



## 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, 2025 and 2024. This MD&A is dated as at May 6, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025 and 2024 ("Interim Financial Statements") and the audited consolidated financial statements for the years ended December 31, 2024 and 2023 ("Annual Financial Statements"). Additional information relating to Tamarack, including the Company's Annual Information Form for the year ended December 31, 2024, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and Tamarack's website at [www.tamarackvalley.ca](http://www.tamarackvalley.ca).

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

### About Tamarack Valley Energy Ltd.

Tamarack is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. The Company is currently developing two core projects in Northern Alberta – a Clearwater heavy oil position at Nipisi, Marten Hills and South Clearwater and a Charlie Lake light oil position at Valhalla, Wembley and Pipestone. Tamarack also manages an enhanced oil recovery portfolio of diverse assets across Alberta.

As of December 31, 2024, the Company held over 680 sections of acreage across the Clearwater fairway with 134.5 million boe of total gross proved plus probable reserves<sup>(1)</sup>. 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 45,000 boe per day of heavy oil and natural gas (91% liquids) from the Clearwater in the first quarter of 2025.

Tamarack holds over 240 sections of Charlie Lake acreage with 70.8 million boe of total gross proved plus probable reserves<sup>(1)</sup> 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 17,000 boe per day of oil and natural gas (69% liquids) from Charlie Lake in the first quarter of 2025.

Tamarack has 103 employees at the corporate head office and seven 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 2025 in review

Tamarack delivered strong results in the first quarter of 2025 generating production of 67,697 boe per day, adjusted funds flow<sup>(2)</sup> of \$226.1 million and free funds flow<sup>(2)</sup> of \$90.7 million despite softening benchmark WTI prices in the quarter. The Company returned over \$75 million to shareholders during the first quarter of 2025 in the form of dividends and share buybacks and has now reduced the common share float by 8.3% since the commencement of the normal course issuer bid in the first quarter of 2024.

Tamarack continues to enhance operating netbacks<sup>(2)</sup> through improved realizations and lower lifting costs. The Company is seeing strong reservoir response and decline mitigation on base production from ongoing Clearwater waterflood investments at Nipisi, Marten Hills and West Marten. Production growth has also been driven by outperformance in Charlie Lake with initial production rates on new drills at Pipestone and Wembley exceeding expectations. Strong execution of the Company's first quarter development programs has Tamarack trending towards the high-end of production guidance (67,000 boe per day) and low-end of capital guidance (\$430 million). Recent global trade disputes, higher OPEC+ supplies and declining demand growth expectations have led to recent volatility in commodity prices. Together with low breakeven economics on the Company's core plays and a disciplined hedging program, Tamarack expects to continue generating strong free funds flow for the remainder of the year at current forward prices. The Company also exited the first quarter of 2025 with close to \$400 million of undrawn credit capacity.

(1) Based upon the independent reserves evaluations conducted by McDaniel & Associates Consultants Ltd. ("McDaniel") and GLJ Ltd. ("GLJ"), as at December 31, 2024. Refer to "Advisories and guidance" for additional information about the independent reserves evaluations conducted by McDaniel and GLJ.

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

## Q1 2025 operational and financial highlights

	Three months ended				
	March 31,			December 31,	
	2025	2024	% change	2024	% change
<b>(\$ thousands, except per share amounts)</b>					
Oil and natural gas sales	\$ 444,288	\$ 393,336	13	\$ 426,482	4
Cash provided by operating activities	187,553	165,201	14	201,798	(7)
Per share – basic <sup>(1)</sup>	0.36	0.30	20	0.38	(5)
Per share – diluted <sup>(1)</sup>	0.36	0.30	20	0.38	(5)
Adjusted funds flow <sup>(1)</sup>	226,146	181,556	25	223,431	1
Per share – basic <sup>(1)</sup>	0.44	0.33	33	0.42	5
Per share – diluted <sup>(1)</sup>	0.43	0.33	30	0.42	2
Free funds flow <sup>(1)</sup>	90,693	51,811	75	89,208	2
Per share – basic <sup>(1)</sup>	0.18	0.09	100	0.17	6
Per share – diluted <sup>(1)</sup>	0.17	0.09	89	0.17	-
Net income (loss)	64,258	(32,744)	nm	6,382	nm
Per share – basic	0.12	(0.06)	nm	0.01	nm
Per share – diluted	0.12	(0.06)	nm	0.01	nm
Net debt <sup>(1)</sup>	768,625	984,768	(22)	775,438	(1)
Investments in oil and natural gas assets	132,731	128,221	4	127,311	4
<b>Weighted average shares outstanding (thousands)</b>					
Basic	515,306	552,345	(7)	529,136	(3)
Diluted	520,368	555,595	(6)	533,845	(3)
<b>Average daily production</b>					
Heavy oil (bbls/d)	40,383	36,255	11	39,341	3
Light oil (bbls/d)	14,204	15,270	(7)	13,822	3
NGL (bbls/d)	3,007	1,925	56	2,841	6
Natural gas (mcf/d)	60,616	51,431	18	60,602	-
Total (boe/d)	67,697	62,022	9	66,104	2
<b>Average sale prices</b>					
Heavy oil (\$/bbl)	\$ 83.03	\$ 76.36	9	\$ 79.69	4
Light oil (\$/bbl)	92.78	86.52	7	94.30	(2)
NGL (\$/bbl)	35.13	42.54	(17)	32.84	7
Natural gas (\$/mcf)	2.64	2.93	(10)	1.71	54
Total (\$/boe)	72.92	69.69	5	70.12	4
<b>Benchmark pricing</b>					
West Texas Intermediate (US\$/bbl)	71.42	76.96	(7)	70.27	2
Western Canadian Select (WCS) (C\$/bbl)	84.30	77.77	8	80.74	4
WCS differential (US\$/bbl)	12.67	19.31	(34)	12.56	1
Edmonton Par (Cdn\$/bbl)	95.33	92.15	3	94.90	-
Edmonton Par differential (US\$/bbl)	4.98	8.65	(42)	2.42	106
Foreign Exchange (USD to CAD)	1.43	1.35	6	1.40	2
<b>Operating netback (\$/boe)</b>					
Realized sales price	72.92	69.69	5	70.12	4
Royalty expenses	(14.11)	(13.46)	5	(13.42)	5
Net production expenses <sup>(1)</sup>	(7.76)	(10.06)	(23)	(7.16)	8
Transportation expenses	(3.68)	(4.18)	(12)	(3.30)	12
Operating field netback (\$/boe) <sup>(1)</sup>	47.37	41.99	13	46.24	2
Realized commodity hedging gain (loss)	(1.74)	0.37	nm	(1.59)	9
<b>Operating netback (\$/boe)<sup>(1)</sup></b>	<b>\$ 45.63</b>	<b>\$ 42.36</b>	<b>8</b>	<b>\$ 44.65</b>	<b>2</b>
<b>Adjusted funds flow (\$/boe)<sup>(1)</sup></b>	<b>\$ 37.12</b>	<b>\$ 32.17</b>	<b>15</b>	<b>\$ 36.74</b>	<b>1</b>

(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, 2025

**Production** - Production in the first quarter of 2025 averaged 67,697 boe per day, reflecting a 9% increase compared to the first quarter of 2024, primarily due to ongoing drilling and development activities in the Clearwater and Charlie Lake areas. Production growth has been supported by strong reservoir response and decline mitigation on base production from ongoing waterflood investments in the Clearwater. Growth was also driven by an acceleration of development capital in Charlie Lake into the first quarter of 2025, with initial production rates on new drills at Pipestone and Wembley continuing to exceed expectations.

**Realizations** - Tamarack continues to generate higher margins through improved heavy oil price realizations from ongoing marketing initiatives. In the first quarter of 2025, the Company's heavy oil price differential, net of transportation expenses<sup>(1)</sup> relative to the Western Canadian Select benchmark price, improved by 13% compared to Q1 2024, from \$5.73 per bbl down to \$4.96 per bbl.

**Netbacks** - Operating netbacks<sup>(1)</sup> were \$45.63 per boe in the first quarter of 2025, an 8% increase compared to \$42.36 per boe during the same period in the prior year, primarily due to the strong price realizations, improved heavy oil differentials and lower lifting costs, which more than offset a 7% quarter-over-quarter decline in WTI benchmark prices.

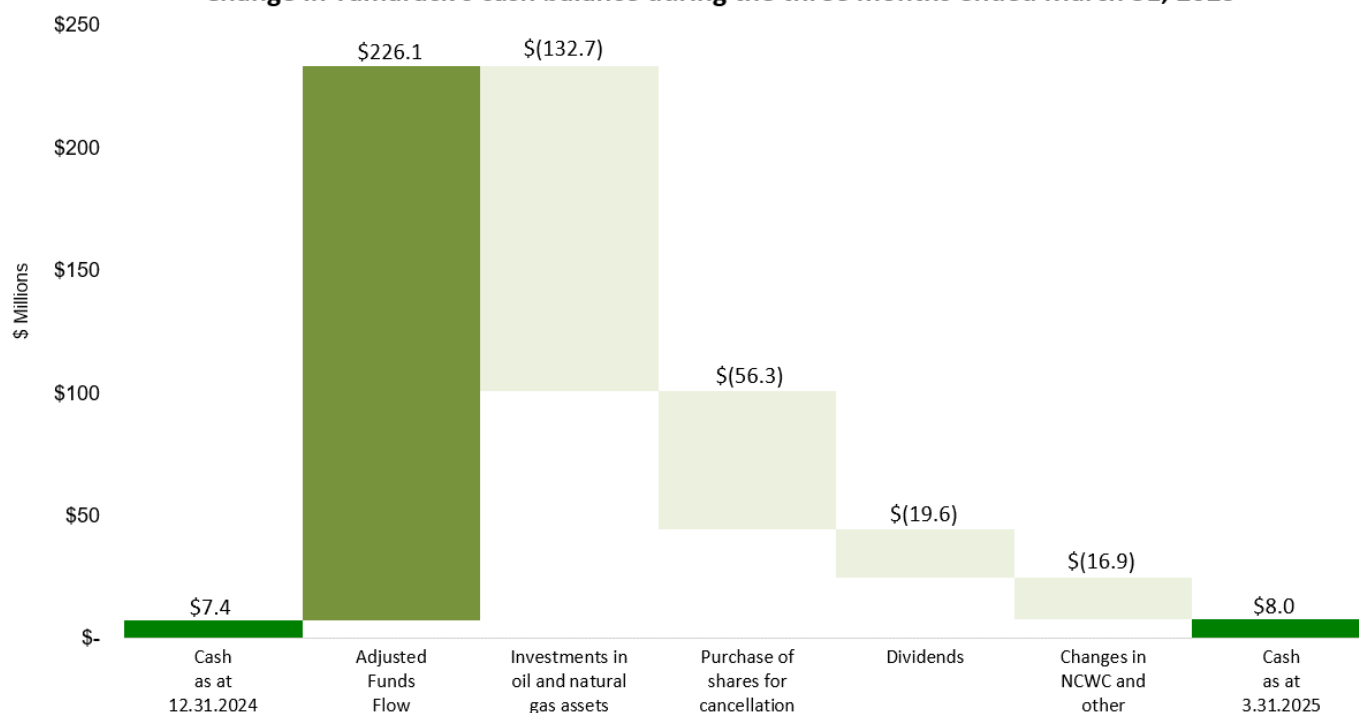
**Investments** - Tamarack invested \$132.7 million in the first quarter of 2025 primarily for ongoing development of the Clearwater and Charlie Lake plays. The Company drilled 27.3 net Clearwater heavy oil wells and 5.8 net Charlie Lake light oil wells. Capital investments included the ongoing expansion of the waterflood in the Clearwater area. Tamarack is planning to ramp up water injection rates from 13,000 bbl per day to over 30,000 bbl per day by the end of 2025 (year-over-year exit rates). The Company also invested \$5.0 million in the first quarter to acquire additional Clearwater mineral rights.

