



MANAGEMENT'S DISCUSSION & ANALYSIS

Q1 2026 in review

Tamarack generated adjusted funds flow⁽¹⁾ of \$221.8 million (\$0.46 per basic share) and free funds flow⁽¹⁾ of \$128.1 million (\$0.26 per basic share) in the first quarter of 2026, driven by strong production of 71,329 boe per day. The Company returned \$66.3 million to shareholders through share buybacks and the base dividend. Net debt⁽¹⁾ was also reduced by 9% during the quarter. Per share returns continue to be supported by Tamarack's disciplined share buyback program, which has reduced the common share float by 74.6 million, or 13.4% since commencement in the first quarter of 2024, at a weighted average repurchase cost of \$4.93 per share.

The Clearwater continued to demonstrate strong reservoir response and decline mitigation on base production from the waterflood investments over the past three years. The Company remains on track to grow injection rates to 60,000 bbl per day with greater than 35% of Clearwater oil production under waterflood by the end of 2026. Tamarack's high-quality assets and disciplined capital program continue to drive production outperformance, improved capital efficiencies and competitive lifting costs. With a low-cost structure, low corporate decline rate, low reinvestment requirements and a low corporate breakeven oil price, Tamarack is well positioned to continue generating total returns to shareholders through a balanced combination of growth, debt reduction, share buybacks and the base dividend.

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 projects in Northern Alberta – a Clearwater heavy oil position at Nipisi, Marten Hills and South Clearwater and a Charlie Lake light oil position at Valhalla, Wembley and Pipestone. The Company is incorporated and domiciled in Alberta, Canada with the head office located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. Tamarack is a publicly traded company on the Toronto Stock Exchange and is traded under the symbol "TVE".

As of December 31, 2025, the Company held over 850 sections of acreage across the Clearwater fairway with 207.8 million boe of total gross proved plus probable reserves⁽²⁾. The Clearwater formations are characterized by strong economics supported by a low-cost structure, low declines and multiple payouts on initial investment. The formation responds strongly to enhanced oil recovery through waterflood injection. Tamarack produced over 53,000 boe per day of oil and natural gas (92% liquids) from the Clearwater in the first quarter of 2026.

Tamarack holds over 240 sections of Charlie Lake acreage with 72.5 million boe of total gross proved plus probable reserves⁽²⁾, providing the Company with extensive light oil development opportunities through multi-well pad drilling with extended horizontal reach. The Charlie Lake formations are characterized by short payout periods and low break-even economics. The Company produced over 18,000 boe per day of light oil and natural gas (67% liquids) from the Charlie Lake in the first quarter of 2026.

Disclaimers

This Management's Discussion and Analysis ("MD&A") provides a review of the operations, financial results and outlook for Tamarack Valley Energy Ltd. for the three months ended March 31, 2026 and 2025. This MD&A is dated as at May 5, 2026 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026 and 2025 ("Interim Financial Statements") and the audited consolidated financial statements for the years ended December 31, 2025 and 2024 ("Annual Financial Statements"). Additional information about Tamarack, including the Company's Annual Information Form for the year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.ca and Tamarack's website at www.tamarackvalley.ca. The Company uses certain Non-GAAP Financial Measures, Non-GAAP Financial Ratios, Capital Management Measures and Capital Management Ratios in this MD&A. Certain Supplemental Financial Measures are also presented on a per boe, per share or on a percentage basis. For additional information regarding these measures, refer to the "Advisories and guidance" section of this MD&A.

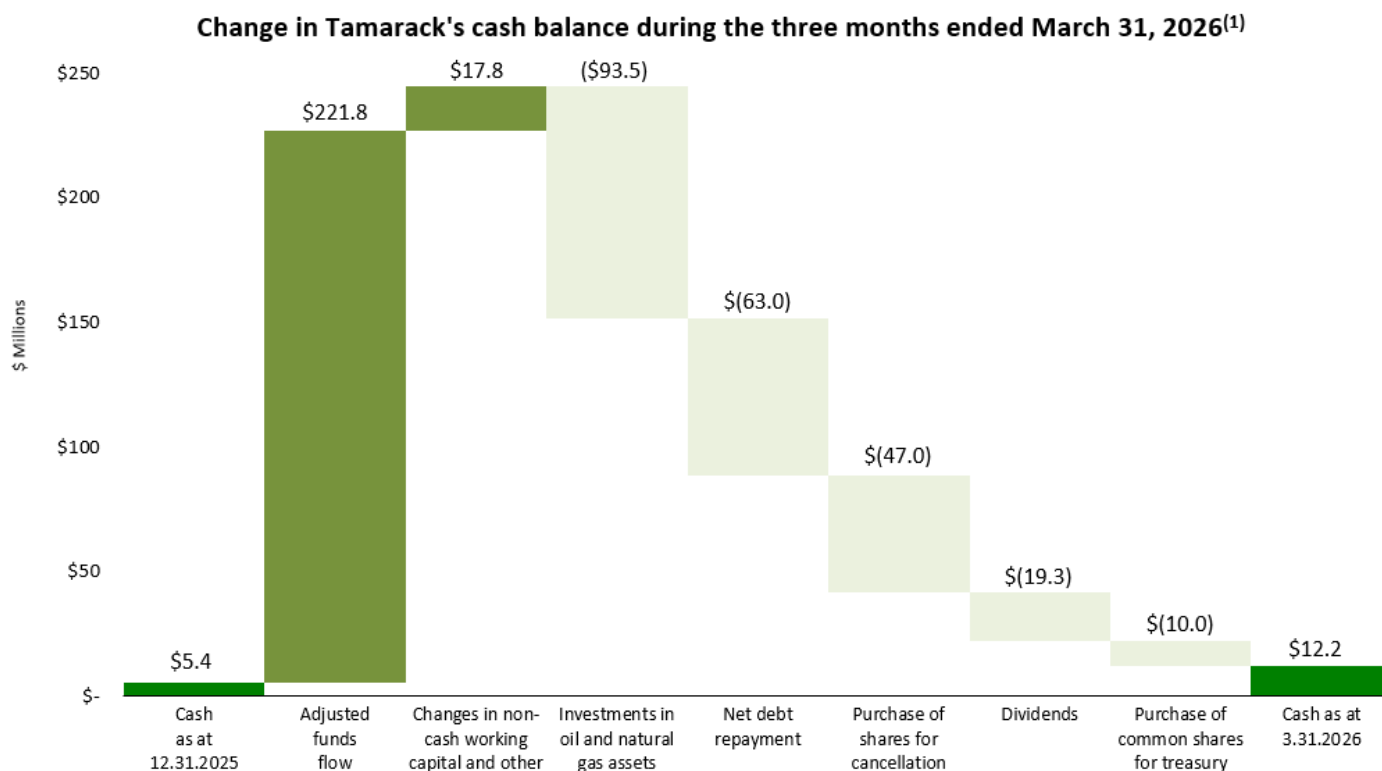
Q1 2026 operational and financial highlights

	Three months ended				
	2026	March 31, 2025	% change	December 31, 2025	% change
(\$ thousands, except per share amounts)					
Oil and natural gas sales	\$ 443,939	\$ 444,288	-	\$ 365,028	22
Cash provided by operating activities	183,336	187,553	(2)	175,571	4
Per share – basic	0.38	0.36	6	0.36	6
Per share – diluted	0.37	0.36	3	0.35	6
Adjusted funds flow ⁽¹⁾	221,778	226,146	(2)	171,806	29
Per share – basic	0.46	0.44	5	0.35	31
Per share – diluted	0.45	0.43	5	0.35	29
Free funds flow ⁽¹⁾	128,110	90,693	41	70,592	81
Per share – basic	0.26	0.18	44	0.14	86
Per share – diluted	0.26	0.17	53	0.14	86
Net income	5,645	64,258	(91)	61,922	(91)
Per share – basic	0.01	0.12	(92)	0.13	(92)
Per share – diluted	0.01	0.12	(92)	0.12	(92)
Adjusted net income ⁽¹⁾	99,842	77,430	29	49,633	101
Per share – basic	0.21	0.15	40	0.10	110
Per share – diluted	0.20	0.15	33	0.10	100
Debt	657,073	764,614	(14)	668,328	(2)
Net debt ⁽¹⁾	622,740	768,625	(19)	685,716	(9)
Investments in oil and natural gas assets	93,453	132,731	(30)	99,293	(6)
Weighted average shares outstanding (thousands)					
Basic	484,019	515,306	(6)	489,744	(1)
Diluted	489,966	520,368	(6)	495,712	(1)
Average daily production					
Heavy oil (bbls/d)	48,338	40,383	20	45,451	6
Light oil (bbls/d)	10,179	14,204	(28)	10,220	-
NGL (bbls/d)	2,498	3,007	(17)	2,823	(12)
Natural gas (mcf/d)	61,884	60,616	2	60,846	2
Total (boe/d)	71,329	67,697	5	68,635	4
Average sale prices					
Heavy oil (\$/bbl)	\$ 77.42	\$ 83.03	(7)	\$ 65.53	18
Light oil (\$/bbl)	95.18	92.78	3	75.85	25
NGL (\$/bbl)	37.29	35.13	6	27.66	35
Natural gas (\$/mcf)	2.07	2.64	(22)	2.24	(8)
Total (\$/boe)	69.15	72.92	(5)	57.81	20
Benchmark pricing					
West Texas Intermediate (US\$/bbl)	71.93	71.42	1	59.14	22
Western Canadian Select (WCS) (C\$/bbl)	79.23	84.30	(6)	66.88	18
WCS differential (US\$/bbl)	14.16	12.67	12	11.20	26
Edmonton Par (C\$/bbl)	93.49	95.33	(2)	76.58	22
Edmonton Par differential (US\$/bbl)	3.76	4.98	(24)	4.25	(12)
Foreign Exchange (USD to CAD)	1.37	1.43	(4)	1.39	(1)
Operating netback (\$/boe)					
Oil and natural gas sales	69.15	72.92	(5)	57.81	20
Royalty expenses	(11.16)	(14.11)	(21)	(10.88)	3
Net operating expenses ⁽¹⁾	(7.33)	(7.76)	(6)	(6.74)	9
Transportation expenses	(3.70)	(3.68)	1	(3.39)	9
Operating field netback (\$/boe) ⁽¹⁾	46.96	47.37	(1)	36.80	28
Realized commodity hedging loss	(2.08)	(1.74)	20	(1.46)	42
Operating netback (\$/boe)⁽¹⁾	\$ 44.88	\$ 45.63	(2)	\$ 35.34	27
Adjusted funds flow (\$/boe)⁽¹⁾	\$ 34.55	\$ 37.12	(7)	\$ 27.21	27

