders' equity, end of period | \$ 2,097,752 | \$ 2,147,606 |

See accompanying notes to the Unaudited Financial Statements.

TAMARACK VALLEY ENERGY LTD.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(thousands of Canadian dollars, unless otherwise indicated)

1. Reporting entity

Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is a corporation engaged in the sustainable 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 located at Suite 4300, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5 and the head office located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 (the “Unaudited Financial Statements”) were approved and authorized by the Board of Directors on May 7, 2024.

2. Basis of preparation

These Unaudited 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 Unaudited 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, 2023 (the “Annual Financial Statements”). These statements follow the same accounting policies as the Annual Financial Statements.

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

Certain comparative figures in these Unaudited Financial Statements have been adjusted to conform with the current period presentation. On the statement of income (loss) and comprehensive income (loss), product purchases and sales of purchased product were disaggregated from oil and natural gas sales. On the statement of cash flows, accrued current income tax expense, non-cash finance expense, net proceeds from other liabilities, and dividends have been reflected separately from changes in non-cash working capital. There were no changes to the consolidated operating results or financial position for the three months ended March 31, 2023 as a result of these presentation changes.

On March 13, 2024, the Canadian Sustainability Standards Board released its proposed Canadian Sustainability Disclosure Standards to set a benchmark for the disclosure of sustainability-related information. These standards are open to public consultation through June 10, 2024 prior to any further developments towards the finalization of the standards. Tamarack is currently assessing the impact of these proposed standards on the Company’s external disclosure requirements.

3. Receivables

| As at | Notes | March 31, 2024 | December 31, 2023 |
|---------------------------------------|-------|----------------|-------------------|
| Oil and natural gas sales | | \$ 135,403 | \$ 103,916 |
| Joint venture billings | | 6,854 | 6,331 |
| Risk management contracts | 6 | 1,103 | 5,968 |
| Clearwater Infrastructure Partnership | 7 | 15,000 | 15,000 |
| Other receivables | | 9,826 | 9,826 |
| Accounts receivable | | \$ 168,186 | \$ 141,041 |

As at March 31, 2024, Tamarack held a \$15.0 million promissory note from the Clearwater Infrastructure Partnership. Under the terms of the arrangement, Tamarack assumed minimum capital investment obligations of \$15.0 million to complete the construction of ongoing gas conservation and enhancements projects with respect to certain infrastructure assets contributed to the partnership. Proceeds from the promissory note are being held in trust and are payable to Tamarack upon completion of these projects, which is anticipated in the second quarter of 2024. As at March 31, 2024, the projects were 85% complete.

4. Oil and natural gas assets

| Cost | | PP&E | E&E | Total |
|---|-----------|------------------|------------------|---------------------|
| Balance at December 31, 2023 | \$ | 5,554,096 | \$ 68,803 | \$ 5,622,899 |
| Investments in oil and natural gas assets | | 124,837 | 3,384 | 128,221 |
| Non-cash capitalized costs | | (8,760) | - | (8,760) |
| Transfers | | 2,126 | (2,126) | - |
| Disposals | | (86,617) | - | (86,617) |
| Balance at March 31, 2024 | \$ | 5,585,682 | \$ 70,061 | \$ 5,655,743 |
| Accumulated depletion, depreciation, and amortization | | PP&E | E&E | Total |
| Balance at December 31, 2023 | \$ | 1,584,285 | \$ 25,643 | \$ 1,609,928 |
| Depletion, depreciation, and amortization | | 147,324 | 877 | 148,201 |
| Disposals | | (37,185) | - | (37,185) |
| Balance at March 31, 2024 | \$ | 1,694,424 | \$ 26,520 | \$ 1,720,944 |
| Carrying amounts | | PP&E | E&E | Total |
| At December 31, 2023 | \$ | 3,969,811 | \$ 43,160 | \$ 4,012,971 |
| At March 31, 2024 | \$ | 3,891,258 | \$ 43,541 | \$ 3,934,799 |

Included in non-cash capitalized costs are decommissioning costs and capitalized stock-based compensation. The calculation of depletion at March 31, 2024 includes estimated future development costs of \$1.75 billion associated with the Company's proved and probable reserves (December 31, 2023 – \$1.87 billion).