**Cash Flows** - Tamarack delivered cash provided by operating activities of \$187.6 million and adjusted funds flow<sup>(1)</sup> of \$226.1 million during the three months ended March 31, 2025, both increases over the same period in 2024, driven by production outperformance and higher operating netbacks. The Company delivered free funds flow of \$90.7 million, an increase of 75% compared to the same period in the prior year, supported by capital efficiencies and higher operating netbacks<sup>(1)</sup>.

**Shareholder Returns** - During the three months ended March 31, 2025, the Company repurchased 12.5 million common shares (2.4% of the common share float) for a total cost of \$56.3 million and declared base dividends to shareholders of \$19.6 million. During the past trailing 12 months, Tamarack has returned \$246.4 million to shareholders in the form of dividends and share buybacks and reduced net debt by \$216.1 million.

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

**Change in Tamarack's cash balance during the three months ended March 31, 2025**



Refer to "Advisories and guidance" for Capital Management Measures and Ratios, Non-GAAP Financial Measures and Ratios and Supplemental Financial Measures. NCWC = non-cash working capital.

## Annual guidance

<b>2025 Outlook</b> <b>For the year ended December 31</b>	<b>Guidance</b> <b>(Dec. 4, 2024)</b>
	<b>2025</b>
Base 2025 capital investments budget (\$ millions) <sup>(1)</sup>	<b>430 - 450</b>
Annual average production (boe/d)	<b>65,000 - 67,000</b>
Average oil & NGL weighting (%)	<b>83 - 85</b>
Royalty rate (%)	<b>20 - 22</b>
Corporate wellhead price differential - Oil	<b>1.50 - 2.50</b>
Net production <sup>(2)</sup> (\$/boe)	<b>8.40 - 8.90</b>
Transportation (\$/boe)	<b>3.75 - 4.25</b>
General and administrative (\$/boe)	<b>1.30 - 1.45</b>
Interest (\$/boe)	<b>2.90 - 3.30</b>
Income taxes (% of Adjusted Funds flow <sup>(2)</sup> before tax)	<b>10 - 12</b>

(1) Amounts exclude asset retirement obligations, acquisitions and dispositions.

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

Tamarack is trending towards the high-end of production guidance driven by strong base volumes from positive waterflood response in the Clearwater and production outperformance from new wells at Charlie Lake. The Company's capital investment program is trending towards the low-end of guidance primarily due to ongoing capital efficiencies from expanded multi-well-pad development schemes and solid run times, even with additional scope being added to the 2025 program for further waterflood expansion in the Clearwater. Tamarack remains nimble, with an ability to scale the 2025 capital program in response to near-term market volatility. The Company has identified several investment projects that could be deferred with minimal impacts to 2025 production.

Tamarack remains well positioned with nearly \$400 million of available credit capacity at the end of the first quarter. Despite recent declines in benchmark commodity prices, at current strip prices, the Company expects to generate free funds flows that exceeds the Company's original budget primarily due to higher price realizations, improved heavy oil price differentials, lower lifting costs and capital efficiencies. With low breakeven economics on the Company's core plays and a disciplined hedging program, Tamarack expects to generate significant free cash flows in 2025. Tamarack continues to view share repurchases as an attractive option at current commodity prices and intends to utilize the majority of any free funds flow generated from the business to return capital to shareholders and reduce net debt.

## Production

<b>March 31</b>	<b>Three months ended</b>		
	<b>2025</b>	2024	% change
Heavy oil (bbls/d)	<b>40,383</b>	36,255	11
Light oil (bbls/d)	<b>14,204</b>	15,270	(7)
Natural gas liquids (bbls/d)	<b>3,007</b>	1,925	56
Natural gas (mcf/d)	<b>60,616</b>	51,431	18
Total (boe/d)	<b>67,697</b>	62,022	9
Total (boe)	<b>6,092,795</b>	5,644,033	8
Percentage of oil and NGLs	<b>85%</b>	86%	(1)

Tamarack's production in the first quarter of 2025 increased by 9%, compared to the same period in the prior year, primarily due to ongoing drilling and development programs in the Clearwater and Charlie Lake areas.

The Company continues to see strong reservoir response and decline mitigation on base production from ongoing waterflood investments in the Clearwater. Tamarack exited the first quarter of 2025 injecting over 15,000 bbl per day of source and recycled water in the Clearwater area, with plans to ramp up injection rates to over 30,000 bbl per day by the end of the year. Growth was also driven by an acceleration of development capital in the Charlie Lake into the first quarter of 2025, with initial production rates on new drills at Pipestone and Wembley continuing to exceed expectations.

Tamarack's oil and NGL weighting for the three months ended March 31, 2025 decreased by 1% compared to the same period in 2024, primarily due to strong well performance in Charlie Lake which has higher relative natural gas-weighted wells.

## Benchmark prices

March 31	Three months ended			
		2025	2024	% change
West Texas Intermediate (WTI) (US\$/bbl)	\$	71.42	\$ 76.96	(7)
Western Canadian Select (WCS/Hardisty Heavy) (Cdn\$/bbl)		84.30	77.77	8
WCS differential, relative to WTI (US\$/bbl)		12.67	19.31	(34)
Edmonton Par (light sweet) (Cdn\$/bbl)		95.33	92.15	3
Edmonton Par differential, relative to WTI (US\$/bbl)		4.98	8.65	(42)
NYMEX monthly settlement (US\$/mmbtu)		3.65	2.24	63
AECO monthly index (Cdn\$/mcf)	\$	2.01	\$ 2.04	(1)
Foreign exchange (USD to CAD)		1.43	1.35	6

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

During the three months ended March 31, 2025, the WTI benchmark decreased by 7%, compared to the same period in 2024. First quarter WTI benchmark price volatility was primarily driven by the ongoing threat of changes to U.S. foreign trading policies and growth in global oil supply from OPEC+ and non-OPEC+ producing nations.

The WCS differential strengthened by 34% in the first quarter of 2025, compared to the same period in 2024, primarily due to enhanced egress out of the Western Canadian Sedimentary Basin provided by the TMX pipeline which came online in Q2 2024, sanctions imposed by the U.S government on heavy oil producing countries, and lower heavy oil inventories in both Canada and the U.S. The Edmonton Par differential strengthened by 42% in the first quarter more in line with historical averages.

## Oil and natural gas sales

March 31	Three months ended			
		2025	2024	% change
Heavy oil	\$	301,782	\$ 251,931	20
Light oil		118,615	120,223	(1)
Natural gas		14,383	13,728	5
Natural gas liquids		9,508	7,454	28
Oil and natural gas sales	\$	444,288	\$ 393,336	13
Heavy oil (\$/bbl)	\$	83.03	\$ 76.36	9
Light oil (\$/bbl)		92.78	86.52	7
Natural gas (\$/mcf)		2.64	2.93	(10)
Natural gas liquids (\$/bbl)		35.13	42.54	(17)
Oil and natural gas sales (\$/boe)	\$	72.92	\$ 69.69	5

For the three months ended March 31, 2025, revenues increased by \$51.0 million compared to the same period in 2024, due to \$32.7 million from higher production and \$18.3 million from higher realized prices. The Company's realized price improved by 5% to \$72.92 per boe during the three months ended March 31, 2025 compared to the same quarter in 2024, as a stronger U.S. currency and a narrowing of the WCS and MSW differentials more than offset the impact of lower oil benchmark prices. The following tables summarize the Company's wellhead price realizations relative to quoted benchmark prices:

Heavy oil wellhead price realization (\$/bbl) - March 31 <sup>(1)</sup>	Three months ended			
		2025	2024	% change
WCS benchmark price	\$	84.30	\$ 77.77	8
Less: Tamarack's heavy oil realized price		(83.03)	(76.36)	9
Heavy oil wellhead price differential	\$	1.27	\$ 1.41	(10)
Add: Transportation expenses - heavy oil		3.69	4.32	(15)
Heavy oil differential, including transportation expenses	\$	4.96	\$ 5.73	(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.

During the three months ended March 31, 2025, the Company's heavy oil differential, including transportation expenses declined by 13%, compared to the same period in 2024, reflecting the impact of higher product deliveries through the Secure-Pembina Nipisi pipeline and blending terminal, optimized sales points for trucked heavy oil production, strong trading differentials and prices received from sales of the Company's CWH product (Clearwater Heavy Oil).

Light oil wellhead price realization (\$/bbl) - March 31 <sup>(1)</sup>	Three months ended			
	2025	2024	% change	
Edmonton Par benchmark price	\$ 95.33	\$ 92.15	3	
Less: Tamarack's light oil realized price	(92.78)	(86.52)	7	
Light oil wellhead price differential	2.55	5.63	(55)	
Add: Transportation expenses - light oil	4.67	4.86	(4)	
Light oil differential, including transportation expenses	\$ 7.22	\$ 10.49	(31)	

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

During the first quarter of 2025, the Company's light oil differential including transportation expenses decreased by 31%, compared to the same period in the prior year, primarily due to non-recurring pipeline adjustments in the first quarter of 2024.

