



**Q3 2023
MANAGEMENT DISCUSSION &
ANALYSIS**

**TENTH AVENUE PETROLEUM CORP.
TSXV:TPC**

www.tenthavenuepetroleum.com

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TENTH AVENUE PETROLEUM CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
SEPTEMBER 30, 2023

The following Management's Discussion and Analysis ("MD&A") is a review of the operational and financial results and outlook for Tenth Avenue Petroleum Corp. ("Tenth Avenue" or the "Company") for the three and nine months ended September 30, 2023 ("Q3/23" and "YTD/23") and 2022 ("Q3/22" and "YTD/22"). This MD&A is dated and based on information available as of November 27, 2023 and should be read in conjunction with the unaudited condensed consolidated interim financial statements ("financial statements") and the notes thereto for the three and nine months ended September 30, 2023 and 2022 and the audited consolidated financial statements for the year ended December 31, 2022. Additional information relating to Tenth Avenue, including Tenth Avenue's Annual Information Form for the year ended December 31, 2022, is available on SEDAR+ at www.sedarplus.ca and Tenth Avenue's website at www.tenthavenuepetroleum.com

The financial statements have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting". The Company uses certain Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures in this MD&A. Certain financial measures are also presented on a per bbl, per boe, per mcf or per share basis that results in those measures considered as Supplemental Financial Measures. For a discussion of those measures, including the method of calculation, please refer to the section titled "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" beginning on page 11. Unless otherwise indicated, all references to dollar amounts are in Canadian currency.

About Tenth Avenue Petroleum

Tenth Avenue Petroleum Corporation ("Tenth Avenue") is an oil & natural gas exploration, development and production company with operations in Alberta. The company's strategy is to build long-term, low decline, high netback producing properties with drilling development potential and enhanced oil recovery potential upside.

Avalon Asset Acquisition

The Company closed an acquisition of assets in Southern Alberta from Avalon Energy Ltd. on April 12, 2022 ("Avalon Acquisition"). The consideration for the Avalon Acquisition was \$2,827,547 including closing adjustments, payable with \$2,077,547 cash and the issuance of 3,000,000 common shares at \$0.25/share. The assets consisted of three 100% working interest operated conventional Mannville oil pools at Murray Lake, Hays and Bow Island that averaged 76 boe/d (97% oil and natural gas liquids) in first quarter of 2022.

Danzig Asset Acquisition

The Company closed an acquisition of assets in Southern Alberta from Danzig Resources Ltd. on September 30, 2022 ("Danzig Acquisition"). The consideration for the Danzig Acquisition was \$777,260 including closing adjustments, payable with \$417,260 cash and the issuance of 1,500,000 common shares of the Company at \$0.24/share. The assets consist of a 100% working interest in 5 wells, a 100% owned multi well oil facility at 05-21-015-25W4M and a 35% ownership in a potential gas well awaiting tie-in. As at the closing date, the assets were producing of 38 boe/d (69% oil and natural gas liquids), including 26 bbls/d of light oil.

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Q3 2023 OPERATIONAL AND FINANCIAL HIGHLIGHTS

(\$)	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
Total oil, natural gas and processing revenue	1,058,682	974,586	9%	3,023,935	3,245,445	(7%)
Cash flow from operating activities	2,195	270,889	(99%)	27,738	332,496	(92%)
Per share – basic	-	0.01	(100%)	-	0.01	(100%)
Per share – diluted	-	0.01	(100%)	-	0.01	(100%)
Adjusted funds flow ⁽¹⁾	60,731	(5,314)	1243%	47,019	712,490	(93%)
Per share – basic ⁽²⁾	-	-	-	-	0.02	(100%)
Per share – diluted ⁽²⁾	-	-	-	-	0.02	(100%)
Net Income (loss)	(186,240)	(258,766)	28%	(920,946)	(153,392)	(500%)
Per share – basic	-	(0.01)	(100%)	(0.02)	0.00	(100%)
Per share – diluted	-	(0.01)	(100%)	(0.02)	0.00	(100%)
Net cash (debt) surplus ⁽¹⁾	(82,510)	(1,162,237)	(93%)	(82,510)	(1,162,237)	(93%)
Capital expenditures	70,618	72,302	(2%)	466,877	326,227	43%
Weighted average shares outstanding						
Basic	39,944,100	34,781,170	15%	39,926,518	34,781,170	15%
Diluted	39,944,100	35,271,170	13%	39,926,518	35,271,170	13%
Share Trading						
High	\$0.18	\$0.26	(31%)	\$0.27	\$0.36	(25%)
Low	\$0.12	\$0.15	(20%)	\$0.12	\$0.15	(20%)
Trading volume	1,207,301	3,008,392	(60%)	5,025,734	9,981,232	(50%)
Average daily production						
Oil (bbls/d)	117	103	14%	117	101	16%
NGL (bbls/d)	4	8	(50%)	3	9	(67%)
Natural Gas (mcf/d)	130	51	155%	193	47	311%
Total (boe/d)	142	120	18%	153	117	31%
Average realized sale prices						
Oil (\$/bbls)	91.10	95.86	(5%)	85.18	111.34	(23%)
Natural gas liquids (\$/bbls)	22.79	26.58	(14%)	39.94	33.48	19%
Natural Gas (\$/mcf)	3.70	4.95	(25%)	3.47	5.19	(33%)
Operating netback, net of derivatives (\$/boe)	21.07	11.91	77%	12.68	34.22	(63%)
Adjusted funds flow (\$/Boe)	4.63	(0.48)	1065%	1.13	22.24	(95%)