Highlights for the three months ended March 31, 2026

- Production** – First quarter production averaged 71,329 boe per day, reflecting a 5% increase over the first quarter of 2025. Tamarack’s Clearwater assets delivered 53,016 boe per day in the first quarter, a 19% increase compared to 44,560 boe per day during the same period in the prior year. Production growth was primarily due to ongoing drilling and development activities in the Company’s core Clearwater and Charlie Lake areas and strong reservoir response and decline mitigation from ongoing waterflood investment in the Clearwater.
- Cash flows** – Tamarack delivered cash provided by operating activities of \$183.3 million and adjusted funds flow⁽¹⁾ of \$221.8 million during the three months ended March 31, 2026, which were relatively consistent with the same period in the prior year. Tamarack has continued to deliver significant free funds flow⁽¹⁾, particularly on a per share basis, generating \$128.1 million, or \$0.26 per basic share, in the first quarter of 2026, a 44% improvement over the same period in 2025.
- Shareholder returns** – During the three months ended March 31, 2026, the Company repurchased 4.6 million common shares, or 0.9% of the common share float, for a total cost of \$47.0 million under its share buyback program. Together with base dividends, Tamarack returned \$66.3 million to shareholders in the first quarter of 2026. The Company also reduced net debt⁽¹⁾ by 9% in the first three months of the year and 19% since the first quarter of 2025.
- Capital investments** – Tamarack invested \$93.5 million in the first quarter of 2026, drilling 24.0 net Clearwater heavy oil wells and 4.0 net Charlie Lake light oil wells. As originally planned, the majority of Tamarack’s secondary recovery investments are scheduled for the balance of the year. The Company remains on track to achieve exit water injection rates of 60,000 bbl per day, with over 35% of Clearwater oil production under waterflood by the end of 2026.
- Liquidity** – Tamarack exited the first quarter of 2026 with available credit capacity of \$725.8 million (83% undrawn) and on April 29, 2026, exercised its option to redeem the remaining outstanding 2027 Notes at a cost of 100.75% of principal on May 11, 2026. The redemption of Tamarack’s 2027 Notes will be initially funded with the Credit Facility. The proforma borrowing capacity under the Credit Facility following the redemption is expected to be greater than \$525.0 million (over 60% undrawn).

Change in cash



Annual guidance

2026 Outlook	Original guidance
For the year ended December 31, 2026	(Dec. 3, 2025)
Base 2026 capital investments budget (\$ millions) ⁽³⁾	390 - 410
Annual average production (boe/d)	69,000 - 71,000
Average oil & NGL weighting (%)	84 - 86
Royalty rate (%)	19 - 21
Corporate wellhead price differential - Oil (\$/bbl)	1.00 - 1.50
Net operating (\$/boe) ⁽¹⁾	6.85 - 7.15
Transportation (\$/boe)	4.00 - 4.50
General and administrative (\$/boe)	1.30 - 1.45
Interest (\$/boe)	2.70 - 3.10
Income taxes (% of Adjusted Funds flow ⁽¹⁾ before tax)	10 - 12

Tamarack remains on track to achieve full year production guidance of 69,000 – 71,000 boe per day. The Company plans to continue executing a disciplined capital management strategy targeting a reinvestment ratio⁽¹⁾ of 50 - 60% of adjusted funds flow⁽¹⁾. In response to any sustained improvement in the cash flow outlook for the remainder of the year, Tamarack remains nimble, with an ability to scale the 2026 capital program quickly. As the Company's 2026 capital investment program was based on a budget of US\$60 per bbl WTI, Tamarack has elected to accelerate a portion of its primary drilling activities originally scheduled for H2 into the second quarter to capitalize on higher near-term commodity prices. The Company intends to revisit its H2 program mid-year.

If higher benchmark commodity prices persist through 2026, Tamarack's guidance with respect to royalty rates and income taxes may increase as a result of higher revenues and earnings, respectively. Interest expense may also decline as a result of lower balances of net debt⁽¹⁾. The Company is reaffirming its net operating expenses⁽¹⁾ per boe guidance for the full year, with higher per boe costs in the first quarter primarily due to seasonality.

Tamarack seeks to maximize per share returns and value to shareholders across commodity price cycles. With a low-cost structure, low corporate decline rates, low reinvestment requirements and low corporate breakeven oil prices, Tamarack is well positioned to continue generating total returns to shareholders through a balanced combination of growth, debt reduction, share buybacks and the base dividend.

Production

March 31	Three months ended		
	2026	2025	% change
Heavy oil (bbls/d)	48,338	40,383	20
Light oil (bbls/d)	10,179	14,204	(28)
Natural gas liquids (bbls/d)	2,498	3,007	(17)
Natural gas (mcf/d)	61,884	60,616	2
Total (boe/d)	71,329	67,697	5
Total (boe)	6,419,624	6,092,795	5
Percentage of oil and NGLs	86%	85%	1

Tamarack's production during the three months ended March 31, 2026, increased by 5% compared to the first quarter of 2025, primarily due to ongoing drilling and development programs in the Clearwater and Charlie Lake areas, partially offset by non-core disposals in the second and fourth quarters of 2025. Growth was also driven by strong reservoir response and decline mitigation on base production from ongoing waterflood investment in the Clearwater.

Benchmark prices

March 31	Three months ended		
	2026	2025	% change
West Texas Intermediate (WTI) (US\$/bbl)	\$ 71.93	\$ 71.42	1
Western Canadian Select (WCS) (C\$/bbl)	79.23	84.30	(6)
WCS differential, relative to WTI (US\$/bbl)	14.16	12.67	12
Edmonton Par (light sweet) (C\$/bbl)	93.49	95.33	(2)
Edmonton Par differential, relative to WTI (US\$/bbl)	3.76	4.98	(24)
NYMEX monthly settlement (US\$/mmbtu)	5.04	3.65	38
AECO monthly index (C\$/mcf)	\$ 2.48	\$ 2.01	23
Foreign exchange (USD to CAD)	1.37	1.43	(4)

The price of WTI for crude oil sales at Cushing, Oklahoma is the primary benchmark for crude oil pricing in North America. The differential price between Western Canadian crude and WTI is impacted by multiple factors, including domestic production, inventory levels, pipeline capacity, US refinery intake capacity, trade policies, global heavy oil balances 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 characteristics of the oil relative to the quoted benchmark.

WTI benchmark pricing remained consistent in the first quarter of 2026, relative to the same period in 2025, primarily due to lagging commodity pricing in the first two months of the year from lower global demand and robust supplies, largely offset by a substantial increase in oil prices late in the quarter due to global conflicts.

The WCS differential widened by 12% for the three months ended March 31, 2026, compared to the same period in 2025, primarily due to an increase in Gulf Coast heavy oil supply following the U.S.-Venezuela conflict. The WCS differential in the first quarter of 2025 was narrowed by sanctions imposed by the U.S. government on heavy oil producing countries and lower North American heavy oil inventories.

The Edmonton Par differential strengthened by 24% during the first quarter of 2026, compared to the same period in the prior year, primarily due to reduced domestic and global light oil supply.

Oil and natural gas sales

(\$ thousands, except per unit) March 31	Three months ended			
	2026	2025	% change	
Heavy oil	\$ 336,811	\$ 301,782	12	
Light oil	87,198	118,615	(26)	
Natural gas	11,544	14,383	(20)	
Natural gas liquids	8,386	9,508	(12)	
Oil and natural gas sales	\$ 443,939	\$ 444,288	-	
Heavy oil (\$/bbl)	\$ 77.42	\$ 83.03	(7)	
Light oil (\$/bbl)	95.18	92.78	3	
Natural gas (\$/mcf)	2.07	2.64	(22)	
Natural gas liquids (\$/bbl)	37.29	35.13	6	
Oil and natural gas sales (\$/boe)	\$ 69.15	\$ 72.92	(5)	

For the three months ended March 31, 2026, revenues remained consistent compared to the same period in 2025, as decreased revenues from lower realized pricing of \$24.1 million were largely offset by \$23.8 million from higher production.

Heavy oil wellhead price realization (\$/bbl) March 31⁽¹⁾	Three months ended			
	2026	2025	% change	
WCS benchmark price	\$ 79.23	\$ 84.30	(6)	
Less: Tamarack's heavy oil realized price	(77.42)	(83.03)	(7)	
Heavy oil wellhead price differential	1.81	1.27	43	
Add: Transportation expenses - heavy oil	3.72	3.69	1	
Heavy oil differential, including transportation expenses	\$ 5.53	\$ 4.96	11	

The heavy oil differential, including transportation expenses, widened by 11% during the first quarter of 2026 compared to the same period in 2025, driven by moderately weaker trading differentials of the Company's CHV and CWH products and lower commodity benchmark pricing.

Light oil wellhead price realization (\$/bbl) March 31⁽¹⁾	Three months ended			
	2026	2025	% change	
Edmonton Par benchmark price	\$ 93.49	\$ 95.33	(2)	
Less: Tamarack's light oil realized price	(95.18)	(92.78)	3	
Light oil wellhead price differential	(1.69)	2.55	nm	
Add: Transportation expenses - light oil	5.49	4.67	18	
Light oil differential, including transportation expenses	\$ 3.80	\$ 7.22	(47)	

During the three months ended March 31, 2026, the Company's light oil differential, including transportation expenses, improved by 47% compared to the same period in the prior year, primarily driven by strong light oil price realization from netback optimization, partially offset by higher light oil transportation costs.