## Risk management

(\$ thousands, except per boe)	Three months ended			
	2025	2024	% change	
<b>March 31</b>				
Realized gain (loss)	\$ (10,585)	\$ 2,080		
Unrealized loss	(18,355)	(55,590)		
Total risk management contracts	\$ (28,940)	\$ (53,510)		
Realized gain (loss) (\$/boe)	\$ (1.74)	\$ 0.37		

Risk management losses recognized in the first quarter of 2025 were primarily due to narrower WCS differentials relative to the WTI benchmark price and a stronger US currency relative to the Canadian dollar, compared to the Company's fixed contract positions. As at March 31, 2025, Tamarack's outstanding commodity risk management contracts had a net liability value of \$34.0 million (December 31, 2024 – \$15.7 million net liability).

## Royalties

(\$ thousands, except per boe)	Three months ended			
	2025	2024	% change	
<b>March 31</b>				
Total royalty expenses	\$ 85,997	\$ 75,969	13	
Total (\$/boe)	14.11	13.46	5	
Percentage of sales (%)	19	19	-	

For the three months ended March 31, 2025 and 2024, royalty expenses averaged 19% of oil and natural gas sales. Gross royalty expenses increased by 13% compared to the same period in 2024, primarily due to higher production and realized commodity prices.

## Net production expenses

(\$ thousands, except per boe)	Three months ended			
	2025	2024	% change	
<b>March 31<sup>(1)</sup></b>				
Production expenses	\$ 47,876	\$ 58,465	(18)	
Less: processing income	(585)	(1,701)	(66)	
Total net production expenses	\$ 47,291	\$ 56,764	(17)	
Total (\$/boe)	\$ 7.76	\$ 10.06	(23)	

(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, 2025, net production expenses per boe decreased 23% compared to the same period in 2024, primarily due to field infrastructure investments, lower trucking costs from waterflood reinjection, lower energy costs, pipeline connections, carbon abatement initiatives and the continued realization of synergies across the Clearwater asset areas at Nipisi and Marten Hills. Net production expenses also declined from non-core property dispositions in H1 2024 which carried higher relative operating costs on a per barrel basis relative to Tamarack's corporate averages on retained assets.

## Transportation expenses

(\$ thousands, except per boe)	Three months ended			
	2025	2024	% change	
<b>March 31<sup>(1)</sup></b>				
Transportation expense - oil	\$ 19,373	\$ 21,006	(8)	
Transportation expense - gas	3,059	2,571	19	
Total transportation expenses	\$ 22,432	\$ 23,577	(5)	
Total (\$/boe)	\$ 3.68	\$ 4.18	(12)	

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

For the three months ended March 31, 2025, transportation expenses per boe decreased by 12% compared to the same period in 2024, primarily due to lower transportation expenses as a result of the Company's Secure-Pembina Nipisi pipeline oil transportation contract that commenced in Q2 2024, field pipeline infrastructure investments and reduced trucking activities.

### Operating netback

(\$/boe)	Three months ended			
March 31 <sup>(1)</sup>	2025		2024	% change
Oil and natural gas sales	\$	72.92	\$ 69.69	5
Royalty expenses		(14.11)	(13.46)	5
Net production expenses		(7.76)	(10.06)	(23)
Transportation expenses		(3.68)	(4.18)	(12)
Operating field netback	\$	47.37	\$ 41.99	13
Realized hedging gain (loss)		(1.74)	0.37	nm
Operating netback	\$	45.63	\$ 42.36	8

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

(\$ thousands)	Three months ended			
March 31 <sup>(1)</sup>	2025		2024	% change
Oil and natural gas sales	\$	444,288	\$ 393,336	13
Royalty expenses		(85,997)	(75,969)	13
Net production expenses		(47,291)	(56,764)	(17)
Transportation expenses		(22,432)	(23,577)	(5)
Operating field netback	\$	288,568	\$ 237,026	22
Realized hedging gain (loss)		(10,585)	2,080	nm
Operating netback	\$	277,983	\$ 239,106	16

(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, 2025, the operating netback per boe increased 8% compared to the same period in 2024, primarily due to higher realized oil prices and lower net production and transportation expenses, partially offset by higher royalties and realized hedging losses.

### General and administrative ("G&A") expenses

(\$ thousands, except per boe)	Three months ended			
March 31	2025		2024	% change
G&A costs	\$	12,285	\$ 12,319	-
Less: capitalized costs and recoveries		(3,708)	(3,352)	11
G&A expenses	\$	8,577	\$ 8,967	(4)
Total (\$/boe)	\$	1.41	\$ 1.59	(11)

For the three months ended March 31, 2025, G&A costs per boe decreased by 11% compared to the same period in 2024, primarily due to higher production.

### Stock-based compensation expense

(\$ thousands, except per boe)	Three months ended			
March 31	2025		2024	% change
Stock-based compensation costs	\$	4,357	\$ 6,549	(33)
Less: capitalized costs		(1,576)	(2,007)	(21)
Stock-based compensation expense	\$	2,781	\$ 4,542	(39)
Total (\$/boe)	\$	0.46	\$ 0.80	(43)

For the three months ended March 31, 2025, stock-based compensation expense per boe decreased by 43% compared to the same period in 2024, primarily due to a decline in Tamarack's share price during the first three month of 2025 and higher production.

## Finance expense

(\$ thousands, except per boe)		Three months ended		
March 31		2025	2024	% change
Credit Facility	\$	6,606	12,186	(46)
Senior Notes		5,363	5,423	(1)
Clearwater infrastructure liability and other		4,696	4,544	3
Interest expense	\$	16,665	\$ 22,153	(25)
Deferred borrowing costs and loan accretion		2,527	2,089	21
Accretion of asset retirement obligations		1,620	1,672	(3)
Finance expense	\$	20,812	\$ 25,914	(20)
Total interest expense (\$/boe)	\$	2.74	\$ 3.93	(30)

For the three months ended March 31, 2025, interest expense decreased by 25% compared to the same period in the prior year, primarily due to the lower average balances of the Credit Facility, repayment of the DAP Notes in the first half of 2024 and lower interest rates on bank debt following rate cuts by the central bank since June 2024. This decline was partially offset by higher interest expense recognized on the Clearwater infrastructure liability following the expansion of the partnership in Q3 2024.

## Income taxes

(\$ thousands)		Three months ended		
March 31		2025	2024	% change
Current income tax expense	\$	25,543	\$ 24,225	5
Deferred income tax recovery		(2,465)	(35,806)	(93)
Total income tax expense (recovery)	\$	23,078	\$ (11,581)	nm
Statutory tax rate		23%	23%	-
Effective tax rate		26%	26%	-

Total income tax expense for the three months ended March 31, 2025 was \$23.1 million. The net recovery of \$11.6 million recognized in the first quarter of 2024 was primarily due to unrealized derivative losses and a loss on the sale of certain non-core oil and natural gas assets in the Redwater area. Tax rates were consistent year-over-year.

## Depletion and depreciation ("D&D")

(\$ thousands, except per boe)		Three months ended		
March 31		2025	2024	% change
Depletion and depreciation	\$	140,319	\$ 148,201	(5)
Total (\$/boe)	\$	23.03	\$ 26.26	(12)

For the three months ended March 31, 2025, D&D expense per boe decreased by 12% compared with the same period in the prior year, primarily due to higher reserves added from ongoing drilling, development and waterflood activities in the Clearwater area and lower relative future development costs from improved capital efficiencies. Gross D&D expense in the first quarter of 2025 decreased by 5% primarily due to the lower depletion rates, partially offset by higher production.

## Adjusted funds flow and net income (loss)

(\$ thousands, except per share amounts)		Three months ended		
March 31 <sup>(1)</sup>		2025	2024	% change
Cash provided by operating activities	\$	187,553	\$ 165,201	14
Settlement of asset retirement obligations		2,722	1,524	79
Changes in non-cash working capital		35,871	14,831	142
Adjusted funds flow	\$	226,146	\$ 181,556	25
Per share - basic		0.44	0.33	33
Per share - diluted		0.43	0.33	30
Net income (loss)	\$	64,258	\$ (32,744)	nm
Per share - basic		0.12	(0.06)	nm
Per share - diluted		0.12	(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.

Adjusted funds flow increased by 25% for the three months ended March 31, 2025, compared to the same period in the prior year, primarily due to higher operating netbacks and lower financing expenses. Cash flows from operations increased by 14% due to the higher adjusted funds flow, partially offset by changes in non-cash working capital from the settlement of income tax instalments.

The Company recorded net income of \$64.3 million during the three months ended March 31, 2025. The net loss of \$32.7 million in the first quarter of 2024 was primarily due to unrealized losses on risk management contracts and losses from asset dispositions.

### Investments in oil and natural gas assets

(\$ thousands) <b>March 31</b>	Three months ended		
	2025	2024	% change
Drilling, completion and equipping	\$ 106,158	\$ 96,530	10
Facilities	21,273	27,375	(22)
Land, seismic and other	5,300	4,316	23
Investments in oil and natural gas assets	\$ 132,731	128,221	4

The following table summarizes the number of net wells drilled during the three months ended March 31, 2025 and 2024:

<b>March 31</b>	Three months ended	
	2025	2024
Clearwater horizontal heavy oil wells	27.3	32.9
Charlie Lake horizontal light oil wells	5.8	5.4
Injection wells and other	3.0	-
	36.1	38.3

First quarter 2025 capital investments included the ongoing expansion of the waterflood in the Clearwater area. The Company also invested \$5.0 million to acquire Clearwater mineral rights in the first quarter.

### Dispositions

On December 17, 2024, Tamarack entered into a purchase and sale agreement for the disposition of substantially all of the non-core oil and natural gas assets in the Southern Alberta Penny CGU for gross cash proceeds of \$28.0 million before closing adjustments. As part of the sale, Tamarack's asset retirement obligations are expected to be reduced by \$14.6 million. As at December 31, 2024, the assets and corresponding liabilities were presented as held for sale at their anticipated fair value less costs to sell, which resulted in an impairment loss of \$38.1 million. The transaction is contingent upon the receipt of third-party regulatory approval and is expected to close in the second quarter of 2025.