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

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CLIMATE CHANGE AND SUSTAINABILITY

Tenth Avenue continues to consider the impact of climate change and the financial and operational challenges this global event has had in 2023 and the continuing impact on the Company during the years ahead.

Climate Change

The Company has considered and continues to consider the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources. Emissions, carbon and other regulations impacting climate and climate related matters, are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board ("ISSB") was created on November 3, 2021, with the aim to develop globally consistent, comparable and reliable sustainability disclosure standards. On March 31, 2022, the ISSB issued exposure drafts IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 "sets out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures." IFRS S2 "sets out the requirements for identifying, measuring and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting." The exposure drafts do not currently disclose an effective date for the application of any future sustainability standards and accordingly, the Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts. In addition, the Canadian Securities Administrators have issued a proposed National Instrument ("NI 51-107") *Disclosure of Climate-related Matters*. The cost to comply with these standards, and others, that may be developed or evolved over time, is not quantifiable at this time. Significant estimates and judgments have been made by management in the preparation of the financial statements in areas of property, plant and equipment, depletion, impairment, reserves estimates, decommissioning obligations and share capital.

Sustainability

Tenth Avenue is committed to the continued advancement of our ESG practices, including our approach to sustainability, commitments to greenhouse gas emissions management and to continued Indigenous and community partnerships in the areas where we operate.

OPERATING RESULTS

Production

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
Production						
Oil (bbls/d)	117	103	14%	117	101	16%
NGL (bbls/d)	4	8	(50%)	3	9	(67%)
Natural Gas (mcf/d)	130	51	155%	193	47	311%
Total (boe/d)	142	120	18%	153	117	31%
Percentage of oil and NGL	85%	93%	(9%)	79%	93%	(15%)

Average production for Q3/23 remained consistent at 142 boe/d from Q2/23 at 143 boe/d. However, average production in Q3/23 increased by 18% when comparing to the same period in the previous year of 120 boe/d. Production in Q3/23 was consistent to Q2/23 due to a successful workover program / acid clean-ups which increased production volumes and stemmed production declines.

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In September, the Company had a minor pipeline failure at Murray Lake. The effected area has been fully remediated, and the disposal line has been abandoned. Due to the loss of water disposal capability, oil production at Murray Lake is temporarily restricted by approximately 15 bbls/d. The Company is currently developing a plan to restore the water disposal capability. Inclusive of the impacted oil volumes at Murray Lake, the Company's field production as of November 27, 2023 was approximately 150 boe/d.

Average production for the nine months ended September 30, 2023 was 31% higher than the same period in 2022 and is primarily due to the Danzig acquisition that the Company closed on September 30, 2022, increase in gas volumes as a result of the completion of a 2.3km pipeline, 11-11 pad site to the gathering system and tie in of the 102/6-11 well at Parkland, and improved productivity from workovers at both Vulcan and Murray Lake

Revenue

(\$)	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
Revenue						
Oil	977,744	912,509	7%	2,728,602	3,061,757	(11%)
Natural gas liquids	8,751	20,530	(57%)	36,589	80,305	(54%)
Natural Gas	44,122	23,292	89%	182,209	66,656	173%
Total	1,030,617	956,331	8%	2,947,400	3,208,718	(8%)
Average realized prices:						
Oil (\$/bbls)	91.10	95.86	(5%)	85.18	111.34	(23%)
Natural gas liquids (\$/bbl)	22.79	26.58	(14%)	39.94	33.48	19%
Combined average oil NGL (\$/boe)	88.74	90.66	(2%)	83.92	105.09	(20%)
Natural Gas (\$/mcf)	3.70	4.95	(25%)	3.47	5.19	(33%)
Revenue (\$/boe)	78.65	86.35	(9%)	70.66	100.15	(29%)
Average benchmarks prices:						
WTI (US\$/bbl) ⁽¹⁾	82.36	91.44	(10%)	77.43	98.08	(21%)
Edmonton Par (C\$/bbl) ⁽¹⁾	107.26	116.65	(8%)	100.69	123.68	(19%)
AECO daily index (\$/mcf) ⁽¹⁾	2.54	5.01	(49%)	2.62	5.53	(53%)

(1) Source: GLJ

Revenue in Q3/23 was \$1,030,617, a 15% increase from Q2/23 revenue of \$898,217 due to the consistent production quarter over quarter coupled with a 12% increase in WTI prices and the 6% increase in AECO daily index prices, offset by lower realized NGL prices.