Disposals

On March 1, 2024, the Company sold certain non-core oil and natural gas assets in the Redwater area to a third-party for nominal consideration and recorded a loss on disposal of \$38.0 million. The transaction resulted in a net payment of \$2.0 million, including closing adjustments. As part of the disposition, Tamarack reduced undiscounted and uninflated decommissioning obligations by \$14.2 million.

5. Debt

| | SLL Facility | SL Notes | Term Facility | DAP Notes | Total |
|--|-------------------|-------------------|---------------|-------------|-------------------|
| Balance at December 31, 2023 | \$ 479,168 | \$ 290,423 | \$ 83,500 | \$ 56,667 | \$ 909,758 |
| Proceeds from debt instruments, net | 150,718 | - | - | - | 150,718 |
| Repayment of debt instruments, net | - | - | (83,500) | (56,667) | (140,167) |
| Unrealized foreign exchange loss | 2,690 | - | - | - | 2,690 |
| Amortization of deferred borrowing costs | 807 | 711 | - | - | 1,518 |
| Balance at March 31, 2024 | \$ 633,383 | \$ 291,134 | \$ - | \$ - | \$ 924,517 |
| Presented as: | | | | | |
| Current liabilities | \$ - | \$ - | \$ - | \$ - | \$ - |
| Non-current liabilities | \$ 633,383 | \$ 291,134 | \$ - | \$ - | \$ 924,517 |
| Effective interest rate | 7.35% | 7.25% | - | - | |
| Maturity date as at May 7, 2024 | April 30, 2027 | May 10, 2027 | - | - | |

Bank debt

As at March 31, 2024, Tamarack has access to a three-year covenant-based \$875.0 million sustainability-linked lending facility (the "SLL Facility"). The SLL 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. As at March 31, 2024, Tamarack had access to \$227.6 million of undrawn credit under the SLL Facility. There are \$5.5 million of letters of credit issued and outstanding under the facility.

The SLL Facility, together with a two-year secured amortizing term-loan (the "Term Facility") collectively formed Tamarack's syndicated, covenant-based credit facility (the "Syndicated Facility"). The Syndicated Facility is secured by a \$2.0 billion debenture with fixed coverage over all assets of Tamarack, excluding the Clearwater Infrastructure Partnership assets. The Term Facility was a covenant-based, non-revolving lending arrangement with a maturity date of October 13, 2024 and was fully repaid on March 22, 2024.

On May 3 2024, the SLL Facility was amended primarily to extend the maturity date of the facility by one year to April 30, 2027. Tamarack also added 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.

SL Notes

During 2022, the Company issued \$300.0 million aggregate principal amount of 7.25% interest-bearing senior unsecured sustainability-linked notes due May 10, 2027 (the “SL Notes”). The SL Notes were issued 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 SL Notes are not governed by any financial covenants but contain a debt incurrence covenant that may restrict the Company’s ability to raise additional senior debt beyond our existing SLL Facility and SL Notes. The SL Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity.

DAP Notes

During 2022, the Company issued \$300.0 million aggregate principal amount of interest-bearing deferred acquisition payments (the “DAP Notes”) in connection with the acquisition of Deltastream Energy Corp. The DAP Notes were fully repaid on March 27, 2024.

Financial covenants on debt

The following table summarizes the financial covenants applicable to the SLL Facility at March 31, 2024:

| Covenant description | March 31, 2024 | Covenant |
|-----------------------------|----------------|----------|
| Total Debt to EBITDA ratio | 1.0:1.0 | <3.5:1.0 |
| Senior Debt to EBITDA ratio | 0.7:1.0 | <3.0:1.0 |
| Interest Coverage ratio | 10.7:1.0 | >3.0:1.0 |

Total Debt includes the Company’s SLL Facility, SL Notes, and certain other liabilities. Senior Debt consists of the SLL Facility. EBITDA is calculated as the trailing 12-month net income before interest, income taxes, non-recurring and unrealized gains and losses and non-cash items and includes the impact of material acquisitions as if they had occurred at the beginning of the measurement period. Interest coverage is the ratio of EBITDA to interest expense for the trailing twelve months.