### Liquidity and capital resources

The Company actively manages capital and liquidity risk through the continuous monitoring of asset performance, forecasting anticipated future cash flows in conjunction with the design of the annual capital investment programs, maintaining available credit under bank facilities, managing debt maturity dates, hedging a portion of the Company's production, judiciously assessing new capital investment, acquisition or divestment opportunities and the pursuit of new liquidity, if necessary. The Company believes that available credit and future anticipated adjusted funds flow will be sufficient to fund Tamarack's planned 2025 capital development programs, dividends and any share repurchases. The Company continues to prioritize shareholder returns and net debt reduction with free funds flow generated by the business. The following table summarizes free funds flow for the three months ended March 31, 2025:

(\$ thousands) <b>March 31<sup>(1)</sup></b>	Three months ended	
	2025	2024
Adjusted funds flow	\$ 226,146	\$ 181,556
Investments in oil and natural gas assets	(132,731)	(128,221)
Settlement of asset retirement obligations	(2,722)	(1,524)
Free funds flow	\$ 90,693	\$ 51,811

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

### Shareholder returns

Period ended	Cumulative dividend per common share	Total dividends distributed	Shares retired through NCIB (thousands)	Total NCIB repurchases	Total shareholder distributions
December 31, 2022	\$ 0.1165	\$ 55,268	-	\$ -	\$ 55,268
December 31, 2023	0.1500	83,521	-	-	83,521
December 31, 2024	0.1502	81,474	33,889	135,352	216,826
March 31, 2025	\$ 0.0383	19,566	12,536	56,330	75,896
Total		\$ 239,829	46,425	\$ 191,682	\$ 431,511

Tamarack continues to distribute a monthly base dividend of \$0.01275 per common share, which was increased from \$0.0125 per common share in November 2024. In January 2025, the Company renewed its normal course issuer bid, allowing Tamarack to purchase up to 51.3 million common shares of the Company until January 18, 2026. The Company had previously received approval in 2024 to purchase up to 54.6 million until January 18, 2025. During the three months ended March 31, 2025, the Company purchased and cancelled 12.5 million common shares at an average price of \$4.40 per common share, for a total repurchase cost of \$56.3 million, including \$1.1 million of taxes.

Subsequent to the first quarter, Tamarack declared cash dividends of \$0.01275 per share on April 15, 2025 and as of April 29, 2025, had repurchased 3.6 million shares for \$13.4 million.

#### Net debt

(\$ thousands) <sup>(1)</sup>	March 31, 2025	December 31, 2024	March 31, 2024
Cash	\$ (7,959)	\$ (7,391)	\$ -
Accounts receivable	(136,162)	(139,223)	(168,186)
Prepaid expenses and deposits	(28,812)	(11,186)	(11,740)
Cross currency swap liability (asset)	(2,711)	(4,159)	2,473
Assets held for sale, net	(23,836)	(23,231)	-
Accounts payable and accrued liabilities	180,256	199,808	211,271
Working capital deficiency (surplus)	(19,224)	14,618	33,818
Debt	764,614	738,123	924,517
Government loans and other	23,235	22,697	26,433
Net debt	\$ 768,625	\$ 775,438	\$ 984,768
Current quarter adjusted funds flow	\$ 226,146	\$ 223,431	\$ 181,556
Annualized factor	4	4	4
Annualized adjusted funds flow	\$ 904,584	\$ 893,724	\$ 726,224
Net debt to annualized adjusted funds flow	0.8 x	0.9 x	1.4 x

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

Tamarack utilizes adjusted funds flow and net debt as capital management measures to assess financial performance and liquidity. As at March 31, 2025, the ratio of net debt to annualized first quarter adjusted funds flow declined to 0.8 (Dec. 31, 2024 – 0.9).

#### Debt instruments

(\$ thousands)	Credit Facility	Senior Notes	Total
Balance at December 31, 2024	\$ 444,800	\$ 293,323	\$ 738,123
Net proceeds from debt instruments	26,049	-	26,049
Unrealized foreign exchange gain	(1,389)	-	(1,389)
Amortization of deferred borrowing costs	1,124	707	1,831
Balance at March 31, 2025	\$ 470,584	\$ 294,030	\$ 764,614

As at March 31, 2025, Tamarack had access to a covenant-based \$875.0 million revolving lending facility (the "Credit Facility") maturing on April 30, 2027. The Credit Facility also has an uncommitted accordion feature that provides the Company with the ability to access an incremental \$125.0 million of secured debt, subject to certain conditions, including approvals from the lending syndicate. As at March 31, 2025, Tamarack had undrawn credit capacity of \$397.4 million.

Financial covenants on the Credit Facility	Covenant	March 31, 2025
Total Debt to EBITDA ratio	<3.5:1.0	0.8:1.0
Senior Debt to EBITDA ratio	<3.0:1.0	0.5:1.0
Interest Coverage ratio	>3.0:1.0	17.7:1.0

The Company carries \$300.0 million of 7.25% interest-bearing senior unsecured notes maturing on May 10, 2027 (the "Senior Notes"). The Senior Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. The Company currently holds a prepayment option to repurchase the Senior Notes at a cost of 104.0% of principal as at March 31, 2025. The cost of the prepayment option declines to 102.0% on May 10, 2025 and is reduced to par on May 10, 2026.

## Share capital

(thousands)	April 29, 2025	March 31, 2025	December 31, 2024
Common shares outstanding	505,383	509,765	522,207
Common shares held in treasury	1,485	751	845
Total common shares	506,868	510,516	523,052
Equity-settled stock options	205	292	360
Equity-settled RSUs	5,588	5,765	4,467
Equity-settled PSUs	3,412	3,465	2,767
Cash-settled RIAs	937	1,361	943
Cash-settled PIAs	4,783	5,863	4,344

At any given time, the balance of issued and outstanding equity compensation units that are granted to officers, employees, directors and consultants of the Company or its subsidiaries ("service providers") may not exceed 4% of the outstanding common share float of the Company, pursuant to Tamarack's stock-based compensation plans. During the three months ended March 31, 2025, the Company granted 5.2 million stock-based awards at a weighted average fair value of \$4.15 per share which was primarily based on the Company's share price at the date of grant. Tamarack utilized acquired treasury shares to settle 0.9 million stock-based compensation units that were exercised in Q1 2025, resulting in no dilution of outstanding common shares.

## Commitments and contingencies

As at March 31, 2025	2025	2026	2027	2028	2029+	Total
Credit Facility	\$ -	\$ -	\$ 471,700	\$ -	\$ -	\$ 471,700
Senior Notes	-	-	300,000	-	-	300,000
Accounts payable and accrued liabilities	180,256	-	-	-	-	180,256
Risk management contracts	34,717	-	-	-	-	34,717
Clearwater Infrastructure Partnership (CIP)	5,780	8,283	9,152	10,187	148,722	182,124
Other liabilities, excluding CIP	12,769	15,907	17,474	4,524	2,588	53,262
Financial liabilities on the balance sheet	233,522	24,190	798,326	14,711	151,310	1,222,059
Interest on debt and other liabilities	48,576	63,837	32,575	15,640	93,445	254,073
Take-or-pay commitments	27,319	35,623	31,947	32,936	60,254	188,079
Processing commitments	6,438	14,242	14,242	13,641	91,556	140,119
Total financial commitments	\$ 315,855	\$ 137,892	\$ 877,090	\$ 76,928	\$ 396,565	\$1,804,330

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.

## Selected quarterly information

	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023
<b>Sales volumes</b>								
Heavy oil (bbls/d)	40,383	39,341	39,047	37,660	36,255	37,447	35,900	35,373
Light oil (bbls/d)	14,204	13,822	13,203	14,807	15,270	14,928	16,674	16,382
NGL (bbls/d)	3,007	2,841	2,915	2,533	1,925	2,769	3,623	3,645
Natural gas (mcf/d)	60,616	60,602	59,154	54,856	51,431	58,419	72,597	68,027
Total (boe/d)	67,697	66,104	65,024	64,143	62,022	64,881	68,597	66,738
<b>Realized prices</b>								
Heavy oil (\$/bbl)	83.03	79.69	84.98	88.23	76.36	74.28	92.88	73.14
Light oil (\$/bbl)	92.78	94.30	97.79	106.24	86.52	99.79	107.83	91.74
NGL (\$/bbl)	35.13	32.84	39.58	36.58	42.54	42.31	41.46	36.64
Natural gas (\$/mcf)	2.64	1.71	0.87	1.51	2.93	2.82	2.60	2.39
Total (\$/boe)	72.92	70.12	73.46	79.06	69.69	70.17	80.24	65.72
<b>Operating netback (000s)</b>								
Oil and natural gas sales	444,288	426,482	439,435	461,479	393,336	418,864	506,365	399,155
Royalty expenses	85,997	81,597	94,162	85,650	75,969	82,428	84,443	77,140
Net production expenses <sup>(1)</sup>	47,291	43,514	52,055	57,463	56,764	68,150	53,446	62,266
Transportation expenses	22,432	20,091	14,126	22,933	23,577	21,276	26,034	24,190
Realized hedging gain (loss)	(10,585)	(9,649)	185	(3,907)	2,080	4,803	(15,922)	(12,466)
Operating netback <sup>(1)</sup>	277,983	271,631	279,277	291,526	239,106	251,813	326,520	223,093
<b>Financial results (000s, except per share amounts)</b>								
Cash provided by operating activities	187,553	201,798	240,843	225,370	165,201	215,981	199,756	156,265
Per share – basic <sup>(1)</sup>	0.36	0.38	0.45	0.41	0.30	0.39	0.36	0.28
Per share – diluted <sup>(1)</sup>	0.36	0.38	0.44	0.41	0.30	0.39	0.36	0.28
Adjusted funds flow <sup>(1)</sup>	226,146	223,431	220,419	225,554	181,556	194,771	255,199	157,253
Per share – basic <sup>(1)</sup>	0.44	0.42	0.41	0.41	0.33	0.35	0.46	0.28
Per share – diluted <sup>(1)</sup>	0.43	0.42	0.40	0.41	0.33	0.35	0.46	0.28
Net income (loss)	64,258	6,382	93,694	94,887	(32,744)	57,322	8,634	25,735
Per share – basic	0.12	0.01	0.17	0.17	(0.06)	0.10	0.02	0.05
Per share – diluted	0.12	0.01	0.17	0.17	(0.06)	0.10	0.02	0.05
Dividends declared per share	0.0383	0.0380	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375
<b>Balance sheet (000s)</b>								
Investment in oil and natural gas assets	132,731	127,311	109,032	86,341	128,221	127,704	122,759	117,831
Dispositions	(115)	(1,107)	(1,076)	(80)	1,797	(100,038)	(38,987)	(2,271)
Total assets	3,988,091	3,988,763	3,998,420	4,028,689	4,116,037	4,210,348	4,443,837	4,559,903
Debt	764,614	738,123	724,080	866,647	924,517	911,978	1,244,957	1,329,581
Net debt <sup>(1)</sup>	768,625	775,438	807,401	882,669	984,768	983,585	1,128,030	1,373,620
Asset retirement obligations	184,950	180,281	168,966	161,817	166,135	189,971	166,868	266,898