Revenue in Q3/23 was \$1,030,617, an 8% increase from Q3/22 revenue of \$956,331 due to an increase in production by 18%, offset with a 10% decrease in WTI prices, 49% decrease in AECO prices, and 50% decrease in average production for the period.

The 8% decrease in revenue for the nine month period ending September 30, 2023 compared to the same period in 2022, was attributable to the 15% decrease in the percentage of oil and NGL production, a 21% decrease in WTI prices, 53% decrease in AECO prices, offset by a 31% increase in average production for the period.

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Commodity Price Risk Management

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
Unrealized gain on derivatives	24,469	-	100%	24,469	-	100%
\$/boe	1.87	-	100%	0.59	-	100%
Percent of revenue (%)	2%	-	100%	1%	-	100%

During the Q3/23, the Company entered into a physical crude oil agreement to hedge 50 bbls/d with a price of \$116.50 per US barrel. The six month term of the hedging contract, commences October 1, 2023 and ending March 31, 2024.

The fair value of outstanding risk management contracts resulted in a derivative financial instrument asset and associated unrealized gain of \$24,469 as of September 30, 2023.

Royalties

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
Royalty expenses	118,164	180,763	(35%)	390,821	594,874	(34%)
\$/boe	9.02	16.32	(45%)	9.37	18.57	(50%)
Percent of revenue (%)	11%	19%	(42%)	13%	19%	(32%)

Royalty expenses as a percentage of revenue decreased to 11% in Q3/23 from 19% in Q3/22 as a result of lower realized oil prices and lower royalty rates associated with the assets from the Danzig Acquisition which closed in Q3/22. The Company expects that average royalty expenses as a percentage of revenue will continue to fluctuate with changes to benchmark oil and natural gas prices.

Net Production Expenses

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
Production expenses	688,865	661,952	4%	2,128,757	1,554,089	37%
Less: processing income	(28,065)	(18,255)	54%	(76,535)	(36,727)	108%
Total net production expenses ⁽¹⁾	660,800	643,697	3%	2,052,222	1,517,362	35%
Total (\$/boe) ⁽²⁾	50.43	58.12	(13%)	49.20	47.36	4%

1. Non-IFRS Financial Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Net production expenses remained consistent at \$660,800 in Q3/23 from \$643,697 in Q3/22 but decreased on a per boe basis by 13% from \$58.12/boe in Q3/22 to \$50.43/boe in Q3/23 due to a 18% increase in production. The increase in production, was offset by one month of costs associated with the 3.0 net well workover program which commenced in Q2/23, as well as a full provision for cleanup costs associated with a saltwater disposal line failure at the end of September 2023. All AER required remediation has been completed as of the date of this MD&A. Net

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production expenses remained consistent from \$676,128 in Q2/23. The Company will focus on reducing net production expenses during the remainder of 2023 and into fiscal 2024.

Operating Netback Per BOE

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$/boe)						
Average realized sales	78.65	86.35	(9%)	70.66	100.15	(29%)
Royalty expenses	(9.02)	(16.32)	(45%)	(9.37)	(18.57)	(50%)
Net production expenses ⁽¹⁾	(50.43)	(58.12)	(13%)	(49.20)	(47.36)	4%
Operating netback ⁽¹⁾	19.20	11.91	61%	12.09	34.22	(65%)
Unrealized gain on derivatives	1.87	-	100%	0.59	-	100%
Operating netback, net of derivatives ⁽¹⁾	21.07	11.91	77%	12.68	34.22	(63%)

1. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Operating netbacks before derivatives increased by 245% in Q3/23 to \$19.20/boe from 5.56/boe in Q2/23 due to higher commodity prices as described above and reduced royalties and production expenses on a per boe basis.

Operating netbacks before derivatives increased by 61% in Q3/23 compared to Q3/22 due to lower royalty and production expenses and decreased by 65% when comparing YTD/23 to YTD/22, due to lower commodity prices, an increase in net production expenses on a per boe basis, offset by a reduction in royalty rates.

During Q3/23, the Company entered a physical crude oil hedge, resulting in an additional gain of \$1.87/boe, bringing Operating netback, net of derivatives to \$21.07/boe. No hedges existed in previous periods.