6. Risk management contracts

| | Commodity related contracts | Debt ⁽¹⁾ related contracts | Total |
|------------------------------------|--------------------------------|--|-------------|
| Balance at December 31, 2023 | \$ 35,909 | \$ (5,172) | \$ 30,737 |
| Realized loss (gain) on settlement | (2,080) | 5,082 | 3,002 |
| Change in fair market value | (53,510) | (2,383) | (55,893) |
| Balance at March 31, 2024 | \$ (19,681) | \$ (2,473) | \$ (22,154) |
| Consisting of: | | | |
| Current asset | \$ 1,312 | \$ - | \$ 1,312 |
| Current liability | \$ (20,993) | \$ (2,473) | \$ (23,466) |

⁽¹⁾ These realized gains and losses from the settlement of cross-currency swap contracts are presented net against the offsetting realized foreign exchange gains and losses on the US dollar denominated loan principal within the Company’s finance expenses.

At March 31, 2024, the Company held the following commodity and foreign exchange derivative contract positions:

| Crude oil derivatives | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 |
|-------------------------------------|------------------|------------------|------------------|------------------|
| WTI 2-way | 22,000 | 20,000 | 21,500 | 3,500 |
| collar Volume (bbls/d) | | | | |
| Average Put/Call/Premium (USD/bbl) | 69.09/89.28/0.89 | 68.36/90.59/1.38 | 67.05/86.23/1.44 | 65.86/85.00/0.68 |
| MSW | 5,000 | 5,000 | 5,000 | - |
| differential Volume (bbls/d) | | | | |
| Average Fixed Price (USD/bbl) | (2.87) | (2.60) | (2.60) | - |
| WCS | 15,000 | 14,500 | 15,000 | 3,000 |
| differential Volume (bbls/d) | | | | |
| Average Fixed Price (CAD/bbl) | (15.21) | (13.09) | (14.64) | (14.02) |

| Natural gas derivatives | | Summer 24 ⁽¹⁾ | Winter 24-25 ⁽²⁾ |
|-------------------------|---------------------------------|--------------------------|-----------------------------|
| AECO 5A | Volume (GJ/d) | 14,988 | - |
| swap | Average Fixed Price (CAD/GJ) | 1.94 | - |
| AECO - | Volume (mmbtu/d) | 2,500 | 11,000 |
| NYMEX basis | Average Fixed Price (USD/mmbtu) | (1.11) | (1.04) |
| AECO 7A | Volume (GJ/d) | - | 2,500 |
| collar | Average Put/Call (CAD/GJ) | - | 2.50/4.35 |
| NYMEX | Volume (mmbtu/d) | 2,500 | 5,500 |
| collar | Average Put/Call (USD/mmbtu) | 3.05/3.50 | 3.00/4.23 |

⁽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 | | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 |
|------------------------------|--------------------------------|---------------------|---------------------|---------------------|--------------------|
| CAD/USD | Amount (USD/month) | \$10,000,000 | \$10,000,000 | \$10,000,000 | - |
| collar | Average Put/Call (CAD/USD) | 1.34/1.39 | 1.34/1.39 | 1.34/1.39 | - |
| CAD/USD | Amount (USD/month) | \$26,500,000 | \$12,000,000 | \$12,000,000 | - |
| variable | Average Put/Knockout Rate/Call | 1.34/1.41/1.37 | 1.34/1.41/1.37 | 1.34/1.41/1.37 | - |
| collar | (CAD/USD) ⁽¹⁾ | | | | |
| CAD/USD | Amount (USD/month) | \$4,500,000 | \$9,000,000 | \$10,000,000 | \$4,000,000 |
| variable | Average Put/Knockout Rate/Call | 1.33/1.41/1.36 | 1.33/1.40/1.37 | 1.33/1.40/1.37 | 1.33/1.40/1.37 |
| collar ext | (CAD/USD) ⁽¹⁾ | | | | |
| CAD/USD | Amount (USD/month) | \$6,000,000 | \$11,000,000 | \$11,000,000 | - |
| Swap | Average Fixed Price (CAD/USD) | 1.36 | 1.36 | 1.36 | - |