Risk management

(\$ thousands, except per boe)	Three months ended		
	March 31	2026	2025
Realized loss	\$	(13,375)	\$ (10,585)
Unrealized loss		(122,760)	(18,355)
Total risk management contracts	\$	(136,135)	\$ (28,940)
Realized loss (\$/boe)	\$	(2.08)	\$ (1.74)

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

As at March 31, 2026, Tamarack's commodity risk management contracts were a net liability of \$108.2 million (December 31, 2025 – \$14.6 million net asset). Risk management losses for the three months ended March 31, 2026 were driven by substantial growth in near-term forward commodity pricing stemming from conflict in the Middle East.

Royalties

(\$ thousands, except per boe)	Three months ended			
	March 31	2026	2025	% change
Total royalty expenses	\$	71,672	\$ 85,997	(17)
Total (\$/boe)		11.16	14.11	(21)
Percentage of sales (%)		16	19	(16)

For the three months ended March 31, 2026, royalty expenses averaged 16% of oil and natural gas sales, primarily reflecting the impact of higher realized pricing on March production volumes, relative to lower oil royalty reference par prices, which trail by two months in arrears.

Net operating expenses

(\$ thousands, except per boe)	Three months ended			
	March 31	2026	2025	% change
Operating expenses	\$	47,464	\$ 47,876	(1)
Less: processing income	\$	(405)	\$ (585)	(31)
Total net operating expenses ⁽¹⁾	\$	47,059	\$ 47,291	-
Total (\$/boe)	\$	7.33	\$ 7.76	(6)

For the three months ended March 31, 2026, net operating expenses per boe decreased 6% compared to the same period in 2025, primarily due to lower water handling and trucking costs from expanded waterflood reinjection, higher production and non-core property dispositions in the second and fourth quarters of 2025, which carried higher operating costs on a per barrel basis relative to Tamarack's corporate averages on retained assets. Tamarack remains on track to achieve full year 2026 guidance of \$6.85 - \$7.15 per boe.

Transportation expenses

(\$ thousands, except per boe)	Three months ended			
	March 31 ⁽⁴⁾	2026	2025	% change
Transportation expense - oil	\$	21,223	\$ 19,373	10
Transportation expense - gas		2,513	3,059	(18)
Total transportation expenses	\$	23,736	\$ 22,432	6
Total (\$/boe)	\$	3.70	\$ 3.68	1

Gross transportation expenses increased 6% for the three months ended March 31, 2026, compared to the same period in 2025, primarily due to higher production.

Operating netback

(\$ thousands)	Three months ended			
March 31 ⁽¹⁾	2026		2025	% change
Oil and natural gas sales	\$	443,939	\$ 444,288	-
Royalty expenses		(71,672)	(85,997)	(17)
Net operating expenses		(47,059)	(47,291)	-
Transportation expenses		(23,736)	(22,432)	6
Operating field netback		301,472	288,568	4
Realized hedging loss		(13,375)	(10,585)	26
Operating netback	\$	288,097	\$ 277,983	4

(\$/boe)	Three months ended			
March 31 ⁽¹⁾	2026		2025	% change
Oil and natural gas sales	\$	69.15	\$ 72.92	(5)
Royalty expenses		(11.16)	(14.11)	(21)
Net operating expenses		(7.33)	(7.76)	(6)
Transportation expenses		(3.70)	(3.68)	1
Operating field netback		46.96	47.37	(1)
Realized hedging loss		(2.08)	(1.74)	20
Operating netback	\$	44.88	\$ 45.63	(2)

For the three months ended March 31, 2026, the operating netback increased by 4% compared to the first quarter of 2025, primarily due to lower royalty expenses, partially offset by higher hedging losses.

General and administrative (“G&A”) expenses

(\$ thousands, except per boe)	Three months ended			
March 31	2026		2025	% change
G&A expenses	\$	8,976	\$ 8,577	5
Total (\$/boe)	\$	1.40	\$ 1.41	(1)

Stock-based compensation expense

(\$ thousands, except per boe)	Three months ended			
March 31	2026		2025	% change
Stock-based compensation expense	\$	10,518	\$ 2,781	nm
Total (\$/boe)	\$	1.64	\$ 0.46	nm

Growth in stock-based compensation expense for the three months ended March 31, 2026, compared to the same period in 2025, was primarily due to an increase in Tamarack’s share price throughout 2025 and the first quarter of 2026.

Finance expense

(\$ thousands, except per boe)	Three months ended			
March 31	2026		2025	% change
Credit Facility	\$	2,409	\$ 6,606	(64)
Senior Notes		9,084	5,363	69
Clearwater infrastructure liability and other		4,463	4,696	(5)
Interest expense		15,956	16,665	(4)
Deferred borrowing costs and loan accretion		1,701	2,527	(33)
Accretion of asset retirement obligations		1,290	1,620	(20)
Finance expense	\$	18,947	\$ 20,812	(9)
Total interest expense (\$/boe)	\$	2.49	\$ 2.74	(9)

For the three months ended March 31, 2026, interest expense decreased by 4% compared to the same period in the prior year, primarily due to the partial repayment of the 2027 Notes, lower average borrowings under the Credit Facility and reduced interest rates on bank debt as a result of rate cuts by the central bank since June 2025. The decrease in deferred borrowing costs and loan accretion was driven by lower Credit Facility fees. The decline in accretion of asset retirement obligations was primarily due to non-core disposals in 2025.

Income taxes

(\$ thousands)	Three months ended			
	March 31	2026	2025	% change
Current income tax expense	\$	26,683	\$ 25,543	4
Deferred income tax recovery		(22,384)	(2,465)	nm
Total income tax expense	\$	4,299	\$ 23,078	(81)
Statutory tax rate		23%	23%	-
Effective tax rate		43%	26%	65

Current income tax expense remained consistent with the same period in 2025, mostly in-line with the relatively consistent period-over-period adjusted funds flow. The deferred income tax recovery of \$22.4 million in the first quarter of 2026 was primarily driven by unrealized losses on risk management contracts recognized in the period.

Depletion and depreciation ("D&D")

(\$ thousands, except per boe)	Three months ended			
	March 31	2026	2025	% change
Depletion and depreciation	\$	115,149	\$ 140,319	(18)
Total (\$/boe)	\$	17.94	\$ 23.03	(22)

For the three months ended March 31, 2026, D&D expense per boe decreased by 22% compared to the first quarter of 2025, 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. Depletion rates also declined following the disposition of Tamarack's Eastern Alberta assets in the fourth quarter of 2025, which carried higher D&D costs on a per barrel basis relative to corporate averages. Gross D&D expense for the three months ended March 31, 2026 declined primarily due to the lower depletion rates, partially offset by higher production.

Cash provided by operating activities and adjusted funds flow

(\$ thousands, except per share amounts)	Three months ended			
	March 31 ⁽¹⁾	2026	2025	% change
Cash provided by operating activities	\$	183,336	\$ 187,553	(2)
Settlement of asset retirement obligations		215	2,722	(92)
Changes in non-cash working capital		38,227	35,871	7
Adjusted funds flow		221,778	226,146	(2)
Per share - basic		0.46	0.44	5
Per share - diluted		0.45	0.43	5

Adjusted funds flow and cash provided by operating activities for the three months ended March 31, 2026 remained consistent with the first quarter of 2025, mostly in-line with the relatively consistent period-over-period operating netbacks. Adjusted funds flow on a per share basis increased by 5%, bolstered by a lower average number of common shares outstanding as a result of the Company's ongoing share buyback program.

Net income and adjusted net income

(\$ thousands, except per share amounts)	Three months ended			
	March 31 ⁽¹⁾	2026	2025	% change
Net income	\$	5,645	64,258	(91)
Gain on dispositions and other		(426)	(1,249)	(66)
Unrealized loss on risk management contracts		122,760	18,355	nm
Deferred tax recovery on adjustments		(28,137)	(3,934)	nm
Adjusted net income	\$	99,842	\$ 77,430	29
Adjusted net income per share - basic		0.21	0.15	40
Adjusted net income per share - diluted		0.20	0.15	33

Adjusted net income increased by 29% for the three months ended March 31, 2026, primarily due to lower depletion and depreciation and lower royalty rates, partially offset by higher stock-based compensation. Net income for the three months ended March 31, 2026 was lower relative to the same period in the prior year, primarily due to the higher unrealized risk management losses.

Investments in oil and natural gas assets

(\$ thousands)	Three months ended			
March 31	2026		2025	% change
Drilling, completion and equipping	\$	77,358	\$ 106,158	(27)
Facilities		12,309	21,273	(42)
Land, seismic and other		3,786	5,300	(29)
Investments in oil and natural gas assets	\$	93,453	132,731	(30)
Net drill counts for the three months ended March 31		2026		2025
Clearwater horizontal heavy oil wells		24.0		27.3
Charlie Lake horizontal light oil wells		4.0		5.8
Injection wells and other		-		3.0
		28.0		36.1

The capital investment program in the first quarter of 2026 was focused on primary drilling and development activities. As planned, minimal waterflood investment in the first quarter and the Company's 2026 quarter-over-quarter capital phasing drove the overall decline in capital investments compared to the same period in 2025. The lower capital investment in the period also reflects the impact of lower sustaining capital requirements stemming from the ongoing success of the Clearwater waterflood program.

Liquidity and capital resources

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

The Company continues to prioritize shareholder returns and net debt reduction with free funds flow generated by the business. Tamarack believes that available credit and net proceeds from bond refinancing activities, together with future anticipated adjusted funds flow⁽¹⁾ and any net proceeds from acquisitions and dispositions, will be sufficient to fund Tamarack's planned 2026 capital development programs and any acquisitions, dividends or share buybacks.