General and Administrative ("G&A") Expenses

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
Gross G&A expenses	190,922	100,578	90%	513,058	416,046	23%
Net G&A expenses	190,922	100,578	90%	513,058	416,046	23%
Total (\$/boe)	14.57	9.08	60%	12.30	12.99	(5%)

Net G&A expenses increased by 90% to \$190,922 in Q3/23 compared to \$100,578 in Q3/22 and increased on a per boe basis by 60% to \$14.57/boe from \$9.08/boe, respectively during the same periods. This is primarily due to an increase in consultant fees for engineering and accounting, as well as increased insurance costs associated with the two asset purchases during 2022. Net G&A expense YTD/23 was comparable to YTD/22. The Company currently does not capitalize any G&A costs.

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Stock-Based Compensation Expense

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
Total expenses stock-based compensation	40,387	80,942	(50%)	250,267	328,557	(24%)
Total (\$/boe)	3.08	7.31	(58%)	6.00	10.25	(41%)

Pursuant to the Company's stock option plan, the Company may grant up to an aggregate of 10% of the outstanding common shares as Options to officers, employees, directors and consultants of the Company (the "Stock Option Plan"). The Company has adopted an annual option grant program, that typically takes place during the second quarter.

During the nine-month period ended September 30, 2023, the Company issued 1,044,000 stock options at an exercise price of \$0.20 compared to the grant of 2,940,000 stock options at an exercise price of \$0.20 in the comparable period of 2022.

Finance Expense

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
Interest on long term debt	-	2,284	(100%)	-	4,559	(100%)
Accretion of decommissioning obligations	32,447	17,945	81%	82,477	47,794	73%
Total finance expense	32,447	20,229	60%	82,477	52,353	58%
Total (\$/boe)	2.48	1.83	36%	1.98	1.63	21%

Total finance expense for the Q3/23 was higher than the same period in 2022 due to an increase to decommissioning obligations related to the Danzig acquisition, which occurred in Q4/22, that increased accretion expense. All long-term debt was paid off in fiscal 2022.

Impairment/Impairment Reversal of Property, Plant and Equipment

The Company has considered the impact of the evolving worldwide demand for energy, global advancement of alternative sources of energy not sourced from fossil fuels, changes in heavy oil differentials and discounts to commodity prices received in Canada in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company's oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years.

At the end of each reporting period, the Company assesses whether there were indicators of impairment or reversals of prior period impairments. The recoverable amount was calculated as the fair value of the assets which was determined using a discounted cash flow approach based on the December 31, 2022, reserve evaluation of proved plus probable reserves provided by an independent reserve evaluation.

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At September 30, 2023 there were no additional indicators of impairment or reversal of impairment identified on any of the Company's CGUs within property, plant and equipment and no impairment or reversal of impairment test was performed, which is consistent with the same period in 2022.

Depletion, Depreciation and Amortization ("DD&A")

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
DD&A	198,606	141,272	41%	603,970	405,302	49%
Total	198,606	141,272	41%	603,970	405,302	49%
DD&A (\$/boe)	15.16	12.76	19%	14.48	12.65	14%

DD&A expenses of \$15.16/boe in Q3/23 increased from \$14.16/boe in Q2/23 and \$12.76/boe in Q3/22. The Company uses the most recent independent reserve evaluation as the basis for calculating depletion and as such no reserve additions have been attributed to the current year capital expenditures thus causing an increase to DD&A per boe.

Adjusted Funds Flow and Net Income (Loss)

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
Cash flow from operating activities	2,195	270,889	(99%)	27,738	332,496	(92%)
Transaction costs	-	11,018	-	-	79,679	(100%)
Change in non-cash working capital	58,536	(287,221)	(120%)	19,281	300,315	(94%)
Adjusted funds flow	60,731	(5,314)	1243%	47,019	712,490	(93%)
Per share – basic ⁽²⁾	-	-	-	-	0.02	(100%)
Per share – diluted ⁽²⁾	-	-	-	-	0.02	(100%)
Net (loss) income	(186,240)	(258,766)	28%	(920,946)	(153,392)	(500%)
Per share – basic	-	(0.01)	100%	(0.02)	-	(100%)
Per share – diluted	-	(0.01)	100%	(0.02)	-	(100%)

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Adjusted funds flow (see "Non-IFRS Financial Measures") for the Q3/23 was \$60,731 compared to funds flow deficit of \$5,314 in the same period in 2022. This is largely due to the \$72,526 increase in net income with increased oil and natural gas volumes, lower royalties and reduction in net production expenses.

The Company also recorded a net loss of \$186,240 ((\$0.00) per share basic and diluted) in Q3/23 and a net loss of \$920,946 ((\$0.02) per share basic and diluted) in YTD/23 compared to a net loss of \$258,766 ((\$0.01) per share basic and diluted) and net loss of \$153,392 ((\$0.00) per share basic and diluted) for the same periods in 2022, respectively. This is primarily due to higher production volumes, lower royalty and net production expenses and the unrealized gain associated with the Company's oil hedge.