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

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

- Volatility in commodity prices and differentials and the resulting effect on revenue, cash provided by operating activities, adjusted funds flow and earnings.
- The volatility in asset retirement obligations due to fluctuations in discount rates, acquisitions and dispositions.
- The Company uses derivative contracts to reduce the financial impact of volatile commodity prices, foreign exchange and interest rates which can cause significant fluctuations in earnings due to unrealized gains and losses recognized on a quarterly basis.
- On 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 December 15, 2023, Tamarack and 12 First Nations and Métis communities formed the Clearwater Infrastructure Partnership whereby participating communities acquired an 85% non-operated working interest in Tamarack infrastructure assets in the Clearwater area with a fair value of \$172.0 million for total consideration of \$146.2 million and a 15% operated working interest in the partnership.
- On March 1, 2024, the Company sold certain non-core Redwater oil and natural gas assets for nominal consideration and recorded a loss of \$38.0 million. The disposition included a reduction of asset retirement obligations of \$14.2 million. The disposed assets included production of approximately 400 boe per day.
- On September 17, 2024, Tamarack expanded the Clearwater Infrastructure Partnership to include a 13<sup>th</sup> Indigenous community partner to the arrangement. The Company transferred Clearwater assets with a fair value of \$50.8 million into the partnership for cash consideration of \$43.2 million and a retained 15% interest in the partnership.
- On December 17, 2024, Tamarack entered into a purchase and sale agreement for the disposition of certain non-core oil and natural gas assets in Southern Alberta for gross cash proceeds of \$28.0 million before closing adjustments. As part of the sale, Tamarack's asset retirement obligations are expected to be reduced by \$14.6 million. As at December 31, 2024, the assets and corresponding liabilities were presented as held for sale at their anticipated recoverable value, resulting in an impairment loss of \$38.1 million. The transaction is contingent upon the receipt of third-party regulatory approval and is expected to close in the second quarter of 2025.

## Advisories and guidance

### Critical accounting policies, estimates and judgments

Tamarack utilized significant estimates, assumptions and judgments in order to apply the relevant accounting policies to the preparation of the Interim Financial Statements in accordance with International Accounting Standards 34 *Interim Financial Reporting*. A summary of this information can be found in the Interim and Annual Financial Statements. The key accounting policies of the Company that are subject to significant estimates, assumptions or judgments consist of oil and natural gas assets, impairment, financial instruments, asset retirement obligations, income taxes and the basis of consolidation. There were no new or significant updates to the application of the Company's critical accounting policies, estimates, assumptions or judgments during the three months ended March 31, 2025.

Certain comparative figures in the Interim Financial Statements have been adjusted to conform with the current period presentation. On the statement of cash flows and Balance Sheet, cash has been presented separately instead of being netted against debt. On the income statement, blending expenses have been combined with product purchases and carbon taxes have been combined with production expenses. There were no changes to the consolidated operating results or financial position for the three months ended March 31, 2024 as a result of these presentation changes.

### Non-GAAP financial measures and non-GAAP financial ratios

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

The Company no longer utilizes the non-GAAP measure revenue, net of blending expenses, which had previously combined oil and natural gas sales together with blending expenses. The impact of the change is \$1.1 million for the three months ended March 31, 2025 (March 31, 2024 - \$2.0 million). As a result of this change, blending expenses are excluded from operating netback, but continue to be included within adjusted funds flow. Net production expenses and carbon taxes were previously presented separately in the operating netback table. In the first quarter of 2025, these measures have been combined. This reclass of \$1.9 million for the three months ended March 31, 2025 (March 31, 2024 - \$3.5 million) does not affect the operating netback.

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

### Heavy and light oil differentials including transportation expenses

The calculation of the Company's heavy oil differential including transportation expenses and light oil differential including transportation expenses, is presented in the "Oil and natural gas sales" section of this MD&A and is determined by comparing the Company's realized price on a per barrel basis to the published benchmark price, including the impact of transportation expenses. The Company and others utilize this performance measure to assess the value of net wellhead revenue received by Tamarack for each barrel sold, relative to the published 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 separately in the Interim Financial Statements. If Tamarack has excess capacity at one of its facilities, the Company will seek to process third-party volumes as a means to reduce the cost of operating those facilities. Accordingly, net production expenses allow Tamarack and others to assess the performance of its field and facility operating results by including the associated income generated from plant operations. Net production expenses are also presented on a per boe basis as a non-GAAP financial ratio.

### Operating netback and operating field netback

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

### Capital Management Measures and Ratios

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

### Adjusted funds flow

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

### Free funds flow

Free funds flow is defined as adjusted funds flow less investments in oil and natural gas assets and the settlement of asset retirement obligations. Management utilizes free funds flow to assess how much cash was generated in excess of the Company's capital investment and asset retirement programs within the same

period, which can be utilized to reduce net debt, fund acquisitions or return capital to shareholders. Free funds flow is also presented on a per share basis as a capital management ratio.

#### **Net debt and working capital (surplus) deficiency**

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

#### **Net debt to annualized adjusted funds flow**

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

### **Supplemental financial measures**

#### **Per share disclosures**

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

#### **Per BOE disclosures**

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

#### **Percentage of sales**

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

### **Disclosure controls and internal controls over financial reporting**

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

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

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

No material changes to the Company's DC&P and its ICFR were identified during the period ended March 31, 2025 that have materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting. As a result, the Company's DC&P and ICFR were effective as at March 31, 2025. Internal control systems, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

### **Volumetric reporting**

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

### **Climate change**

The Company continues to 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 voluntary and effective for annual reporting periods beginning on or after January 1, 2024. The standards provide for transitional relief allowing an issuer to limit its disclosure to climate-related risks and opportunities in the first year.

On December 18, 2024, the Canadian Sustainability Standards Board published its first two disclosure standards for sustainability reporting in Canada (general sustainability disclosures and climate related disclosures). Most notably, the new standards retained the requirement for companies to disclose their scope 3

emissions. The standards provide for numerous transitional provisions and allowances between 2025 and 2028 to facilitate the adoption by Canadian companies.

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

## Risks

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

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

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

## Forward-looking statements

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

- the intentions of management and the Company;
- the Company’s commitment to maintaining financial flexibility and liquidity;
- U.S. and Canadian foreign policies, including the impact of tariffs or threat of tariffs or potential export restrictions on the Company’s products;
- the Company’s business strategy, objectives, strength and focus, including with respect to acquisitions;
- the Company’s plans to continue developing and expand its core asset base in Northern Alberta, being the Clearwater heavy oil position at Nipisi, Marten Hills and South Clearwater and a Charlie Lake light oil position at Valhalla, Wembley, and Pipestone;
- the Company’s continued consideration of the impact of climate change and possible upcoming related financial and operational challenges and implications with respect to the future of the Company;
- the Company’s continued consideration of the potential impacts of the evolving global demand for carbon-based energy and global advancement of alternative energy sources;
- the expected benefits of recently completed non-core dispositions, including reduction of asset retirement obligations and improvement of the Company’s focus on core areas;
- expectations relating to future realized commodity prices, volatile commodity prices, royalty rates and oil price differentials and the effects thereof, including with respect to revenue, earnings and stability to oil pricing;
- expectations surrounding the Company’s ongoing enhancement of operating netbacks and the ability to maintain full-year production guidance;
- expectations regarding future price realizations, lifting costs and sustained capital efficiencies from multi-well pad development and enhanced production from Clearwater waterflood response;
- the Company’s financial and physical hedging program, including the use of financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates, and interest rates, and the effects thereof on cash flow risk and commodity pricing upside;
- anticipated benefits of Clearwater formations including its enhanced recovery potential;
- anticipated benefits of the Charlie Lake acreage;
- purchases under the Company’s normal course issuer bid including that the Company will reacquire up to 51.3 million common shares by January of 2026;
- the Company’s plans in respect of returns of capital, including dividend and enhanced return programs;
- the Company’s expectations surrounding its 2025 capital guidance, funding thereof and the ability to satisfy its planned 2025 capital development program, while maximizing free funds flow generation with a significant portion being directed towards shareholder returns by way of dividend payments and share repurchases, as well as net debt reduction;
- expectations regarding continued free funds flow generation throughout 2025 at current strip pricing, supported by low breakeven economics, disciplined hedging activities, and available credit capacity;
- the Company’s belief that available credit facilities and anticipated adjusted funds flow will be sufficient to fund 2025 capital programs, dividends and share repurchases;
- the Company’s 2025 outlook and planned 2025 capital projects and ongoing assessments in respect of the same;
- expectations surrounding the Credit Facility and the terms thereof, including the ability to access an incremental \$125.0 million of secured debt subject to certain conditions;
- financial covenants applicable to the Credit Facility;
- Tamarack’s 2025 production guidance, net production expense guidance and ongoing assessments in respect of the same;
- the Company’s ability to meet its obligations and commitments under the Senior Notes;
- the Company’s expectations relating to the continued generation of higher margins through improved heavy oil price differentials and the benefits of enhanced market egress following the TMX pipeline expansion;
- contractual obligations and commitments;
- estimates used to calculate asset retirement obligations and depletion of PP&E;
- Tamarack’s plan with respect to waterflood investments at Nipisi, Marten Hills and West Marten;
- the Company’s capital investment plans, including drilling activities in the Clearwater and Charlie Lake plays, the ongoing expansion of the Clearwater waterflood and the expectation to ramp up water injection rates in the Clearwater area to over 30,000 bbls per day by the end of 2025;

- the Company's expectations surrounding continued production growth supported by strong reservoir response and decline mitigation on base production from ongoing Clearwater waterflood investments, including in respect of sustaining initial production rates on Charlie Lake drills at Pipestone and Wembley;
- expectations surrounding Tamarack's gas conservation initiatives;
- the Company's risk management activities (including plans to continue actively managing capital and liquidity risk through continuous monitoring of asset performance, forecasting anticipated future cash flows in conjunction with the design of the annual capital investment programs, maintaining available credit under bank facilities, staggering debt maturity dates, hedging a portion of the Company's production, judiciously assessing new capital investment, acquisition or divestment opportunities and the pursuit of new liquidity, if necessary);
- the Company's plans in respect to its employees including for its employees to address the continued development of new or established reservoirs on a go-forward basis using the same procedure as is used to address exploration risk and the effects thereof on mitigation of operation risk;
- Tamarack's stock-based compensation plans and the equity compensation unit issuable thereunder;
- expectations surrounding the Company's major infrastructure projects and anticipated benefits thereof, including with respect to the performance of its Clearwater and Charlie Lake drilling programs;
- expectations regarding the Company's ongoing monitoring of evolving climate-related disclosure standards and the potential impacts on reporting obligations and business operations;
- expectations surrounding identified changes to the Company's DC&P and its ICFR (or lack thereof) and its affect on the Company's internal controls over financial reporting on a go-forward basis (including the lack thereof);
- expectations regarding the merits and the outcome of ongoing litigation; and
- the Company's expectations regarding inflation and interest rates and the ability to manage such pressures.