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

| Cross-currency swaps | Contract type | Notional amount (\$USD thousands) | Fixed Exchange rate | Fixed interest rate (\$USD) | Fixed interest rate (\$CAD) |
|-----------------------------|---------------|-----------------------------------|---------------------|-----------------------------|-----------------------------|
| Mar 22, 2024 - Apr 22, 2024 | Swap | \$ 429,000 | 1.36 | 7.68% | 7.35% |
| Mar 25, 2024 - Apr 22, 2024 | Swap | \$ 41,000 | 1.36 | 7.68% | 7.35% |

7. Other liabilities

| | Clearwater Infrastructure Partnership | Government loans | Lease liabilities | Cash-settled awards (note 16) | Facility acquisition payments | Total |
|------------------------------|---------------------------------------|------------------|-------------------|-------------------------------|-------------------------------|------------|
| Balance at December 31, 2023 | \$ 142,241 | \$ 21,558 | \$ 12,837 | \$ 9,824 | \$ 4,631 | \$ 191,091 |
| Liabilities incurred, net | - | - | - | 3,846 | - | 3,846 |
| Payments | (4,851) | - | (1,000) | - | (270) | (6,121) |
| Interest expense | 3,596 | - | 220 | - | - | 3,816 |
| Accretion | 66 | 330 | - | - | 184 | 580 |
| Balance at March 31, 2024 | \$ 141,052 | \$ 21,888 | \$ 12,057 | \$ 13,670 | \$ 4,545 | \$ 193,212 |
| Consisting of: | | | | | | |
| Current liability | \$ 5,398 | \$ 1,939 | \$ 2,741 | \$ 9,870 | \$ 1,498 | \$ 21,446 |
| Non-current liability | \$ 135,654 | \$ 19,949 | \$ 9,316 | \$ 3,800 | \$ 3,047 | \$ 171,766 |

Clearwater Infrastructure Partnership

The Clearwater Infrastructure Partnership liability reflects an Indigenous-held, non-operated 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 average take-or-pay commitment, where volumes can be utilized on a prescribed fee-for-service basis.

Government loans

As at March 31, 2024, the Company holds an interest-free government loan for \$24.5 million that is repayable under the Federal Government of Canada's Emissions Reduction Fund ("ERF") for the construction of methane conservation facilities in the Company's Clearwater area. The ERF agreements include scheduled repayments at various dates spanning from 2025 to 2028. The

loan will remain interest-free subject to the Company's compliance with the terms and conditions of the agreement and the pre-established repayment schedule.

8. Commitments and contingencies

The following table summarizes the Company's commitments as at March 31, 2024:

| | 2024 | 2025 | 2026 | 2027 | 2028+ | Total |
|--|------------|------------|------------|------------|------------|-------------|
| SLL Facility ⁽¹⁾ | \$ - | \$ - | \$ 641,900 | \$ - | \$ - | \$ 641,900 |
| SL Notes | - | - | - | 300,000 | - | 300,000 |
| Accounts payable and accrued liabilities | 211,271 | - | - | - | - | 211,271 |
| Risk management contracts | 23,466 | - | - | - | - | 23,466 |
| Clearwater Infrastructure Partnership | 4,064 | 5,810 | 6,409 | 7,069 | 121,839 | 145,191 |
| Other liabilities, excluding CIP | 13,340 | 9,396 | 11,861 | 14,179 | 6,773 | 55,549 |
| Financial liabilities | 252,141 | 15,206 | 660,170 | 321,248 | 128,612 | 1,377,377 |
| Off-balance sheet arrangements: | | | | | | |
| Interest on debt instruments | 63,251 | 83,509 | 52,142 | 20,438 | 82,206 | 301,546 |
| Take-or-pay commitments | 22,849 | 33,102 | 30,215 | 29,840 | 79,961 | 195,967 |
| Processing commitments | 6,607 | 7,473 | 10,945 | 10,945 | 124,836 | 160,806 |
| Purchase commitments and other | 2,250 | - | - | - | - | 2,250 |
| Total financial commitments | \$ 347,098 | \$ 139,290 | \$ 753,472 | \$ 382,471 | \$ 415,615 | \$2,037,946 |

⁽¹⁾ On April 26, 2024, the SLL facility was amended to extend the maturity date to April 30, 2027.