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Capital Expenditures (Including Exploration and Evaluation Expenditures)

The following table summarizes capital spending, excluding non-cash items:

	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
(\$)						
Intangible drilling and completion	41,514	-	100%	184,300	-	100%
Equipment and facilities	29,154	72,302	(60%)	282,627	326,227	(13%)
Total capital expenditures	70,668	72,302	(2%)	466,927	326,227	43%

Total capital expenditures decreased by 264% in Q3/23 to \$70,668 from \$257,406 in Q2/23 and decreased by 2% from \$72,302 in Q3/22. Capital expenditures during Q3/23 included finalization of a workover at Murray Lake (1-1) well, perforation and an acid program at Vulcan (5-21) well, and plant and battery equipment expenditures at Swan Hills Unit.

Share Capital

	September 30, 2023		December 31, 2022	
	Number	Amount (\$)	Number	Amount (\$)
Balance, opening	39,844,100	17,652,581	21,129,100	13,437,123
Non-brokered private placement	-	-	12,465,000	3,116,250
Issue of common shares – acquisition	-	-	4,500,000	1,110,000
Issued of common shares – Warrants exercised	100,000	30,000	700,000	52,500
Issue of common shares – Options exercised	-	-	1,050,000	78,750
Transfer on stock option exercise	-	-	-	56,495
Share issue costs	-	-	-	(198,537)
Balance, ending	39,944,100	17,682,581	39,844,100	17,652,581

	November 27, 2023	September 30, 2023	December 31, 2022
Common shares outstanding	39,944,100	39,944,100	39,844,100
Common shares held in treasury	-	-	-
Options outstanding	3,462,500	3,537,500	2,940,000
Warrants outstanding	-	-	6,232,500

Liquidity and Capital Resources

Tenth Avenue's strategy remains focused on preserving balance sheet strength. The Company strives to achieve this by managing capital spending levels as appropriate to respond to changes in realized commodity prices. The Company has generally relied on adjusted funds flow (see "Capital Management Measures") and access to equity through private placements to fund its capital requirements and provide liquidity.

Tenth Avenue had working capital surplus of \$82,510 as at September 30, 2023, compared to \$447,949 as at December 31, 2022 (see "Capital Management Measures").

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The Company's \$70,668 investment in capital additions during Q3/23 was fully funded by Tenth Avenue's adjusted funds flow (see "Capital Management Measures") of \$60,731 and the working capital surplus.

Unit Cost Calculation

For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel, unless otherwise stated. A boe conversion ratio of 6:1 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion complies with the Canadian Securities Administrators' National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Boe may be misleading, particularly if used in isolation.

Abbreviations

AECO	Natural gas storage facility located at Suffield, AB
bbbl	Barrel
bbbl/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CGU	cash-generating unit
DTH	dekatherm
GJ	Gigajoule
IFRS	International Financial Reporting Standards
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmbtu	one million British thermal units
NGL	natural gas liquids
WCS	Western Canadian Select
WTI	West Texas Intermediate

Non-IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures

This document contains the terms "net production expenses", "operating netback" and "operating field netback", which are non-IFRS financial measures, or ratios. The Company uses these measures to help evaluate Tenth Avenue's performance. These non-IFRS financial measures and ratios do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This document also contains the capital management measures of "quarterly adjusted funds flow", "net debt", "working capital deficiency (surplus)", "net debt to annualized adjusted funds flow", and "year-end net debt to trailing annual adjusted funds flow".

- a. **Adjusted Funds Flow (Capital Management Measure)** - Adjusted funds flow is calculated by taking cash-flow from operating activities on a periodic basis and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs since Tenth Avenue believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Tenth Avenue uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt, pay dividends and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating income (loss) per share, which results in the measure being considered a non-IFRS financial ratio. Adjusted funds flow can also be calculated on a per boe basis, which results in the measure being

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considered a non-IFRS financial ratio. The calculation of the Company's adjusted funds flows is summarized starting on page 13 in the section titled "Adjusted Funds Flow and Net Income (Loss)".