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

- future commodity prices, price differentials and the actual prices received for the Company's products;
- expected net production expenses and transportation expenses;
- 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 "Advisories and guidance";
- the material assumptions and observations described under the headings "About Tamarack Valley Energy Ltd.", "Q1 2025 in review", "Q1 2025 operational and financial highlights", "Highlights for the three months ended March 31, 2025", "Annual guidance", "Production", "Benchmark prices", "Oil and natural gas sales", "Risk management", "Royalties", "Net production expenses", "Transportation expenses", "Operating netback", "General and administrative ("G&A") expenses", "Stock-based compensation expense", "Finance expense", "Income taxes", "Depletion and depreciation ("D&D")", "Adjusted funds flow and net income (loss)", "Investments in oil and natural gas assets", "Dispositions", "Liquidity and capital resources", "Share capital", "Commitments and contingencies" and "Selected quarterly information";
- the risks relating to inclement and severe weather events and natural disasters, including fire, drought and flooding and corresponding effects, including in respect of safety, asset integrity, shutting in production, impact on production, maintaining 2025 guidance and resumption of operations;
- the risks with respect to unplanned third-party pipeline or natural gas processing facility outages;
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production and including continued weakness and volatility in commodity prices and petroleum product prices;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence on oil prices and global demand;
- Russia's military actions in Ukraine;
- the Israel-Hamas conflict;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved plus probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- risk that the new U.S. administration imposes or expands tariffs on Canadian goods or implements other restrictive trade measures, including with respect to crude oil and natural gas, and that such measures (and/or the Canadian government's response to such measures, including retaliatory countermeasures) adversely affect the demand and/or market price for the Company's products and/or otherwise adversely affect the Company;

- uncertainties associated with the outcome of the next 2025 Canadian federal election and any resulting changes on law or policy;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- increased borrowing costs due to increased lending rates from prime rate increase, negative changes to financial metrics evaluated under the Credit Facility and Senior Notes sustainability performance targets;
- 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;
- evolving climate change disclosure standards and sustainability reporting requirements, and the potential impacts on the Company's operations and reporting obligations;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation and future development costs;
- the ability to access sufficient capital from internal and external sources;
- changes in tax, royalty and environmental legislation and any government policy, including Bill C-59;
- any legal proceedings, the results thereof and the impact on the Company's business, financial condition and results of operations;
- third party inability to manage inflationary cost pressures;
- changes in the political landscape, both domestically and abroad; and
- increased operating and capital costs due to inflationary pressures (actual and anticipated).

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

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tamarack's 2025 development capital program and plans regarding payment of 2025 dividends and any share repurchases by using available increased credit facilities combined with anticipated adjusted funds flow, commodity prices, Tamarack's 2025 capital guidance and components thereof including prospective results of operations and production, planned investment in oil and natural gas assets; expected capital expenditures (including in respect of Tamarack's capital E&D budget), 2025 annual guidance and the components thereof including capital investments and annual average production, average oil & NGL weighting, and expenses (including expected royalty rates, net production expenses, transportation expenses, leasing expenditures, carbon tax, G&A expenses, interest and income taxes), payout of wells, adjusted funds flow, net debt (and the reduction thereof), capital requirements, return of capital, the Company's 2025 budget and associated targets, debt repayments, Tamarack's 2025 base capital investment program of \$430 - \$450 million, targeting average production range of 65,000 - 67,000 boe per day in 2025 at Clearwater and Charlie Lake development areas, anticipated generation of significant free cash flow in 2025 based on current strip prices, the use of free cash flow for share repurchases and debt reduction, the availability and use of credit facilities, expected commitments and contingencies of the Company over the upcoming years and the components thereof, total returns and components thereof, decline rates, and expected ongoing enhancement of operating netbacks through improved realizations and lower lifting costs, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumptions outlined under "Non-GAAP Financial Measures and Non-GAAP Financial Ratios" and "Capital Management Measures and Ratios", and should not be used for purposes other than those for which it is disclosed herein. Tamarack and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Tamarack's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

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

### Reserves disclosure

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

### Certain oil and gas terms

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

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

- **net** means: in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.

#### Note regarding product types

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

#### Short-Term Production

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

#### Abbreviations

<b>1P</b>	Proven reserves
<b>2P</b>	Proven and probable reserves
<b>AECO</b>	Alberta Energy Company benchmark for natural gas
<b>Bbl(s)</b>	barrel(s)
<b>bbls/d</b>	barrels per day
<b>boe</b>	barrels of oil equivalent
<b>boe/d</b>	barrels of oil equivalent per day
<b>CGU</b>	Cash-generating unit
<b>CWH</b>	Clearwater heavy oil product
<b>EOR</b>	Enhanced oil recovery
<b>ESG</b>	Environment, sustainability and governance
<b>GAAP</b>	Generally accepted accounting principles
<b>GHG</b>	Greenhouse gas emissions
<b>IFRS</b>	IFRS Accounting Standards
<b>mcf</b>	thousand cubic feet
<b>mcf/d</b>	thousand cubic feet per day
<b>MSW</b>	mixed sweet blend, the benchmark for conventionally produced light sweet crude oil in Western Canada
<b>NCWC</b>	non-cash working capital
<b>NGL</b>	natural gas liquids
<b>nm</b>	not meaningful information
<b>NYMEX</b>	New York Mercantile Exchange
<b>PP&amp;E</b>	Property, plant and equipment
<b>WCS</b>	Western Canadian Select, the benchmark for both conventionally produced and oilsands produced heavy sour crude oil in Western Canada
<b>WTI</b>	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, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 7,959	\$ 7,391
Accounts receivable		136,162	139,223
Prepaid expenses and deposits		28,812	11,186
Risk management contracts	5	3,401	20,050
Assets held for sale	3	38,448	37,558
		<b>214,782</b>	215,408
Oil and natural gas assets	3	<b>3,773,309</b>	3,773,355
		<b>3,988,091</b>	3,988,763
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		180,256	199,808
Risk management contracts	5	34,717	31,563
Other liabilities	6	27,683	22,004
Asset retirement obligations	8	6,485	7,700
Liabilities associated with assets held for sale	3, 8	14,612	14,327
		<b>263,753</b>	275,402
Debt	4	764,614	738,123
Other liabilities	6	199,909	206,684
Asset retirement obligations	8	178,465	172,581
Deferred income taxes		471,651	474,116
		<b>1,878,392</b>	1,866,906
<b>Shareholders' equity</b>			
Share capital	9	1,722,600	1,764,900
Treasury shares	9	(3,501)	(3,735)
Contributed surplus	13	20,069	20,823
Retained earnings		370,531	339,869
		<b>2,109,699</b>	2,121,857
		<b>\$ 3,988,091</b>	<b>\$ 3,988,763</b>
Commitments and contingencies	7		

See accompanying notes to the Interim 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, 2025	March 31, 2024
<b>Revenue</b>			
Oil and natural gas sales	11	\$ 444,288	\$ 393,336
Sale of purchased product		2,033	6,351
Processing and other income		657	1,808
Royalties		(85,997)	(75,969)
		<b>360,981</b>	<b>325,526</b>
<b>Risk management contracts</b>			
Realized gain (loss)	5	(10,585)	2,080
Unrealized loss	5	(18,355)	(55,590)
		<b>332,041</b>	<b>272,016</b>
<b>Expenses</b>			
Production	2	47,876	58,465
Transportation		22,432	23,577
Product purchases and blending	2	3,157	8,663
General and administrative		8,577	8,967
Stock-based compensation	13	2,781	4,542
Finance	12	20,812	25,914
Depletion and depreciation	3	140,319	148,201
(Gain) loss on dispositions and assets held for sale	3, 6	(1,249)	38,012
		<b>244,705</b>	<b>316,341</b>
Net income (loss) before income taxes		<b>87,336</b>	<b>(44,325)</b>
<b>Income taxes</b>			
Current income tax expense		25,543	24,225
Deferred income tax recovery		(2,465)	(35,806)
		<b>23,078</b>	<b>(11,581)</b>
Net income (loss) and comprehensive income (loss)		<b>\$ 64,258</b>	<b>\$ (32,744)</b>
<b>Net income (loss) per share</b>			
Basic	10	\$ 0.12	\$ (0.06)
Diluted	10	\$ 0.12	\$ (0.06)

See accompanying notes to the Interim Financial Statements.

## TAMARACK VALLEY ENERGY LTD.

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

Three months ended	Notes	March 31, 2025	March 31, 2024
<b>Operating activities</b>			
Net income (loss)		\$ 64,258	\$ (32,744)
Items not affecting cash:			
Depletion and depreciation	3	140,319	148,201
Deferred income tax recovery		(2,465)	(35,806)
Unrealized loss on risk management contracts	5	18,355	55,590
Non-cash finance expenses	12	4,147	3,761
(Gain) loss on dispositions and assets held for sale	3, 6	(1,249)	38,012
Non-cash stock-based compensation	13	2,781	4,542
Settlement of asset retirement obligations	8	(2,722)	(1,524)
Changes in non-cash working capital	14	(35,871)	(14,831)
Cash provided by operating activities		187,553	165,201
<b>Financing activities</b>			
Net proceeds from revolving debt	4	26,049	148,498
Repayment of term debt instruments	4	-	(140,167)
Repayment of other liabilities	6	(2,966)	(2,305)
Purchase of common shares for cancellation	9	(56,330)	(25,635)
Purchase of common shares for treasury	9	(4,016)	(1,000)
Proceeds from exercise of equity compensation units	9, 13	132	220
Dividends	9	(19,566)	(20,724)
Changes in non-cash working capital	14	5,347	(93)
Cash used in financing activities		(51,350)	(41,206)
<b>Investing activities</b>			
Investments in oil and natural gas assets	3	(132,731)	(128,221)
Proceeds (payments) from disposals	3	115	(1,797)
Changes in non-cash working capital	14	(3,019)	3,803
Cash used in investing activities		(135,635)	(126,215)
Change in cash		568	(2,220)
Cash, beginning of year		7,391	2,220
<b>Cash, end of period</b>		<b>\$ 7,959</b>	<b>\$ -</b>

See accompanying notes to the Interim Financial Statements.