(\$ thousands)	Three months ended			
March 31 ⁽¹⁾	2026		2025	
Adjusted funds flow	\$	221,778	\$ 226,146	
Investments in oil and natural gas assets		(93,453)	(132,731)	
Settlement of asset retirement obligations		(215)	(2,722)	
Free funds flow	\$	128,110	\$ 90,693	

Shareholder returns	Cumulative dividend per common share	Total dividends distributed	Shares retired through NCIB (thousands)	Total NCIB repurchases	Total shareholder distributions
Period ended					
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
December 31, 2025	0.1541	77,020	36,180	185,281	262,301
March 31, 2026	\$ 0.0400	19,311	4,579	47,030	66,341
Total		\$ 316,594	74,648	\$ 367,663	\$ 684,257

In January 2026, the Company renewed its normal course issuer bid, allowing Tamarack to purchase up to 47.7 million common shares of the Company until January 18, 2027. During the three months ended March 31, 2026, the Company purchased and cancelled 4.6 million common shares at an average cost of \$10.27 per common share, for a total repurchase cost of \$47.0 million, including \$1.0 million of federal taxes and fees. As of April 27, 2026, Tamarack had repurchased 3.2 million common shares for \$37.1 million subsequent to the first quarter.

Starting in 2026, Tamarack adjusted the dividend cadence from monthly to quarterly. Tamarack's base distribution equates to an annual dividend of \$0.16 per common share, which was increased from \$0.15 per common share in November 2025. On May 5, 2026, Tamarack declared a cash dividend of \$0.04 per share, payable on June 30, 2026 to shareholders of record on June 15, 2026.

Net debt

(\$ thousands) ⁽¹⁾	March 31, 2026	December 31, 2025	March 31, 2025
Cash	\$ (12,237)	\$ (5,444)	\$ (7,959)
Accounts receivable	(185,855)	(114,248)	(136,162)
Prepaid expenses and deposits	(32,781)	(30,369)	(28,812)
Cross currency swap asset	(1,009)	-	(2,711)
Assets held for sale, net	-	-	(23,836)
Accounts payable and accrued liabilities	175,173	145,208	180,256
Working capital surplus	(56,709)	(4,853)	(19,224)
Debt	657,073	668,328	764,614
Government loans and other	22,376	22,241	23,235
Net debt	\$ 622,740	\$ 685,716	\$ 768,625
Current quarter adjusted funds flow	\$ 221,778	\$ 171,806	\$ 226,146
Annualized factor	4	4	4
Annualized adjusted funds flow	\$ 887,112	\$ 687,224	\$ 904,584
Net debt to annualized adjusted funds flow	0.7 x	1.0 x	0.8 x

Tamarack utilizes adjusted funds flow and net debt as capital management measures to assess financial performance and liquidity. As at March 31, 2026, the ratio of net debt to annualized first quarter adjusted funds flow was 0.7 (December 31, 2025 – 1.0).

Debt instruments

(\$ thousands)	Credit Facility	2027 Notes	2030 Notes	Total
Balance at December 31, 2025	\$ 151,968	\$ 197,433	\$ 318,927	\$ 668,328
Repayment of debt instruments, net	(8,521)	(5,000)	-	(13,521)
Unrealized foreign exchange loss	1,076	-	-	1,076
Amortization of deferred borrowing costs	387	472	331	1,190
Balance at March 31, 2026	\$ 144,910	\$ 192,905	\$ 319,258	\$ 657,073

As at March 31, 2026, Tamarack had access to a covenant-based \$875.0 million revolving lending facility (the “Credit Facility”). The Credit Facility 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, 2026, Tamarack had undrawn credit capacity of \$725.8 million.

Financial covenants on the Credit Facility as at March 31, 2026

Total debt to EBITDA ratio	<3.5:1.0	0.8:1.0
Senior debt to EBITDA ratio	<3.0:1.0	0.2:1.0
Interest Coverage ratio	>3.0:1.0	18.5:1.0

During 2025, the Company issued the 2030 Notes, consisting of \$325.0 million of 6.875% interest-bearing senior unsecured notes due on July 25, 2030. The 2030 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity.

As of March 31, 2026, the Company also carried \$195.0 million of 7.25% interest-bearing senior unsecured notes maturing on May 10, 2027 (the “2027 Notes”). On April 29, 2026, Tamarack exercised its option to redeem the remaining outstanding 2027 Notes on May 11, 2026 at a cost of 100.75% of principal, plus accrued and unpaid interest. The redemption of Tamarack’s 2027 Notes will be initially funded utilizing a Credit Facility draw.

Share capital

(thousands)	April 27, 2026	March 31, 2026	December 31, 2025
Common shares outstanding	478,140	481,673	485,681
Common shares held in treasury	906	620	1,192
Total common shares	479,046	482,293	486,873
Equity-settled stock options	-	-	95
Equity-settled RSUs	3,932	4,232	4,132
Equity-settled PSUs	3,453	3,989	3,176
Cash-settled RIAs	651	1,044	829
Cash-settled PIAs	4,140	5,936	4,267

At any given time, the balance of issued and outstanding equity compensation units that are primarily granted to employees, officers and directors of the Company may not exceed 4% of the outstanding common share float of the Company, pursuant to the limits set forth in Tamarack's stock-based compensation plans.

During the three months ended March 31, 2026, the Company granted 4.3 million share-based awards at a weighted average fair value of \$10.32 per share, which was primarily based on the Company's share price at the date of grant. Tamarack utilized acquired treasury shares to settle 1.5 million stock-based compensation units that were exercised in the first quarter of 2026, resulting in no dilution of outstanding common shares.

For the three months ended March 31, 2026, actual market and non-market performance adjustment factors on vested PSUs and PIAs averaged 1.93.

Commitments and contingencies

(\$ thousands)						
As at March 31, 2026	2026	2027	2028	2029	2030+	Total
Senior Notes	\$ -	\$ 195,000	\$ -	\$ -	\$ 325,000	\$ 520,000
Credit Facility	-	-	145,522	-	-	145,522
Clearwater Infrastructure Partnership (CIP)	6,376	9,152	10,187	8,669	140,053	174,437
Accounts payable and accrued liabilities	175,173	-	-	-	-	175,173
Risk management contracts	91,365	18,766	-	-	-	110,131
Other liabilities, excluding CIP	44,468	17,598	6,199	1,446	1,142	70,853
Financial liabilities on the balance sheet	317,382	240,516	161,908	10,115	466,195	1,196,116
Interest on debt and other liabilities	45,231	50,803	40,220	36,924	90,036	263,214
Transportation commitments	46,495	64,021	53,530	52,516	132,938	349,500
Processing commitments	10,707	14,034	13,539	12,552	79,325	130,157
Total financial commitments	\$ 419,815	\$ 369,374	\$ 269,197	\$ 112,107	\$ 768,494	\$ 1,938,987

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.

Selected quarterly information

	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024
Financial results (000s, except per share amounts)								
Oil and natural gas sales	\$ 443,939	\$ 365,028	\$ 394,088	\$ 408,267	\$ 444,288	\$ 426,482	\$ 439,435	\$ 461,479
Cash provided by operating activities	183,336	175,571	226,194	189,579	187,553	201,798	240,843	225,370
Per share – basic	0.38	0.36	0.46	0.38	0.36	0.38	0.45	0.41
Per share – diluted	0.37	0.35	0.45	0.37	0.36	0.38	0.44	0.41
Adjusted funds flow ⁽¹⁾	\$ 221,778	\$ 171,806	\$ 200,586	\$ 197,037	\$ 226,146	\$ 223,431	\$ 220,419	\$ 225,554
Per share – basic	0.46	0.35	0.40	0.39	0.44	0.42	0.41	0.41
Per share – diluted	0.45	0.35	0.40	0.39	0.43	0.42	0.40	0.41
Net income (loss)	\$ 5,645	\$ 61,922	\$ (248,766)	\$ 86,237	\$ 64,258	\$ 6,382	\$ 93,694	\$ 94,887
Per share – basic	0.01	0.13	(0.50)	0.17	0.12	0.01	0.17	0.17
Per share – diluted	0.01	0.12	(0.50)	0.17	0.12	0.01	0.17	0.17
Dividends declared per share	\$ 0.0400	\$ 0.0394	\$ 0.0383	\$ 0.0383	\$ 0.0383	\$ 0.0380	\$ 0.0375	\$ 0.0375
Weighted-average shares outstanding (000s)								
Basic	484,019	489,744	496,617	503,447	515,306	529,136	540,990	548,012
Diluted	489,966	495,712	502,453	508,268	520,368	533,845	545,266	551,763
Sales volumes								
Heavy oil (bbls/d)	48,338	45,451	43,357	42,004	40,383	39,341	39,047	37,660
Light oil (bbls/d)	10,179	10,220	11,283	14,149	14,204	13,822	13,203	14,807
NGL (bbls/d)	2,498	2,823	2,029	3,120	3,007	2,841	2,915	2,533
Natural gas (mcf/d)	61,884	60,846	56,740	65,922	60,616	60,602	59,154	54,856
Total (boe/d)	71,329	68,635	66,126	70,260	67,697	66,104	65,024	64,143
Realized prices								
Heavy oil (\$/bbl)	\$ 77.42	\$ 65.53	\$ 73.37	\$ 73.58	\$ 83.03	\$ 79.69	\$ 84.98	\$ 88.23
Light oil (\$/bbl)	95.18	75.85	86.64	82.76	92.78	94.30	97.79	106.24
NGL (\$/bbl)	37.29	27.66	36.51	29.97	35.13	32.84	39.58	36.58
Natural gas (\$/mcf)	2.07	2.24	0.90	2.00	2.64	1.71	0.87	1.51
Total (\$/boe)	\$ 69.15	\$ 57.81	\$ 64.77	\$ 63.85	\$ 72.92	\$ 70.12	\$ 73.46	\$ 79.06