- b. **Net Production Expenses, Operating Netback and Operating Field Netback (Non-IFRS Financial Measures, and Non-IFRS Financial Ratios if calculated on a per boe basis)** - Management uses certain industry benchmarks, such as net production expenses, operating netback and operating field netback, to analyze financial and operating performance. Net production expenses are determined by deducting processing income primarily generated by processing third party volumes at processing facilities where the Company has an ownership interest. Under IFRS this source of funds is required to be reported as revenue. Where the Company has excess capacity at one of its facilities, it will process third party volumes as a means to reduce the cost of operating/owning the facility, and as such third party processing revenue is netted against production expenses in the MD&A. Operating netback equals total petroleum and natural gas sales, including realized gains and losses on commodity and foreign exchange derivative contracts, less royalties, net production expenses and transportation expense and can also be calculated on a per boe basis, which results in them being considered a non-IFRS financial ratio. Operating field netback equals total petroleum and natural gas sales, less royalties, net production expenses and transportation expense. These metrics can also be calculated on a per boe basis. Management considers operating netback and operating field netback important measures to evaluate Tenth Avenue's operational performance, as it demonstrates field level profitability relative to current commodity prices. The calculation of the Company's netbacks can be seen starting on page 10 in the section titled "Operating Netback".
- c. **Net Debt and Working Capital Deficiency (Surplus) (Capital Management Measure)** - Tenth Avenue closely monitors our capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of our capital structure. The Company uses net debt (bank debt plus senior unsecured notes plus working capital surplus or deficiency, including the fair value of cross-currency swaps, plus government loan and excluding the fair value of financial instruments, decommissioning obligations, lease liabilities and the cash award incentive plan liability) as an alternative measure of outstanding debt. Management considers net debt an important measure to assist in assessing the liquidity of the Company.

	September 30, 2023	December 31, 2022
(\$)		
Cash and cash equivalents	(295,029)	(704,218)
Accounts payable and accrued liabilities	997,406	921,343
Accounts receivable	(487,462)	(440,240)
Prepaid expenses and deposits	(272,956)	(224,834)
Derivative financial instruments	(24,469)	-
Working capital (surplus)	(82,510)	(447,949)
Long term debt	-	-
Net (surplus) debt	(82,510)	(447,949)

- d. **Net Debt to Annualized Adjusted Funds Flow (Capital Management Measures)** - Management uses certain industry benchmarks, such as net debt to annualized adjusted funds flow, to analyze financial and operating performance. This benchmark is calculated as net debt divided by the annualized adjusted funds flow for the most recently completed quarter. Management considers net debt to annualized adjusted funds flow as a key measure as it provides a snapshot of the overall financial health of the Company and our ability to fund capital requirements, dividend payments, pay off debt and take on new debt, if necessary, using the most recent quarter's results. The calculation of the Company's

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net debt to annualized adjusted funds flow can be seen starting on page 16 in the section titled "Liquidity and Capital Resources".

- e. **Free Funds Flow (Capital Management Measure)** - Management uses certain industry benchmarks, such as free funds flow, to analyze financial and operating performance. This benchmark is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions, Management believes that free funds flow provides a useful measure to determine Tenth Avenue's ability to improve returns and to manage the long-term value of the business.

(\$)	Three months ended September 30			Nine months ended September 30		
	2023	2022	% change	2023	2022	% change
Adjusted funds flow	60,731	(5,314)	1243%	47,019	712,490	(93%)
Less: capital expenditures	(70,668)	(72,302)	2%	(466,927)	(326,227)	(43%)
Free funds flow	(9,937)	(77,616)	87%	(419,908)	386,263	(209%)

Selected Quarterly Information	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Sales volumes				
Natural Gas (mcf/d)	130	187	263	78
Oil and NGL (bbls/d)	121	112	129	133
Average boe/d (6:1)	142	143	173	134
Product prices				
Natural gas (\$/mcf)	3.70	2.37	4.13	10.35
Oil and NGL (\$/bbl)	88.74	84.26	79.04	68.84
Oil equivalent (\$/boe)	78.65	69.02	65.32	56.19
(\$)				
Financial results				
Gross Revenues	1,030,617	898,217	1,018,566	690,671
Cash provided by operating activities	2,195	51,449	(25,906)	257,616
Adjusted funds flow ⁽²⁾	60,731	(120,205)	106,493	(59,454)
Per share – basic	-	-	0.01	-
Per share – diluted	-	-	0.01	-
Net income (loss)	(186,240)	(466,342)	(268,364)	(2,258,883)
Per share – basic	-	(0.01)	(0.01)	(0.06)
Per share – diluted	-	(0.01)	(0.01)	(0.06)
Capital expenditures	70,668	257,406	138,853	517,575
Acquisitions ⁽¹⁾	-	-	-	-
Dispositions ⁽¹⁾	-	-	-	-
Total assets	6,407,268	6,617,920	6,878,804	7,068,035
Net debt ⁽²⁾	(82,510)	(67,978)	(445,589)	(447,949)
Decommissioning obligations	3,163,255	3,378,739	3,378,561	3,259,406

1. Includes cash and non-cash consideration.

2. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A

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Critical Accounting Estimates