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 Unaudited Financial Statements.

9. Decommissioning obligations

| As at | Notes | March 31, 2024 | December 31, 2023 |
|-----------------------------------|-------|----------------|-------------------|
| Balance, beginning of year | | \$ 189,971 | \$ 264,988 |
| Liabilities incurred | | 2,254 | 8,444 |
| Liabilities acquired | | - | 5,813 |
| Change in estimates | | (13,021) | (2,704) |
| Liabilities settled | | (1,524) | (12,908) |
| Site rehabilitation program grant | | - | (174) |
| Liabilities disposed | 4 | (13,217) | (81,561) |
| Accretion | 15 | 1,672 | 8,073 |
| Balance, end of period | | \$ 166,135 | \$ 189,971 |
| Consisting of: | | | |
| Current liability | | \$ 13,634 | \$ 13,000 |
| Non-current liability | | \$ 152,501 | \$ 176,971 |

Tamarack's decommissioning obligations reflect the estimated cost to dismantle, abandon, reclaim and remediate the Company's assets at the end of their useful lives. As at March 31, 2024, the Company's total undiscounted and uninflated cash flows required to settle its decommissioning obligations was approximately \$208.3 million (December 31, 2023 – \$219.8 million) and is expected to be incurred over the next 30 years. A risk-free rate of 3.5% (December 31, 2023 – 3.0%) and an inflation rate of 2.0% (December 31, 2023 – 2.0%) was utilized to calculate the present value of the decommissioning obligations.

10. Income taxes

The following table reconciles the Company's income tax expense (recovery) recognized during the three months ended March 31, 2024, utilizing the current and future effective Canadian combined federal and provincial corporate tax rate of 23.0% (March 31, 2023 – 23.0%):

| As at | March 31, 2024 | | March 31, 2023 | |
|--|----------------|----------|----------------|----------|
| Income (loss) before taxes | \$ | (44,325) | \$ | 10,696 |
| Expected tax rate | | 23.0% | | 23.0% |
| Expected income tax expense (recovery) | | (10,195) | | 2,460 |
| Change in unrecognized deferred tax assets | | (1,607) | | 2,072 |
| Stock-based compensation | | 53 | | 1,060 |
| Other permanent differences | | 168 | | 2,599 |
| Total income tax expense (recovery) | \$ | (11,581) | \$ | 8,191 |
| Consisting of: | | | | |
| Current income tax expense | \$ | 24,225 | \$ | 20,289 |
| Deferred income tax recovery | \$ | (35,806) | \$ | (12,098) |

11. Shareholders' equity

| Share capital | March 31, 2024 | | December 31, 2023 | |
|---|----------------|-------------|-------------------|-------------|
| | Shares | Amount | Shares | Amount |
| Balance, beginning of year | 556,183 | \$1,879,250 | 556,441 | \$1,879,250 |
| Purchase of common shares for equity compensation units | (327) | - | (2,815) | - |
| Issuance of common shares for equity compensation units | 520 | - | 2,557 | - |
| Purchase of common shares for cancellation | (7,567) | (25,532) | - | - |
| Balance, end of period | 548,809 | \$1,853,718 | 556,183 | \$1,879,250 |

Normal course issuer bid

During the three months ended March 31, 2024, the Company purchased and cancelled 7.6 million common shares at an average price of \$3.31 per common share, for a total repurchase cost of \$25.6 million, including \$0.5 million of taxes. In January 2024, Tamarack received approval from the TSX to purchase up to 54.6 million common shares under the normal course issuer bid until January 18, 2025. There were no common shares purchased for cancellation in 2023.

Treasury shares

During the three months ended March 31, 2024, the Company spent \$1.0 million to purchase 0.3 million common shares for the settlement of Tamarack's equity compensation units (December 31, 2023 - \$9.6 million to purchase 2.8 million common shares). As at March 31, 2024, Tamarack held 0.6 million treasury shares (December 31, 2023 – 0.8 million treasury shares).