## TAMARACK VALLEY ENERGY LTD.

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

As at	Notes	March 31, 2025	March 31, 2024
<b>Share capital</b>			
Balance, beginning of year		\$ 1,764,900	\$ 1,879,250
Purchase of common shares for cancellation	9	(42,300)	(25,532)
Balance, end of period		1,722,600	1,853,718
<b>Treasury shares</b>			
Balance, beginning of year		(3,735)	(2,416)
Purchase of common shares for exercise of equity compensation units	9	(4,016)	(1,000)
Exercise of equity compensation units	9	4,118	1,418
Proceeds from exercise of equity compensation units		132	220
Balance, end of period		(3,501)	(1,778)
<b>Contributed surplus</b>			
Balance, beginning of year		20,823	28,458
Exercise of equity compensation units	9	(4,118)	(1,418)
Stock-based compensation	13	3,364	2,703
Balance, end of period		20,069	29,743
<b>Retained earnings</b>			
Balance, beginning of year		339,869	269,640
Purchase of common shares for cancellation	9	(14,030)	(103)
Dividends	9	(19,566)	(20,724)
Net income (loss)		64,258	(32,744)
Balance, end of period		\$ 370,531	\$ 216,069
<b>Total shareholders' equity, beginning of year</b>		<b>\$ 2,121,857</b>	<b>\$ 2,174,932</b>
<b>Total shareholders' equity, end of period</b>		<b>\$ 2,109,699</b>	<b>\$ 2,097,752</b>

See accompanying notes to the Interim Financial Statements.

# TAMARACK VALLEY ENERGY LTD.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(thousands of Canadian dollars, unless otherwise indicated)

## 1. Reporting entity

Tamarack Valley Energy Ltd. (“Tamarack” or the “Company”) is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. Tamarack is a publicly traded company on the Toronto Stock Exchange (“TSX”) and is traded under the symbol “TVE”. The Company is incorporated and domiciled in Alberta, Canada with a registered office address located at Suite 4300, 888 – 3<sup>rd</sup> Street S.W., Calgary, Alberta, T2P 5C5 and the head office address located at Suite 1700, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1G1. These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025 and 2024 (the “Interim Financial Statements”) were approved and authorized by the Board of Directors on May 6, 2025.

## 2. Basis of preparation

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

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

Certain comparative figures in these Interim Financial Statements have been adjusted to conform with the current period presentation. On the balance sheet and statement of cash flows, cash has been presented separately instead of being netted against debt. On the statements of income (loss) and comprehensive income (loss), blending expenses have been presented together with product purchases and carbon taxes have been combined with production expenses. There were no changes to the consolidated operating results or financial position for the three months ended March 31, 2024, as a result of these presentation changes.

## 3. Oil and natural gas assets and assets held for sale

Cost	PP&E	E&E	Total
Balance at December 31, 2024	\$ 5,932,013	\$ 67,031	\$ 5,999,044
Investments in oil and natural gas assets	132,731	-	132,731
Non-cash capitalized costs	7,632	-	7,632
Balance at March 31, 2025 <sup>(1)</sup>	\$ 6,072,376	\$ 67,031	\$ 6,139,407

<sup>(1)</sup> Balance at March 31, 2025 includes \$154.0 million of costs related to assets held for sale (December 31, 2024 - \$154.0 million).

Accumulated depletion, depreciation and impairment losses	PP&E	E&E	Total
Balance at December 31, 2024	\$ 2,175,355	\$ 12,776	\$ 2,188,131
Depletion and depreciation	139,315	1,004	140,319
Remeasurement of assets held for sale	(800)	-	(800)
Balance at March 31, 2025 <sup>(1)</sup>	\$ 2,313,870	\$ 13,780	\$ 2,327,650

<sup>(1)</sup> Balance at March 31, 2025 includes \$115.6 million of accumulated depletion, depreciation and impairment losses related to assets held for sale (December 31, 2024 - \$116.4 million).

Carrying amounts	PP&E	E&E	Total
At December 31, 2024	\$ 3,756,658	\$ 54,255	\$ 3,810,913
At March 31, 2025	\$ 3,758,506	\$ 53,251	\$ 3,811,757

Balance sheet presentation	March 31, 2025	December 31, 2024
Oil and natural gas assets	\$ 3,773,309	\$ 3,773,355
Assets held for sale	38,448	37,558
Carrying amount	\$ 3,811,757	\$ 3,810,913

On December 17, 2024, Tamarack entered into a purchase and sale agreement for the disposition of substantially all of the non-core oil and natural gas assets in the Southern Alberta Penny CGU for gross cash proceeds of \$28.0 million before closing adjustments. As at December 31, 2024, the assets and corresponding liabilities were presented as held for sale at their anticipated fair value less costs to sell, which resulted in an impairment loss of \$38.1 million. As part of the sale, Tamarack's asset retirement obligations are expected to be reduced by \$14.6 million (Note 8). The transaction is contingent upon the receipt of third-party regulatory approval and is expected to close in the second quarter of 2025.

On March 1, 2024, the Company sold certain non-core oil and natural gas assets in the Redwater area for nominal consideration and recorded a loss on disposal of \$38.0 million. As part of the disposition, Tamarack reduced asset retirement obligations by \$13.2 million.

#### 4. Debt

	Notes	Credit Facility	Senior Notes	Total
Balance at December 31, 2024		\$ 444,800	\$ 293,323	\$ 738,123
Net proceeds from debt instruments		26,049	-	26,049
Unrealized foreign exchange gain	12	(1,389)	-	(1,389)
Amortization of deferred borrowing costs	12	1,124	707	1,831
Balance at March 31, 2025		\$ 470,584	\$ 294,030	\$ 764,614
Effective interest rate (annualized)		6.34%	8.09%	
Maturity date		April 30, 2027	May 10, 2027	

#### Bank Debt

As at March 31, 2025, Tamarack had access to a covenant-based \$875.0 million revolving lending facility (the "Credit Facility"). The Credit Facility also has an uncommitted accordion feature that provides the Company with the ability to access an incremental \$125.0 million of secured debt, subject to certain conditions, including approvals from the lending syndicate. The Credit Facility bears interest at a variable market-based interest rate plus an applicable credit margin depending on the Company's senior debt to EBITDA ratio and is secured by a \$2.5 billion debenture with fixed coverage over all assets of Tamarack, excluding the Clearwater Infrastructure Partnership assets. As at March 31, 2025, Tamarack had access to \$397.4 million of undrawn credit under the Credit Facility. There were \$5.9 million of letters of credit issued and outstanding under the facility.

Financial covenants on the Credit Facility	Covenant	March 31, 2025
Total Debt to EBITDA ratio	<3.5:1.0	0.8:1.0
Senior Debt to EBITDA ratio	<3.0:1.0	0.5:1.0
Interest Coverage ratio	>3.0:1.0	17.7:1.0

#### Senior Notes

During 2022, the Company issued \$300.0 million aggregate principal amount of 7.25% interest-bearing senior unsecured notes due May 10, 2027 (the "Senior Notes"). The Senior Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity and are not governed by any financial covenants. The Company currently holds a prepayment option to repurchase the Senior Notes at a cost of 104.0% of principal as at March 31, 2025. The cost of the prepayment option declines to 102.0% on May 10, 2025 and is reduced to par on May 10, 2026.

#### 5. Risk management contracts

	Commodity related contracts	Debt <sup>(1)</sup> related contracts	Total
Balance at December 31, 2024	\$ (15,672)	\$ 4,159	\$ (11,513)
Realized (gain) loss on settlements	10,585	(6,277)	4,308
Change in fair market value	(28,940)	4,829	(24,111)
Balance at March 31, 2025	\$ (34,027)	\$ 2,711	\$ (31,316)
<b>Consisting of:</b>			
Current asset	\$ 690	\$ 2,711	\$ 3,401
Current liability	\$ (34,717)	\$ -	\$ (34,717)

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

At March 31, 2025, the Company held the following commodity, foreign exchange derivative and debt cross-currency contract positions:

Crude oil derivatives		Q2 2025	Q3 2025	Q4 2025
WTI 2-way collar	Volume (bbls/d)	21,000	17,500	9,500
	Average Put/Call/Premium (USD/bbl)	64.02 / 84.49 / 0.43	61.05 / 82.08 / 0.29	58.42 / 80.24 / 0.50
MSW differential	Volume (bbls/d)	5,000	5,000	5,000
	Average Fixed Price (USD/bbl)	(3.93)	(3.93)	(3.93)
WCS differential	Volume (bbls/d)	12,341	13,000	16,000
	Average Fixed Price (USD/bbl)	(12.93)	(12.68)	(15.09)
Natural gas derivatives		Summer 25 <sup>(1)</sup>	Winter 25-26 <sup>(2)</sup>	
AECO 5A swap	Volume (GJ/d)	25,500	-	-
	Average Fixed Price (CAD/GJ)	2.69	-	-
NYMEX collar	Volume (mmbtu/d)	-	22,500	
	Average Put/Call (USD/mmbtu)	-	3.50 / 5.20	

<sup>(1)</sup> Summer runs from April 1 to October 31 of the given year

<sup>(2)</sup> Winter runs from November 1 to March 31 of the given year

Foreign exchange derivatives		Q2 2025	Q3 2025	Q4 2025	Q1 2026
CAD/USD collar	Amount (USD/month)	-	\$5,000,000	\$5,000,000	\$2,000,000
	Average Put/Call (CAD/USD)	-	1.34 / 1.39	1.34 / 1.39	1.36 / 1.44
CAD/USD variable collar	Amount (USD/month)	\$36,500,000	\$31,500,000	\$31,500,000	\$3,000,000
	Average Put/Call/knock-in (CAD/USD) <sup>(1)</sup>	1.34/1.40/1.37	1.34/1.40/1.37	1.34/1.40/1.37	1.36/1.44/1.40
CAD/USD variable collar	Amount (USD/month)	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
	Average Put/Call/knock-in (CAD/USD) <sup>(1)</sup>	1.35/1.44/1.39	1.35/1.44/1.39	1.35/1.44/1.39	1.36/1.46/1.40
CAD/USD Swap	Amount (USD/month)	\$4,000,000	\$3,000,000	\$3,000,000	-
	Average Fixed Price (CAD/USD)	1.35	1.35	1.35	-

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

Cross-currency swaps	Contract type	Notional value (\$USD 000s)	Fixed exchange rate	Fixed interest rate (\$USD)	Fixed interest rate (\$CAD)
Feb 28, 2025 - Apr 15, 2025	Swap	\$ 136,700,000	1.43	6.67%	5.13%
Mar 17, 2025 - Apr 15, 2025	Swap	\$ 74,800,000	1.44	6.62%	5.03%
Mar 31, 2025 - Apr 30, 2025	Swap	\$ 118,000,000	1.43	6.62%	5.01%

## 6. Other liabilities

	Notes	Clearwater Infrastructure Partnership	Government loans and other	Lease liabilities	Cash-settled awards (Note 13)	Total
Balance at December 31, 2024		\$ 178,769	\$ 22,697	\$ 11,070	\$ 16,152	\$ 228,688
Liabilities incurred, net		-	-	-	993	993
Change in estimates		-	240	-	-	240
Payments		(6,304)	(194)	(1,239)	-	(7,737)
Interest expense	12	4,586	-	185	-	4,771
Accretion	12	145	492	-	-	637
Balance at March 31, 2025		\$ 177,196	\$ 23,235	\$ 10,016	\$ 17,145	\$ 227,592
<b>Consisting of:</b>						
Current liability		\$ 7,687	\$ 9,111	\$ 3,419	\$ 7,466	\$ 27,683
Non-current liability		\$ 169,509	\$ 14,124	\$ 6,597	\$ 9,679	\$ 199,909

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

As at March 31, 2025, the Company holds an interest-free government loan for \$24.9 million that is repayable under the Federal Government of Canada's Emissions Reduction Fund for the construction of certain methane conservation facilities in the Company's Clearwater development area. The agreements include scheduled repayment dates within the next three years. The loan will remain interest-free subject to the Company's compliance with the terms and conditions of the agreement and the pre-established repayment schedule.