Management is required to make judgments, assumptions, and estimates in applying its accounting policies which have significant impact on the financial results of the Company. The following outlines the accounting policies involving the use of estimates that are critical to understanding the financial condition and results of operations of the Company:

- a. **Oil and natural gas reserves** – Proved reserves, as defined by the Canadian Securities Administrators in NI 51-101 with reference to the Canadian Oil and Gas Evaluation Handbook, 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 likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.
- b. **Carrying value of property, plant and equipment (“PP&E”)** – PP&E is measured at cost less accumulated depletion, depreciation, amortization, impairment losses and impairment reversals. The net carrying value of PP&E and estimated future development costs is depleted using the unit-of production method based on estimated proved and probable oil and natural gas reserves. Changes in estimated proved and probable oil and natural gas reserves or future development costs have a direct impact on the calculation of depletion expense.

The Company is required to use judgment when designating the nature of oil and gas activities as exploration and evaluation (“E&E”) assets or development and production assets within PP&E. E&E assets and development and production assets are aggregated into CGUs based on their ability to generate largely independent cash inflows. The allocation of the Company’s assets into CGUs requires significant judgment with respect to the use of shared infrastructure, geographic proximity, existence of active markets for the Company’s products, the way in which management monitors operations and materiality.

Significant management judgments are required to analyze the relevant external and internal indicators of impairment or impairment reversal for a CGU with the estimate of proved and probable oil and natural gas reserves and the related cash flows being significant to the assessment.

The Company assesses PP&E for impairment or impairment reversal whenever events or changes in circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. If any such indication of impairment or impairment reversal exists, the Company performs an impairment test related to the specific CGU. The determination of the estimated recoverable amount of a CGU is based on estimates of proved and probable oil and natural gas reserves and the related cash flows. By their nature, these estimates of proved and probable oil and natural gas reserves and the related cash flows are subject to uncertainty including significant assumptions related to forecasted oil and natural gas commodity prices, forecasted production, forecasted production costs, forecasted royalty costs and forecasted future development costs and the impact on the financial statements of future periods could be material.

The Company has considered the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company’s oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years. However, the ultimate period in which global energy markets can transition from carbon-based sources to alternative energy is highly uncertain. The Company will continue to monitor its estimates as the global demand for alternative energy sources continues to evolve.

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- c. **Decommissioning obligations** – The decommissioning obligations are estimated based on existing laws, contracts or other policies. The fair value of the obligation is based on estimated future costs for abandonments and reclamations discounted at a risk-free rate. The costs are included in PP&E and amortized over the useful life of the asset. The liability is adjusted each reporting period to reflect the passage of time, with the accretion expense charged to net earnings, and for revisions to the estimated future cash flows. By their nature, these estimates are subject to measurement uncertainty and the impact on the consolidated financial statements could be material.
- d. **Income taxes** – The determination of income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded.
- e. **Business combinations** – The application of the Company's accounting policy for business combinations requires management to make certain judgments on a case-by-case basis as to the determination of the accounting method of an acquisition to determine if the assets acquired meet the definition of a business combination or an asset acquisition. In a business combination, management makes estimates of the acquisition-date fair value of assets acquired and liabilities assumed which includes assessing the estimated fair value of oil and natural gas interests (included in property, plant and equipment). The determination of the acquisition-date fair value of oil and natural gas interests involves significant estimates, including the estimate of proved and probable oil and natural gas reserves and the related cash flows and the discount rates. The estimate of proved and probable oil and natural gas reserves and the related cash flows includes significant assumptions related to forecasted oil and natural gas commodity prices, forecasted production, forecasted production costs, forecasted royalty costs and forecasted future development costs. The estimates of proved and probable oil and natural gas reserves and the related cash flows are prepared by the Company's external independent qualified reserves evaluator or internal reserves evaluator.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has designed disclosure controls and procedures ("DCP") 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 our 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 Company has designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. 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 ICFR.

No material changes in the Company's DCP and its ICFR were identified during the period ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. As a result, the Company's DCP and its ICFR were effective as at September 30, 2023.

It should be noted that a control system, 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.

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Business Risks

Tenth Avenue 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. For additional information on the risks relating to Tenth Avenue's business, see "Risk Factors" in Tenth Avenue's Annual Information Form for the year ended December 31, 2022.

a. Continued Volatility in Commodity and Petroleum Products Prices

Tenth Avenue's financial performance is significantly dependent on the prevailing prices of crude oil, refined products and natural gas. Crude oil prices are impacted by a number of factors, including, but not limited to: global and regional supply and demand; global economic conditions including factors impacting global trade and disruption of trade routes; the actions of OPEC and other non-OPEC oil exporting nations, including, but not limited to, compliance or non-compliance with production quotas agreed upon by OPEC members or decisions by OPEC not to impose production quotas on its members; development, adoption, pricing and availability of alternate sources of energy; actions of domestic and foreign governments, regulatory bodies and quasi-regulatory bodies that may impact commodity prices; enforcement of environmental or emissions regulations; public sentiment towards the use of fossil fuels, including crude oil; political stability and social conditions in oil-producing countries; outbreak of war, including Russia's military invasion of Ukraine; market access constraints and transportation interruptions (pipeline, marine or rail); outbreak or continuation of a pandemic; terrorist threats; technological developments; the occurrence of natural disasters; and weather conditions.