	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31 2025	Dec. 31 2024	Sep. 30, 2024	Jun. 30, 2024
Operating netback (\$/boe)								
Oil and natural gas sales	\$ 69.15	\$ 57.81	\$ 64.77	\$ 63.85	\$ 72.92	\$ 70.12	\$ 73.46	\$ 79.06
Royalty expenses	(11.16)	(10.88)	(11.60)	(12.15)	(14.11)	(13.42)	(15.74)	(14.67)
Operating expenses	(7.33)	(6.74)	(7.22)	(8.01)	(7.76)	(7.16)	(8.70)	(9.84)
Transportation expenses	(3.70)	(3.39)	(3.24)	(3.54)	(3.68)	(3.30)	(2.36)	(3.93)
Realized hedging gain (loss)	(2.08)	(1.46)	(0.02)	0.11	(1.74)	(1.59)	0.03	(0.67)
Operating netback ⁽¹⁾	\$ 44.88	\$ 35.34	\$ 42.69	\$ 40.26	\$ 45.63	\$ 44.65	\$ 46.69	\$ 49.95
Balance sheet (000s)								
Investment in oil and natural gas assets	93,453	99,293	104,825	63,166	132,731	127,311	109,032	86,341
Acquisitions	-	41,509	53,715	-	-	-	-	-
Dispositions	-	(103,298)	-	(23,254)	(115)	1,107	(1,076)	(80)
Total assets	3,416,784	3,363,559	3,470,242	3,860,188	3,988,091	3,988,763	4,010,592	4,039,844
Debt	657,073	668,328	702,147	717,395	764,614	738,123	736,252	877,802
Net debt ⁽¹⁾	622,740	685,716	631,057	711,132	768,625	775,438	807,401	882,669
Asset retirement obligations	136,281	134,072	135,805	175,157	184,950	180,281	168,966	161,817

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 September 17, 2024, Tamarack expanded the Clearwater Infrastructure Partnership to include a 13th Indigenous community partner. 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.
- On December 17, 2024, Tamarack entered into a purchase and sale agreement for the disposition of substantially all of the non-core oil and natural gas assets in the Southern Alberta Penny area for gross cash proceeds of \$28.0 million before closing adjustments, resulting in a reduction in discounted asset retirement obligations of \$14.5 million. As at December 31, 2024, the assets and corresponding liabilities were presented as held for sale at their anticipated recoverable value, resulting in an impairment loss of \$38.1 million. The transaction was completed on May 21, 2025.
- On July 25, 2025, the Company issued \$325.0 million aggregate principal amount of 6.875% interest-bearing senior unsecured notes due on July 25, 2030. The 2030 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity. Net proceeds from the transaction at the date of closing were utilized primarily to repay amounts outstanding under the Credit Facility and redeem \$100.0 million of the 2027 Notes.
- On July 29, 2025, Tamarack acquired all of the issued and outstanding shares of a private company for cash consideration of \$51.5 million before closing adjustments. In connection with the acquisition, Tamarack acquired approximately 1,100 boe per day of heavy oil and natural gas production and over 114 net sections of mineral rights near the Company's core asset holdings in the Clearwater.
- On October 15, 2025, Tamarack sold substantially all of the Company's remaining non-core oil and natural gas assets in the Veteran Consort and Eyehill areas of Eastern Alberta for gross cash proceeds of \$112.0 million before closing adjustments. As part of the sale, Tamarack derecognized \$40.8 million in asset retirement obligations and recorded a loss on sale of \$397.9 million. The disposed assets included production of ~4,000 boe per day.
- On October 17, 2025, Tamarack acquired 20.46 net sections in the Pelican area for \$41.5 million, targeting the Clearwater and Wabiskaw formations.

Notes

- (1) Refer to "Advisories and guidance" for information on Capital management measures and ratios, Non-GAAP financial measures and ratios and Supplemental financial measures.
- (2) Based upon the independent reserves evaluation conducted by McDaniel & Associates Consultants Ltd. as at December 31, 2025. Refer to "Advisories and guidance" for information about the independent reserves evaluation conducted by McDaniel.
- (3) Amounts exclude asset retirement obligations, acquisitions and dispositions.
- (4) 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.

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 Annual Financial Statements in accordance with IFRS Accounting Standards. A summary of this information can be found in Notes 2-4 of the Annual Financial Statements. The key accounting policies of the Company that are subject to significant estimates, assumptions or judgments consist of oil and natural gas assets, impairment, business combinations, financial instruments, provisions, income taxes and the basis of consolidation. There were no new or significant updates to the application of the Company's critical accounting policies, estimates, assumptions or judgments during the three months ended March 31, 2026.

Non-GAAP financial measures and non-GAAP financial ratios

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

Heavy and light oil differentials including transportation expenses

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

Net operating 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 operating expenses, whereas processing income is reported as other income in the Interim Financial Statements. If Tamarack has excess capacity at one of its facilities, the Company will seek to process third-party volumes as a means to reduce the cost of operating those facilities. Accordingly, net operating 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 operating 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.

Adjusted net income

The calculation of the Company's adjusted net income is presented in the "Net income and adjusted net income" section of this MD&A and is determined by removing impairment losses, gains and losses on dispositions and unrealized gains and losses on risk management contracts on an after-tax basis from the Company's net income for the period. Tamarack and others utilize this performance metric to assess earnings in the absence of non-cash gains and losses. This metric may also be presented on a per share 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 surplus" and "net debt to annualized adjusted funds flow", which the Company utilizes to manage its capital. Refer to the Annual Financial Statements for further details. These capital management measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers without taking into account the method by which the measures are prepared. These performance measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP and should be read in conjunction with the Annual Financial Statements. Refer to the discussion of the Company's operating results and the "Liquidity and Capital Resources" section for further details regarding the calculation of these measures.

Adjusted funds flow

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

Free funds flow

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

Net debt and working capital surplus

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

Net debt to annualized adjusted funds flow

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

Reinvestment ratio

Reinvestment ratio is generally expressed as a percentage and is calculated by dividing the sum of investments in oil and natural gas assets and asset retirement obligation expenditures by adjusted funds flow. Management utilizes the reinvestment ratio to assess the amount of adjusted funds flow that is utilized to fund the Company's capital investment programs within the same time period.

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. Adjusted funds flow and free funds flow per share are capital management ratios as discussed above.

Per BOE disclosures

Tamarack's supplementary financial measures on a per boe basis consist of average heavy oil realized sales price per bbl, average light oil realized sales price per bbl, average NGL realized sales price per bbl, average natural gas realized sales price per mcf, heavy oil differential including transportation expenses, light oil

differential including transportation expenses, royalty expense per boe, transportation expenses per boe, realized commodity hedging gain/loss per boe, G&A expense per boe, stock-based compensation expense per boe, interest expense per boe and D&D per boe. The calculation of the heavy oil differential including transportation expenses and light oil differential including transportation expenses is included in the operating results section of this MD&A. Certain measures are presented on a per boe basis to allow Tamarack and others to assess the profitability of each barrel produced, and allows for a comparison of current period performance to historical periods, or to peer results, by isolating for the impact of differences in production volumes. Net operating 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, 2026 that have materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting and the Company's DC&P and ICFR were effective as at March 31, 2026. Internal control systems, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Volumetric reporting

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

Climate change

The Company continues to monitor the impact of global demand for carbon-based energy and advancement of alternative energy sources. Emissions, carbon and other regulations impacting climate related matters are constantly evolving. With respect to ESG and climate reporting, the International Sustainability Standards Board ("ISSB") was created on November 3, 2021 to develop consistent, comparable and reliable sustainability disclosure standards. On June 26, 2023, the ISSB issued IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 and IFRS S2 are voluntary and effective for annual reporting periods beginning on or after January 1, 2025. 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 51-107 Disclosure of Climate-related Matters ("NI 51-107") 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, 2025, which are available on SEDAR+ at www.sedarplus.ca and Tamarack's website at www.tamarackvalley.ca.

Forward-looking statements

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by

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

- the intentions of management and the Company;
- the Company’s commitment to maintaining financial flexibility and liquidity;
- the Company’s business strategy, objectives, strength and focus, including with respect to acquisitions;
- the Company’s plans to continue developing and expand its asset base in Northern Alberta;
- 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;
- 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;
- expectations regarding future price realizations, operating expenses 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 and benefits of the Company’s ongoing waterflood investment, including lower production costs, reduced corporate decline rates and lower reinvestment ratios;
- anticipated benefits of the Charlie Lake acreage;
- the Company’s ability to withstand lower commodity price environments;
- purchases under the Company’s current normal course issuer bid including the Company’s plan to reacquire up to 47.7 million common shares by January of 2027;
- the Company’s plans in respect of returns of capital, including dividend and enhanced return programs;
- the Company’s expectation regarding low corporate breakeven oil prices and its ability to generate free funds flow;
- the Company’s expectations surrounding its 2026 capital guidance, funding thereof and the ability to satisfy its planned 2026 capital development program, while maximizing free funds flow generation with shareholder returns by way of dividend payments and share buybacks, as well as net debt reduction being the priorities of the Company;
- expectations regarding continued shareholder returns throughout 2026, including dividends and share buybacks, at current strip pricing, supported by low breakeven economics, disciplined hedging activities, and available credit capacity;
- the Company’s belief that available credit facilities, net proceeds from bond financing activities, anticipated adjusted funds flow and any net proceeds from acquisitions and dispositions will be sufficient to fund 2026 capital programs, dividends and share buybacks;
- the Company’s 2026 outlook and planned 2026 capital projects and ongoing assessments in respect of the same;
- the Company’s ability to scale its 2026 capital program in response to near-term market volatility and the Company’s intention to reaffirm its H2 program;
- 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 2026 production guidance, operating expense guidance and ongoing assessments in respect of the same;
- the Company’s ability to meet its obligations and commitments under the 2030 Notes;
- the Company’s expectations relating to the continued generation of higher margins through improved heavy oil price differentials, enhanced market egress, long-term firm volume commitments and lower operating costs;
- contractual obligations and commitments;
- estimates used to calculate asset retirement obligations and depletion of oil and natural gas assets;
- 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 achieve exit water injection rates in the Clearwater area of over 60,000 bbls per day with 25% of Clearwater oil production under waterflood by the end of 2026;
- anticipated phasing of the majority of the Company’s secondary recovery investment to the balance of the year;
- the Company’s exploration and derisking plans;
- the Company’s expectations surrounding continued production growth supported by strong reservoir response and decline mitigation on base production from ongoing Clearwater waterflood investments;
- forecasted royalty rate for 2026;
- the potential for higher royalty rates and income taxes in 2026 as a result of higher benchmark commodity prices;
- the potential for a decline in interest expense as a result of lower balances of net debt;
- 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 units 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 effect on the Company’s internal controls over financial reporting on a go-forward basis (including the lack thereof);
- expectations regarding the merits, impacts 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:

- the material assumptions and observations described under the headings “Q1 2026 in review”, “About Tamarack Valley Energy Ltd.”, “Q1 2026 operational and financial highlights”, “Highlights for the three months ended March 31, 2026”, “Annual guidance”, “Production”, “Benchmark prices”, “Oil and natural gas sales”, “Risk management”, “Royalties”, “Net operating expenses”, “Transportation expenses”, “Operating netback”, “General and administrative (“G&A”) expenses”, “Stock-based compensation expense”, “Finance expense”, “Income taxes”, “Depletion and depreciation (“D&D”)”, “Cash provided by operating activities and adjusted funds flow”, “Net income and adjusted net income”, “Investments in oil and natural gas assets”, “Liquidity and capital resources”, “Share capital”, “Commitments and contingencies” and “Selected quarterly information”;
- future commodity prices, price differentials and the actual prices received for the Company’s products;

- the Company's ability to scale its capital program in response to market conditions and commodity price volatility;
- expected net operating expenses and transportation expenses;
- basis for continued shareholder returns, including assumptions regarding production, pricing, foreign exchange, differential and free cash flow return;
- estimated proved plus probable oil and natural gas reserves;
- the effects of heavy and light 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;
- the realization of anticipated benefits of the Company's infrastructure and waterflood development program and the Company's acquisitions, such as the Clearwater acquisition, including related drilling programs, as applicable;
- the ability to explore and realize benefits from exposure to diversified gas markets;
- drilling results, including field production rates and decline rates;
- the performance of the waterflood projects;
- the continued application of horizontal drilling and fracturing techniques and pad drilling;
- the continued availability of capital and skilled personnel;
- the ability to obtain financing on acceptable terms;
- the accuracy of Tamarack's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation;
- the 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;
- 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 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 increases 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;
- the impact of inflation on costs and interest rates; and
- the anticipated timing and phasing of the Company's secondary recovery investments and capital programs.

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 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 risks relating to inclement and severe weather events and natural disasters, including fire, drought and flooding and corresponding effects, including in respect to safety, asset integrity, shutting in production, impact on production, maintaining 2026 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 U.S.-Venezuela conflict and the impact of potential increases in North American heavy oil supply;
- the Israel-Hamas and U.S.-Iran conflicts and uncertainty regarding the stability of any ceasefires or other de-escalation measures;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- changes in commodity prices may cause royalty rates, income taxes or interest expense to differ materially from the Company's expectations;
- the risk that the Company may not be able to scale its capital program or reaffirm its H2 program as anticipated due to market conditions or other factors;
- the Company will not fund its capital programs on anticipated terms or timing;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved plus probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- risk that existing tariffs and additional or expanded tariffs imposed by the U.S. administration and other countries on Canadian goods or other restrictive trade measures, including with respect to crude oil and natural gas, and that such measures (and/or the Canadian government's response to such measures, including retaliatory countermeasures) adversely affect the demand and/or market price for the Company's products and/or otherwise adversely affect the Company;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- increased borrowing costs due to increased lending rates from prime rate increase, negative changes to financial metrics evaluated under the Credit Facility;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- evolving climate change disclosure standards and sustainability reporting requirements, and the potential impacts on the Company's operations and reporting obligations;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- operating 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;
- 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, 2025, which may be accessed on Tamarack's SEDAR+ profile www.sedarplus.com or on the Company's website at www.tamarackvalley.ca.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tamarack's 2026 development capital program and plans regarding payment of 2026 dividends and any share buybacks by using anticipated adjusted funds flow combined with available credit facilities, commodity prices, Tamarack's 2026 capital guidance and components thereof including prospective results of operations and production, planned investment in oil and natural gas assets and expansion of the waterflood program; expected capital expenditures (including in respect of Tamarack's capital E&D budget), 2026 annual guidance and the components thereof including capital investments and annual average production, average oil & NGL weighting, and expenses (including expected royalty rates, operating expenses, transportation expenses, leasing expenditures, carbon tax, G&A expenses, interest and income taxes), payout of wells, adjusted funds flow, net debt (and the reduction thereof) targets, capital requirements, return of capital, the Company's 2026 budget and associated targets, debt repayments, Tamarack's 2026 base capital investment program of \$390 - 410 million, targeting average production range of 69,000 – 71,000 boe per day in 2026 at Clearwater and Charlie Lake development areas, anticipated generation of significant free cash flow in 2026 based on current strip prices, the use of free cash flow for share buybacks, dividends 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 operating expenses, 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 report of McDaniel & Associates Consultants Ltd. ("McDaniel"), with a preparation date of January 21, 2026, and an effective date of December 31, 2025. The report was prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook and contains significant estimates, assumptions and judgments relating to crude oil and natural gas reserves, production, commodity prices, future development costs and operating related expenses. The report is 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:

- **reserves** are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.
- **proved reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- **probable reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- **proved plus probable reserves** is the sum of proved reserves and probable reserves.
- **gross** means: in relation to reserves, the applicable working interest (operating or non-operating) share before royalties and without including any royalty interests; and, in relation to wells, the total number of wells in which the Company has an interest.
- **net** means: in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.

Note regarding product types

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

Short-term production

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

Abbreviations

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

TAMARACK VALLEY ENERGY LTD.

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

As at	Notes	March 31, 2026	December 31, 2025
Assets			
Current assets			
Cash		\$ 12,237	\$ 5,444
Accounts receivable	3	185,855	114,248
Prepaid expenses and deposits		32,781	30,369
Risk management contracts	6	2,959	14,579
		233,832	164,640
Oil and natural gas assets	4	3,182,952	3,198,919
		3,416,784	3,363,559
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		175,173	145,208
Risk management contracts	6	107,488	-
Other liabilities	7	48,592	33,407
Asset retirement obligations	9	5,974	4,911
		337,227	183,526
Debt	5	657,073	668,328
Risk management contracts	6	2,643	-
Other liabilities	7	191,198	197,376
Asset retirement obligations	9	130,307	129,161
Deferred income taxes		334,248	360,059
		1,652,696	1,538,450
Shareholders' equity			
Share capital	10	1,627,368	1,642,819
Treasury shares	10	(4,659)	(7,690)
Contributed surplus	14	27,965	26,680
Retained earnings		113,414	163,300
		1,764,088	1,825,109
		\$ 3,416,784	\$ 3,363,559
Commitments and contingencies	8		
Subsequent events	5, 10		

See accompanying notes to the Interim Financial Statements.

TAMARACK VALLEY ENERGY LTD.

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

Three months ended	Notes	March 31, 2026	March 31, 2025
Revenue			
Oil and natural gas sales	12	\$ 443,939	\$ 444,288
Sale of purchased product		2,875	2,033
Processing and other income		407	657
Royalties		(71,672)	(85,997)
		375,549	360,981
Risk management contracts			
Realized loss	6	(13,375)	(10,585)
Unrealized loss	6	(122,760)	(18,355)
		239,414	332,041
Expenses			
Operating		47,464	47,876
Transportation		23,736	22,432
Product purchases and blending		5,106	3,157
Finance	13	18,947	20,812
Stock-based compensation	14	10,518	2,781
General and administrative		8,976	8,577
Depletion and depreciation	4	115,149	140,319
Gain on dispositions and other		(426)	(1,249)
		229,470	244,705
Net income before income taxes		9,944	87,336
Income taxes			
Current income tax expense		26,683	25,543
Deferred income tax recovery		(22,384)	(2,465)
		4,299	23,078
Net income and comprehensive income		\$ 5,645	\$ 64,258
Net income per share			
Basic	11	\$ 0.01	\$ 0.12
Diluted	11	\$ 0.01	\$ 0.12

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, 2026	March 31, 2025
Operating activities			
Net income		\$ 5,645	\$ 64,258
Items not affecting cash:			
Depletion and depreciation	4	115,149	140,319
Unrealized loss on risk management contracts	6	122,760	18,355
Deferred income tax recovery		(22,384)	(2,465)
Non-cash finance expenses	13	2,991	4,147
Other non-cash operating items		(2,383)	1,532
Settlement of asset retirement obligations	9	(215)	(2,722)
Changes in non-cash working capital	15	(38,227)	(35,871)
Cash provided by operating activities		183,336	187,553
Financing activities			
Purchase of common shares for cancellation	10	(47,030)	(56,330)
Dividends	10	(19,311)	(19,566)
Purchase of common shares for treasury	10	(10,000)	(4,016)
Current income tax recovery recognized directly in equity		2,172	-
Net proceeds (repayment) of revolving debt	5	(8,521)	26,049
Repayment of senior notes	5	(5,028)	-
Repayment of other liabilities	7	(2,482)	(2,966)
Proceeds from exercise of equity compensation	10, 14	214	132
Changes in non-cash working capital	15	(6,274)	5,347
Cash used in financing activities		(96,260)	(51,350)
Investing activities			
Investments in oil and natural gas assets	4	(93,453)	(132,731)
Proceeds from disposals		-	115
Changes in non-cash working capital	15	13,170	(3,019)
Cash used in investing activities		(80,283)	(135,635)
Change in cash		6,793	568
Cash, beginning of year		5,444	7,391
Cash, end of period		\$ 12,237	\$ 7,959