## 7. Commitments and contingencies

As at March 31, 2025	2025	2026	2027	2028	2029+	Total
Credit Facility	\$ -	\$ -	\$ 471,700	\$ -	\$ -	\$ 471,700
Senior Notes	-	-	300,000	-	-	300,000
Accounts payable and accrued liabilities	180,256	-	-	-	-	180,256
Risk management contracts	34,717	-	-	-	-	34,717
Clearwater Infrastructure Partnership (CIP)	5,780	8,283	9,152	10,187	148,722	182,124
Other liabilities, excluding CIP	12,769	15,907	17,474	4,524	2,588	53,262
Financial liabilities on the balance sheet	233,522	24,190	798,326	14,711	151,310	1,222,059
Interest on debt and other liabilities	48,576	63,837	32,575	15,640	93,445	254,073
Take-or-pay commitments	27,319	35,623	31,947	32,936	60,254	188,079
Processing commitments	6,438	14,242	14,242	13,641	91,556	140,119
Total financial commitments	\$ 315,855	\$ 137,892	\$ 877,090	\$ 76,928	\$ 396,565	\$1,804,330

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

## 8. Asset retirement obligations and liabilities held for sale

As at	Notes	March 31, 2025	December 31, 2024
Balance, beginning of year		\$ 194,608	\$ 189,971
Liabilities incurred		2,393	9,403
Change in estimates		3,663	21,279
Liabilities settled		(2,722)	(13,154)
Liabilities disposed	3	-	(18,673)
Accretion	12	1,620	5,782
Balance, end of period		\$ 199,562	\$ 194,608
<b>Consisting of:</b>			
Current portion of asset retirement obligations		\$ 6,485	\$ 7,700
Liabilities associated with assets held for sale	3	\$ 14,612	\$ 14,327
Asset retirement obligations		\$ 178,465	\$ 172,581

Tamarack's asset retirement obligations reflect the estimated cost to dismantle, abandon, reclaim and remediate the Company's assets at the end of their useful lives. As at March 31, 2025, the Company's total undiscounted and uninflated cash flows required to settle its asset retirement obligations was approximately \$269.5 million (December 31, 2024 – \$268.1 million) and the majority is expected to be incurred over the next 45 years. A risk-free rate of 3.2% (December 31, 2024 – 3.3%) and an inflation rate of 2.0% (December 31, 2024 – 2.0%) was utilized to calculate the present value of the asset retirement obligations. As at March 31, 2025, \$14.6 million of asset retirement obligations was reflected as held for sale in respect of the Penny disposition (undiscounted and uninflated cash flows of approximately \$19.7 million) (Note 3).

## 9. Shareholders' equity

Share capital	March 31, 2025		December 31, 2024	
	Shares	Amount	Shares	Amount
Balance, beginning of year	522,207	\$1,764,900	556,183	\$1,879,250
Purchase of common shares for equity compensation units	(818)	-	(2,981)	-
Issuance of common shares for equity compensation units	912	-	2,894	-
Purchase of common shares for cancellation	(12,536)	(42,300)	(33,889)	(114,350)
Balance, end of period	509,765	\$1,722,600	522,207	\$1,764,900

### Shareholder returns

Period ended	Cumulative dividend per common share	Total dividends distributed	Shares retired through NCIB (thousands)	Total NCIB repurchases	Total shareholder distributions
December 31, 2022	\$ 0.1165	\$ 55,268	-	\$ -	\$ 55,268
December 31, 2023	0.1500	83,521	-	-	83,521
December 31, 2024	0.1502	81,474	33,889	135,352	216,826
March 31, 2025	\$ 0.0383	19,566	12,536	56,330	75,896
Total		\$ 239,829	46,425	\$ 191,682	\$ 431,511

### Normal course issuer bid

In the first quarter of 2025, Tamarack received approval from the TSX to purchase up to 51.3 million common shares under a normal course issuer bid until January 18, 2026. Tamarack had previously received approval in 2024 to purchase up to 54.6 million common shares until January 18, 2025. During the three months ended March 31, 2025, the Company purchased and cancelled 12.5 million common shares at an average price of \$4.40 per common share, for a total repurchase cost of \$56.3 million, including \$1.1 million of federal taxes (year ended December 31, 2024 – 33.9 million common shares for \$135.4 million). Tamarack de-recognized the net book value of the repurchased shares for \$42.3 million, resulting in a net distribution from retained earnings of \$14.0 million during the three months ended March 31, 2025.

### Treasury shares

During the three months ended March 31, 2025 the Company acquired 0.8 million common shares for \$4.0 million to settle exercised share-based compensation units (year ended December 31, 2024 - 3.0 million common shares for \$11.6 million). As at March 31, 2025, Tamarack held 0.8 million treasury shares (December 31, 2024 – 0.8 million treasury shares).

## 10. Earnings per share

Three months ended	March 31, 2025	March 31, 2024
Net income (loss)	\$ 64,258	\$ (32,744)
Weighted average shares outstanding - basic	515,306	552,345
Weighted average shares outstanding - diluted	520,368	552,345
Net income (loss) per share - basic	\$ 0.12	\$ (0.06)
Net income (loss) per share - diluted	\$ 0.12	\$ (0.06)

For the three months ended March 31, 2025, 9.5 million common shares issuable upon the exercise and settlement of equity compensation units were included in the calculation of the diluted weighted average number of common shares outstanding. For the three months ended March 31, 2024, 6.2 million common shares issuable upon the exercise and settlement of equity compensation units were anti-dilutive and excluded from the calculation.

## 11. Oil and natural gas sales

Three months ended	March 31, 2025	March 31, 2024
Heavy oil	\$ 301,782	\$ 251,931
Light oil	118,615	120,223
Natural gas	14,383	13,728
Natural gas liquids	9,508	7,454
Oil and natural gas sales	\$ 444,288	\$ 393,336

## 12. Finance expense

Three months ended	Notes	March 31, 2025	March 31, 2024
Credit Facility	4	\$ 6,606	\$ 12,186
Senior Notes	4	5,363	5,423
Clearwater infrastructure liability and other	6	4,696	4,544
Interest expense		16,665	22,153
Deferred borrowing costs and loan accretion		2,527	2,089
Accretion of asset retirement obligations	8	1,620	1,672
Finance expense		\$ 20,812	\$ 25,914

## 13. Stock-based compensation

Three months ended	Notes	March 31, 2025	March 31, 2024
Equity-settled stock-based compensation		\$ 3,364	\$ 2,703
Cash-settled stock-based compensation	6	993	3,846
		4,357	6,549
Capitalized stock-based compensation	3	(1,576)	(2,007)
Stock-based compensation expense		\$ 2,781	\$ 4,542

Equity compensation plan continuity	RSUs	PSUs	RIAs	PIAs	Stock options	Total
Balance at December 31, 2024	4,467	2,767	943	4,344	360	12,881
Granted	1,889	1,105	418	1,777	-	5,189
Exercised	(555)	(289)	-	-	(68)	(912)
Forfeited or expired	(36)	(118)	-	(258)	-	(412)
Balance at March 31, 2025	5,765	3,465	1,361	5,863	292	16,746
<b>Consisting of:</b>						
Equity-settled units	5,765	3,465	-	-	292	9,522
Cash-settled units (Note 6)	-	-	1,361	5,863	-	7,224
Units exercisable	1,140	182	425	1,080	292	3,119
Weighted-average remaining life	1.56	2.04	1.47	1.91	0.80	1.76

For the three months ended March 31, 2025, Tamarack granted 5.2 million share-based awards at a weighted average fair value of \$4.15 per share which was primarily based on the Company's share price at the date of grant. For the three months ended March 31, 2025, actual market and non-market performance adjustment factors on vested PSUs and PIAs averaged 1.25.

## 14. Supplemental cash flow

Three months ended	March 31, 2025	March 31, 2024
<b>Source/(use) of cash</b>		
Accounts receivable	\$ 3,061	\$ (27,145)
Prepaid expenses and deposits	(17,626)	6,284
Accounts payable and accrued liabilities	(19,552)	9,740
Net changes per consolidated balance sheet	(34,117)	(11,121)
<b>Adjusted for:</b>		
Change in long-term liabilities and other	574	-
	\$ (33,543)	\$ (11,121)
<b>Consisting of</b>		
Operating activities	\$ (35,871)	\$ (14,831)
Financing activities	\$ 5,347	\$ (93)
Investing activities	\$ (3,019)	\$ 3,803

## Corporate information

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### Board of Directors

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**John Rooney** <sup>1,3,4</sup>

Chair of the Board

**Brian Schmidt**

Director

**Caralyn Bennett** <sup>2,4</sup>

Director

**John Leach** <sup>1,2</sup>

Director

**Marnie Smith** <sup>1,3</sup>

Director

**Rene Amirault** <sup>4</sup>

Director

**Rob Spitzer** <sup>2,3</sup>

Director

**Shannon Joseph** <sup>4</sup>

Director

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Reserves Committee

<sup>3</sup> Member of the Compensation and Governance Committee

<sup>4</sup> Member of the Environmental, Safety and Sustainability Committee

### Management Team

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**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

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National Bank of Canada

### Stock Exchange

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Toronto Stock Exchange - Symbol: **TVE**

### Reserve Evaluators

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McDaniel & Associates Consultants Ltd.

GLJ Ltd.

### Legal Counsel

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Stikeman Elliott LLP

### Auditor

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KPMG LLP



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