Dividends

The following table summarizes the dividends declared by Tamarack to shareholders during the periods indicated:

| | Cumulative dividend | | Amount | |
|-----------------------------------|---------------------|--------|--------|--------|
| | per common share | | | |
| Year ended December 31, 2023 | \$ | 0.1500 | \$ | 83,521 |
| Three months ended March 31, 2024 | \$ | 0.0375 | \$ | 20,724 |

Subsequent to March 31, 2024, Tamarack declared cash dividends of \$0.0125 per share on April 15, 2024.

12. Earnings per share

| Three months ended | March 31, 2024 | | March 31, 2023 | |
|---|----------------|----------|----------------|---------|
| Net income (loss) | \$ | (32,744) | \$ | 2,505 |
| Weighted average shares outstanding - basic | | 552,345 | | 556,548 |
| Weighted average shares outstanding - diluted | | 552,345 | | 560,503 |
| Net income (loss) per share - basic | \$ | (0.06) | \$ | - |
| Net income (loss) per share - diluted | \$ | (0.06) | \$ | - |

For the three months ended March 31, 2024, 6.2 million common shares issuable upon the exercise and settlement of equity

compensation units were excluded from the calculation of the diluted weighted average number of common shares outstanding as they were anti-dilutive due to the net loss. For the three months ended March 31, 2023, 9.0 million common shares were included in the diluted weighted average shares outstanding.

13. Capital management

Tamarack utilizes adjusted funds flow and net debt as capital management measures to assess financial performance and liquidity. As at March 31, 2024, the Company's ratio of net debt to annualized adjusted funds flow was 1.4 (December 31, 2023 – 1.3). The Company believes that available credit and future anticipated adjusted funds flow will be sufficient to fund Tamarack's 2024 development capital programs, dividend payments and any share repurchases.

Adjusted funds flow

| Three months ended | Notes | March 31, 2024 | March 31, 2023 |
|---------------------------------------|-------|----------------|----------------|
| Cash provided by operating activities | | \$ 165,201 | \$ 59,624 |
| Decommissioning expenditures | 9 | 1,524 | 875 |
| Changes in non-cash working capital | 17 | 14,831 | 96,772 |
| Adjusted funds flow | | \$ 181,556 | \$ 157,271 |

Net debt to annualized adjusted funds flow

| Three months ended | Notes | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|--|-------|----------------|-------------------|----------------|
| Accounts payable and accrued liabilities | | \$ 211,271 | \$ 201,531 | \$ 240,488 |
| Cross-currency swap liability | 6 | 2,473 | 5,172 | 8,995 |
| Accounts receivable | 3 | (168,186) | (141,041) | (151,289) |
| Prepaid expenses and deposits | | (11,740) | (18,024) | (12,372) |
| Working capital deficiency | | 33,818 | 47,638 | 85,822 |
| Note receivable | 3 | - | - | (20,000) |
| Debt | 5 | 924,517 | 909,758 | 1,286,718 |
| Government loan and other | 7 | 26,433 | 26,189 | 21,528 |
| Net debt | | \$ 984,768 | \$ 983,585 | \$ 1,374,068 |
| Current quarter adjusted funds flow | | \$ 181,556 | \$ 194,771 | \$ 157,271 |
| Annualized factor | | 4 | 4 | 4 |
| Annualized adjusted funds flow | | \$ 726,224 | \$ 779,084 | \$ 629,084 |
| Net debt to annualized adjusted funds flow | | 1.4x | 1.3x | 2.2x |

14. Oil and natural gas sales

| Three months ended | March 31, 2024 | March 31, 2023 |
|---------------------------|----------------|----------------|
| Heavy oil | \$ 251,931 | \$ 192,519 |
| Light oil | 120,223 | 145,613 |
| Natural gas | 13,728 | 23,382 |
| Natural gas liquids | 7,454 | 17,032 |
| Oil and natural gas sales | \$ 393,336 | \$ 378,546 |