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 and for the three months ended	Notes	March 31, 2026	March 31, 2025
Share capital			
Balance, beginning of year		\$ 1,642,819	\$ 1,764,900
Purchase of common shares for cancellation	10	(15,451)	(42,300)
Balance, end of period		1,627,368	1,722,600
Treasury shares			
Balance, beginning of year		(7,690)	(3,735)
Purchase of common shares for settlement of equity compensation	10	(10,000)	(4,016)
Exercise of equity compensation	10	12,817	4,118
Proceeds from exercise of equity compensation	10, 14	214	132
Balance, end of period		(4,659)	(3,501)
Contributed surplus			
Balance, beginning of year		26,680	20,823
Stock-based compensation incurred	14	3,862	3,364
Deferred tax asset from equity compensation		5,599	-
Exercise of equity compensation	10	(8,176)	(4,118)
Balance, end of period		27,965	20,069
Retained earnings			
Balance, beginning of year		163,300	339,869
Purchase of common shares for cancellation	10	(31,579)	(14,030)
Dividends	10	(19,311)	(19,566)
Exercise of equity compensation	10	(4,641)	-
Net income		5,645	64,258
Balance, end of period		\$ 113,414	\$ 370,531
Total shareholders' equity, beginning of year		\$ 1,825,109	\$ 2,121,857
Total shareholders' equity, end of period		\$ 1,764,088	\$ 2,109,699

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, 2026 and 2025

(thousands of Canadian dollars, unless otherwise indicated)

1. Reporting entity

Tamarack Valley Energy Ltd. 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 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 is a publicly traded company on the Toronto Stock Exchange and is traded under the symbol “TVE”. The Company is incorporated and domiciled in Alberta, Canada with a registered office address located at Suite 4300, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5 and the head office address located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026 and 2025 (the “Interim Financial Statements”) were approved and authorized by the Board of Directors on May 5, 2026.

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. These Interim Financial Statements are condensed as they do not include all information required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with Tamarack’s annual financial statements for the years ended December 31, 2025 and 2024 (the “Annual Financial Statements”). These statements follow the same accounting policies as the Annual Financial Statements. 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 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 Tamarack’s functional and reporting currency.

3. Receivables

As at	March 31, 2026	December 31, 2025
Oil and natural gas sales	\$ 181,110	\$ 108,807
Joint venture billings	3,452	4,425
Other receivables	1,293	1,016
Accounts receivable	\$ 185,855	\$ 114,248

4. Oil and natural gas assets

Cost	PP&E	E&E	Total
Balance at December 31, 2025	\$ 5,000,516	\$ 82,909	\$ 5,083,425
Investments in oil and natural gas assets	92,699	754	93,453
Non-cash capitalized costs	5,729	-	5,729
Balance at March 31, 2026	\$ 5,098,944	\$ 83,663	\$ 5,182,607
Accumulated depletion, depreciation and impairment losses	PP&E	E&E	Total
Balance at December 31, 2025	\$ 1,867,288	\$ 17,218	\$ 1,884,506
Depletion and depreciation	113,769	1,380	115,149
Balance at March 31, 2026	\$ 1,981,057	\$ 18,598	\$ 1,999,655
Carrying amounts	PP&E	E&E	Total
At December 31, 2025	\$ 3,133,228	\$ 65,691	\$ 3,198,919
At March 31, 2026	\$ 3,117,887	\$ 65,065	\$ 3,182,952

5. Debt

	Credit Facility	2027 Notes	2030 Notes	Total
Balance at December 31, 2025	\$ 151,968	\$ 197,433	\$ 318,927	\$ 668,328
Repayment of debt instruments, net	(8,521)	(5,000)	-	(13,521)
Unrealized foreign exchange loss	1,076	-	-	1,076
Amortization of deferred borrowing costs	387	472	331	1,190
Balance at March 31, 2026	\$ 144,910	\$ 192,905	\$ 319,258	\$ 657,073
Effective interest rate (annualized)	5.60%	8.19%	7.28%	
Maturity date	April 30, 2028	May 10, 2027	July 25, 2030	

Credit Facility

As at March 31, 2026, Tamarack had access to a covenant-based \$875.0 million revolving lending facility (the "Credit Facility"). The Credit Facility 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 (Note 7). As at March 31, 2026, Tamarack had access to \$725.8 million of undrawn credit under the facility, net of \$3.7 million of letters of credit issued and outstanding.

Financial covenants on the Credit Facility as at March 31, 2026

Total Debt to EBITDA ratio	<3.5:1.0	0.8:1.0
Senior Debt to EBITDA ratio	<3.0:1.0	0.2:1.0
Interest Coverage ratio	>3.0:1.0	18.5:1.0

2030 Notes

During 2025, the Company issued \$325.0 million aggregate principal amount of 6.875% interest-bearing senior unsecured notes due July 25, 2030 (the "2030 Notes"). The 2030 Notes 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 holds a prepayment option to repurchase the 2030 Notes at a cost of 103.4% of principal starting on July 25, 2027, which declines at each anniversary date, reaching par on July 25, 2029. Prior to July 25, 2027, Tamarack can repay up to 40% of the 2030 Notes using the proceeds of an equity offering at a cost of 106.9%. The Company may also redeem the 2030 Notes at a present value cost of 103.4% plus all of the interest that would otherwise be owing from the redemption date through to July 25, 2027.

2027 Notes

During 2022, the Company issued \$300.0 million aggregate principal amount of 7.25% interest-bearing senior unsecured notes due May 10, 2027 (the "2027 Notes"). The 2027 Notes pay interest semi-annually in arrears with the principal amount repayable at the date of maturity and are not governed by any financial covenants. During 2025, net proceeds from the 2030 Notes were utilized to redeem \$100.0 million of the 2027 Notes at a cost of 102.0% of principal.

On April 29, 2026, Tamarack exercised its option to redeem the remaining outstanding 2027 Notes on May 11, 2026 at a cost of 100.75% of principal, plus accrued and unpaid interest. The note repayment will be initially funded utilizing a Credit Facility draw.

6. Risk management contracts

	Commodity related contracts	Debt ⁽¹⁾ related contracts	Total
Balance at December 31, 2025	\$ 14,579	\$ -	\$ 14,579
Realized (gain) loss on settlements	13,375	(22,022)	(8,647)
Change in fair market value	(136,135)	23,031	(113,104)
Balance at March 31, 2026	\$ (108,181)	\$ 1,009	\$ (107,172)
Consisting of:			
Current asset	\$ 1,950	\$ 1,009	\$ 2,959
Current liability	\$ (107,488)	\$ -	\$ (107,488)
Long-term liability	\$ (2,643)	\$ -	\$ (2,643)

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

At March 31, 2026, the Company held the following commodity, foreign exchange derivative and debt related cross-currency contract positions:

Crude oil derivatives		Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027
WTI put	Volume (bbls/d)	-	5,000	-	-	-
	Average Put/Premium (USD/bbl)	-	50.00/2.78	-	-	-
WTI 2-way collar	Volume (bbls/d)	21,500	16,500	22,000	18,000	15,000
	Average Put/Call/Premium (USD/bbl)	53.60/73.78/0.17	53.79/73.95/0.50	50.00/78.07/1.64	51.53/83.36/0.25	53.50/84.00/0.08
MSW differential	Volume (bbls/d)	3,500	3,500	3,500	-	-
	Average Fixed Price (USD/bbl)	(3.92)	(3.92)	(3.92)	-	-
WCS differential	Volume (bbls/d)	1,000	8,500	15,500	-	-
	Average Fixed Price (USD/bbl)	(13.50)	(12.01)	(13.05)	-	-
Natural gas derivatives						Summer 26⁽¹⁾
AECO 5A swap	Volume (GJ/d)					20,000
	Average Fixed Price (CAD/GJ)					2.69

⁽¹⁾ Summer runs from April 1 to October 31 of the given year

Foreign exchange derivatives		Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027
CAD/USD collar	Amount (USD/month)	\$17,000,000	\$15,000,000	\$17,000,000	\$8,000,000	\$8,000,000
	Average Put/Call (CAD/USD)	1.34/1.39	1.35/1.40	1.35/1.40	1.33/1.39	1.33/1.39
CAD/USD variable collar	Amount (USD/month)	\$14,000,000	\$10,000,000	\$10,000,000	\$9,000,000	\$9,000,000
	Average Put/Call/knock-in (CAD/USD) ⁽¹⁾	1.35/1.42/1.39	1.35/1.42/1.39	1.35/1.42/1.39	1.34/1.41/1.39	1.34/1.41/1.39
CAD/USD swap	Amount (USD/month)	\$7,000,000	\$8,000,000	\$8,000,000	\$7,000,000	\$7,000,000
	Average Fixed Price (CAD/USD)	1.36	1.37	1.37	1.36	1.36

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

Cross-currency swaps on debt related contracts	Contract type	Notional value (\$USD)	Fixed exchange rate	Fixed interest rate (\$USD)	Fixed interest rate (\$CAD)
Mar 25, 2026 - Apr 24, 2026	Swap	\$ 24,500,000	1.37	6.03%	4.57%
Mar 31, 2026 - Apr 30, 2026	Swap	\$ 80,800,000	1.39	6.02%	4.55%

7. Other liabilities

	Notes	Clearwater Infrastructure Partnership	Government loans and other	Lease liabilities	Cash-settled awards (Note 14)	Total
Balance at December 31, 2025		\$ 171,843	\$ 22,241	\$ 6,952	\$ 29,747	\$ 230,783
Change in estimates		-	-	-	6,810	6,810
Liabilities incurred		-	-	-	4,233	4,233
Payments		(6,304)	(172)	(528)	-	(7,004)
Interest expense	13	4,397	-	125	-	4,522
Accretion	13	139	307	-	-	446
Balance at March 31, 2026		\$ 170,075	\$ 22,376	\$ 6,549	\$ 40,790	\$ 239,790
Consisting of:						
Current liability		\$ 7,953	\$ 19,649	\$ 1,528	\$ 19,462	\$ 48,592
Non-current liability		\$ 162,122	\$ 2,727	\$ 5,021	\$ 21,328	\$ 191,198

Clearwater Infrastructure Partnership

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, which commenced in the fourth quarter of 2023. 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.

Government loans and other

As at March 31, 2026, the Company holds an interest-free government loan for \$21.7 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 two years. The loan remains interest-free subject to the Company's compliance with the terms and conditions of the agreement and the pre-established repayment schedule.

8. Commitments and contingencies

As at March 31, 2026	2026	2027	2028	2029	2030+	Total
Senior Notes	\$ -	\$ 195,000	\$ -	\$ -	\$ 325,000	\$ 520,000
Credit Facility	-	-	145,522	-	-	145,522
Clearwater Infrastructure Partnership (CIP)	6,376	9,152	10,187	8,669	140,053	174,437
Accounts payable and accrued liabilities	175,173	-	-	-	-	175,173
Risk management contracts	91,365	18,766	-	-	-	110,131
Other liabilities, excluding CIP	44,468	17,598	6,199	1,446	1,142	70,853
Financial liabilities on the balance sheet	317,382	240,516	161,908	10,115	466,195	1,196,116
Interest on debt and other liabilities	45,231	50,803	40,220	36,924	90,036	263,214
Transportation commitments	46,495	64,021	53,530	52,516	132,938	349,500
Processing commitments	10,707	14,034	13,539	12,552	79,325	130,157
Total financial commitments	\$ 419,815	\$ 369,374	\$ 269,197	\$ 112,107	\$ 768,494	\$1,938,987

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.

9. Asset retirement obligations

As at and for the period ended	Notes	March 31, 2026	December 31, 2025
Balance, beginning of year		\$ 134,072	\$ 194,608
Liabilities incurred		1,729	9,246
Liabilities acquired		-	899
Revaluation of acquired liabilities		-	2,080
Change in discount rates and estimates		(595)	(18,460)
Liabilities settled		(215)	(5,441)
Liabilities disposed		-	(55,258)
Accretion	13	1,290	6,398
Balance, end of period		\$ 136,281	\$ 134,072
Consisting of:			
Current portion of asset retirement obligations		\$ 5,974	\$ 4,911
Asset retirement obligations		\$ 130,307	\$ 129,161

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, 2026, the Company's total undiscounted and uninflated cash flows required to settle its asset retirement obligations was approximately \$208.0 million (December 31, 2025 – \$205.1 million) and the majority of the costs are expected to be incurred over the next 45 years. A risk-free rate of 3.9% (December 31, 2025 – 3.9%) and an inflation rate of 2.0% (December 31, 2025 – 2.0%) were utilized to measure the present value of the asset retirement obligations.

10. Shareholders' equity

Share capital	March 31, 2026		December 31, 2025	
	Shares	Amount	Shares	Amount
Balance, beginning of year	485,681	\$ 1,642,819	522,207	\$ 1,764,900
Purchase of common shares for cancellation	(4,579)	(15,451)	(36,180)	(122,081)
Purchase of common shares for equity compensation units	(937)	-	(3,239)	-
Issuance of common shares for equity compensation units	1,508	-	2,893	-
Balance, end of period	481,673	\$ 1,627,368	485,681	\$ 1,642,819

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
December 31, 2025	0.1541	77,020	36,180	185,281	262,301
March 31, 2026	\$ 0.0400	19,311	4,579	47,030	66,341
Total		\$ 316,594	74,648	\$ 367,663	\$ 684,257

Normal course issuer bid

In the first quarter of 2026, Tamarack renewed its normal course issuer bid, receiving approval from the TSX to purchase up to 47.7 million common shares until January 18, 2027. During the three months ended March 31, 2026, Tamarack purchased and cancelled 4.6 million common shares at an average cost of \$10.27 per common share for a total repurchase cost of \$47.0 million, including \$1.0 million of federal taxes and fees (year ended December 31, 2025 – 36.2 million common shares for \$185.3 million). Tamarack de-recognized the net book value of the repurchased shares for \$15.4 million, resulting in a net distribution from retained earnings of \$31.6 million.

On May 5, 2026, Tamarack declared a quarterly cash dividend of \$0.04 per share, payable on June 30, 2026 to shareholders of record on June 15, 2026.

Treasury shares

During the three months ended March 31, 2026, the Company acquired 0.9 million common shares for \$10.0 million to settle exercised share-based compensation units (year ended December 31, 2025 - 3.2 million common shares for \$18.2 million). As at March 31, 2026, Tamarack held 0.6 million treasury shares (December 31, 2025 – 1.1 million).

11. Earnings per share

Three months ended	March 31, 2026	March 31, 2025
Net income	\$ 5,645	\$ 64,258
Weighted average shares outstanding - basic	484,019	515,306
Weighted average shares outstanding - diluted	489,966	520,368
Net income per share - basic	\$ 0.01	\$ 0.12
Net income per share - diluted	\$ 0.01	\$ 0.12

For the three months ended March 31, 2026, 6.7 million common shares issuable upon the exercise and settlement of equity compensation units were included in the calculation of the diluted weighted average number of common shares outstanding (March 31, 2025 – 9.5 million).

12. Oil and natural gas sales

Three months ended	March 31, 2026	March 31, 2025
Heavy oil	\$ 336,811	\$ 301,782
Light oil	87,198	118,615
Natural gas	11,544	14,383
Natural gas liquids	8,386	9,508
Oil and natural gas sales	\$ 443,939	\$ 444,288

13. Finance expense

Three months ended	Notes	March 31, 2026	March 31, 2025
Credit Facility	5	\$ 2,409	\$ 6,606
Senior Notes	5	9,084	5,363
Clearwater infrastructure liability and other	7	4,463	4,696
Interest expense		15,956	16,665
Deferred borrowing costs and loan accretion	5, 7	1,701	2,527
Accretion of asset retirement obligations	9	1,290	1,620
Finance expense		\$ 18,947	\$ 20,812

14. Stock-based compensation

Three months ended	Notes	March 31, 2026	March 31, 2025
Equity-settled stock-based compensation		\$ 3,862	\$ 3,364
Cash-settled stock-based compensation	7	11,043	993
		14,905	4,357
Capitalized stock-based compensation	4	(4,387)	(1,576)
Stock-based compensation expense		\$ 10,518	\$ 2,781

Equity compensation unit continuity	RSUs	PSUs	RIAs	PIAs	Stock options	Total
Balance at December 31, 2025	4,132	3,176	829	4,267	95	12,499
Granted	1,076	1,311	215	1,669	-	4,271
Exercised	(943)	(470)	-	-	(95)	(1,508)
Forfeited or expired	(33)	(28)	-	-	-	(61)
Balance at March 31, 2026	4,232	3,989	1,044	5,936	-	15,201
Consisting of:						
Equity-settled units	4,232	3,989	-	-	-	8,221
Cash-settled units (Note 7)	-	-	1,044	5,936	-	6,980
Units exercisable	961	1,053	393	1,796	-	4,203
Weighted-average remaining life	1.47	1.41	1.29	1.49	-	1.45

For the three months ended March 31, 2026, Tamarack granted 4.3 million stock-based awards at a weighted average fair value of \$10.32 per share, which was primarily based on the Company's share price at the date of grant. For the three months ended March 31, 2026, actual and accrued market and non-market performance adjustment factors on vested PSUs and PIAs averaged 1.93.

15. Supplemental cash flow

Three months ended	Notes	March 31, 2026	March 31, 2025
Source/(use) of cash			
Accounts receivable	3	\$ (71,607)	\$ 3,061
Prepaid expenses and deposits		(2,412)	(17,626)
Accounts payable and accrued liabilities		29,965	(19,552)
Net changes per consolidated balance sheet		(44,054)	(34,117)
Adjusted for:			
Changes in other liabilities		12,723	574
		\$ (31,331)	\$ (33,543)
Consisting of			
Operating activities		\$ (38,227)	\$ (35,871)
Financing activities		\$ (6,274)	\$ 5,347
Investing activities		\$ 13,170	\$ (3,019)

Corporate information

Board of Directors

John Rooney^{1,3,4}
Chair of the Board

Brian Schmidt
Director

Caralyn Bennett^{2,4}
Director

John Leach^{1,2}
Director

Marnie Smith^{1,3}
Director

Rene Amirault⁴
Director

Rob Spitzer^{2,3}
Director

Shannon Joseph⁴
Director

Craig Bryksa
Director

¹ Member of the Audit Committee

² Member of the Reserves Committee

³ Member of the Corporate Governance and Compensation Committee

⁴ Member of the Environmental, Safety and Sustainability Committee

Lead Bank Syndicate

National Bank of Canada
Royal Bank of Canada

Stock Exchange

Toronto Stock Exchange - Symbol: **TVE**

Reserve Evaluators

McDaniel & Associates Consultants Ltd.

Management Team

Brian Schmidt
Chief Executive Officer

Steve Buytels
President

Kevin Johnston
Chief Financial Officer

Ben Stoodley
Vice President, Engineering

Lynne Chrumka
Vice President, Exploration

Rocky Baker
Vice President, Marketing and Commercial

Scott Shimek
Vice President, Production and Operations

Sony Gill
Corporate Secretary

Legal Counsel

Stikeman Elliott LLP

Auditor

KPMG LLP

Transfer Agent

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