15. Finance expense

| Three months ended | Notes | March 31, 2024 | March 31, 2023 |
|---|-------|----------------|----------------|
| Syndicated Facility | 5 | \$ 12,186 | \$ 13,065 |
| SL Notes | 5 | 5,423 | 5,364 |
| Clearwater infrastructure liability | 7 | 3,596 | - |
| DAP Notes | 5 | 792 | 3,679 |
| Other interest and fees | | 156 | 2,132 |
| Interest expense | | 22,153 | 24,240 |
| Deferred borrowing cost amortization and loan accretion | 5, 7 | 2,098 | 1,860 |
| Unrealized foreign exchange loss (gain) on debt | 5 | 2,690 | (8,810) |
| Unrealized loss (gain) on cross-currency swap | 6 | (2,699) | 8,242 |
| Accretion of decommissioning obligations | 9 | 1,672 | 2,253 |
| Finance expense | | \$ 25,914 | \$ 27,785 |

16. Stock-based compensation

| Three months ended | Notes | March 31, 2024 | March 31, 2023 |
|---|-------|----------------|----------------|
| Equity-settled stock-based compensation | | \$ 2,703 | \$ 2,404 |
| Cash-settled stock-based compensation | 7 | 3,846 | 1,685 |
| | | 6,549 | 4,089 |
| Capitalized stock-based compensation | 4 | (2,007) | (1,303) |
| Total stock-based compensation expensed | | \$ 4,542 | \$ 2,786 |

The following table summarizes the change in equity compensation units during the period:

| Equity compensation plans | RSUs | PSUs | RIAs | PIAs | Stock options | Total |
|---------------------------------|-------|-------|-------|-------|---------------|--------|
| Balance at December 31, 2023 | 3,794 | 3,776 | 603 | 2,217 | 1,037 | 11,427 |
| Granted | 2,561 | 1,494 | 599 | 2,127 | - | 6,781 |
| Reinvestment of dividends | 55 | 33 | - | - | - | 88 |
| Exercised | (312) | (123) | - | - | (85) | (520) |
| Forfeited/expired | (26) | (833) | - | - | - | (859) |
| Balance at March 31, 2024 | 6,072 | 4,347 | 1,202 | 4,344 | 952 | 16,917 |
| Consisting of: | | | | | | |
| Equity-settled units | 5,865 | 3,122 | - | - | 952 | 9,939 |
| Cash-settled units (note 7) | 207 | 1,225 | 1,202 | 4,344 | - | 6,978 |
| Number exercisable | 1,022 | 943 | 228 | - | 878 | 3,071 |
| Weighted-average remaining life | 1.69 | 2.23 | 1.51 | 2.00 | 1.60 | 1.89 |

Share-based awards

For the three months ended March 31, 2024, Tamarack granted 6.8 million stock-based awards at a weighted average fair value of \$3.70 per share which was primarily based on the Company's share price at the date of grant. For the three months ended March 31, 2024, actual market and non-market performance adjustment factors on vested PSUs and PIAs averaged 1.0.

Stock options

The following table summarizes the range of exercise prices of the stock options outstanding and exercisable as at March 31, 2024:

| Range of exercise price | Number outstanding | Weighted average exercise price | Weighted average remaining life (years) | Number exercisable | Weighted average exercise price |
|-------------------------|--------------------|---------------------------------|---|--------------------|---------------------------------|
| \$ 0.64 – 2.50 | 915 | 1.80 | 1.60 | 878 | 1.78 |
| \$ 2.51 – 2.66 | 37 | 2.66 | 2.20 | - | - |
| \$ 0.64 – 2.66 | 952 | 1.84 | 1.60 | 878 | 1.78 |

17. Supplemental cash flow

| Three months ended | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Source/(use) of cash | | |
| Accounts receivable | \$ (27,145) | \$ 25,929 |
| Prepaid expenses and deposits | 6,284 | (5,530) |
| Accounts payable and accrued liabilities | 9,740 | (104,004) |
| Net changes per consolidated balance sheet | \$ (11,121) | \$ (83,605) |
| Consisting of: | | |
| Operating activities | \$ (14,831) | \$ (96,772) |
| Financing activities | \$ (93) | \$ (19) |
| Investing activities | \$ 3,803 | \$ 13,186 |

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

Rob Spitzer^{2,3}
Director

Shannon Joseph
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
President and Chief Executive Officer

Steve Buytels
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

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