Certain difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, the difficulties encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the oil and natural gas industry in western Canada has led to additional downward price pressure on oil and natural gas produced in western Canada. The overall impact of these market conditions and the potential for decreased confidence in the Canadian crude oil and natural gas industry could materially and adversely affect Tenth Avenue's business, prospects, financial condition, results of operations and cash flows.

Ongoing military tensions between Russia and Ukraine have the potential to threaten the supply of oil and gas from the region. The long-term impacts of the tension between these nations remains uncertain.

The overall result of these events and conditions could lead to a prolonged period of volatile prices for oil and other petroleum products. Price volatility could result in reduced utilization and/or the suspension of operations at certain of the Company's facilities, buyers of the Company's products declaring force majeure and disruptions of pipeline and other transportation systems for the Company's products, which would further negatively impact Tenth Avenue's production, and could adversely impact Tenth Avenue's business, financial condition and results of operations.

b. Inflation Risk

The general rate of inflation in Canada and many other countries saw a significant increase during 2022 and into continuing into 2023, with some regions experiencing multi-decade highs. These increases reflect imbalances between supply and demand recoveries from the pandemic. The underlying factors include, but are not limited to, global supply chain disruptions, shipping bottlenecks, labor market constraints, geopolitical instability, and side effects from monetary and fiscal expansions.

The global economic recovery remains uncertain. Prices for services and materials continue to evolve in response to fast-changing commodity markets, industry activities, supply chain dynamics, and government policies impacting operating and capital costs. Tenth Avenue closely monitors market trends and works to mitigate cost impacts in all price environments through its economies of scale in procurement, efficient project management practices, and general productivity improvements. The global economic recovery and rising inflationary trends are widely expected to result in rising interest rates. The ongoing invasion of Ukraine is another factor that could influence inflation or other parts of the Canadian and global economy. On March 2, 2022, the Bank of Canada raised its benchmark interest rate by 25 basis points for the first time since 2018. Further interest rate increases are possible over the next twelve months.

c. Environmental and Climate Change Risk

As a result of growing international concern in respect of climate change, Tenth Avenue has seen a significant increase in focus on the transition to alternative, lower-carbon energy sources. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and environmental activists, and individuals, are increasingly seeking to develop and implement, among other things, regulatory and policy changes, changes in investment strategies and habits, and a restructuring of energy consumption profiles, which, individually and collectively are intended to or have the effect of accelerating the transition to less carbon-intensive energy sources and the reduction in global consumption of fossil fuels. Overall, Tenth Avenue is not able to estimate at this time the degree to which climate change related consumer behaviour, regulatory, climatic conditions, and climate-related transition risks could impact the Company's business, financial condition and results of operations.

Climate change may have actual or perceived adverse impacts on the Company's operations, business, and financial results, including an increase in the frequency of extreme climatic conditions. Weather and climate affect demand for crude oil and gas, and therefore, the predictability of weather and climate affects the Company's ability to accurately forecast supply and demand. In addition, the Company's operations, including exploration, production and construction operations, and the operations of major customers, suppliers and service providers, can be affected by acute and chronic physical climate risks, such as floods, forest fires, earthquakes, hurricanes, landslides, mudslides, and other extreme weather events, natural disasters or long-term shifts in weather patterns. This may result in cessation or diminishment of production, delay of exploration and development activities or delay in executing the Company's capital expenditure plans, which may require the Company to adopt increased or additional mitigation requirements.

Growing concerns over climate change have also led to an increase in climate and environment-centric disputes and litigation in various jurisdictions, including at a Federal and Provincial level, alleging various claims and registering complaints, including that energy producers contribute to climate change, that such entities are not reasonably managing business risks associated with climate change, and that such entities have not adequately disclosed business risks of climate change. While many such climate change related actions are in preliminary stages of litigation, and in some cases raise novel or untested issues and causes of action, the risk that legal, societal, scientific and political developments will increase the likelihood of successful climate change related litigation against energy producers remains uncertain. The outcome and ramifications of any such litigation is uncertain and may materially impact the Company's business, financial condition or results of operations. The Company may also be subject to negative or damaging publicity associated with such matters, which may adversely affect the public sentiment and the Company's reputation, regardless of whether the Company is ultimately found responsible for claims alleged. We may be required to incur significant expenses or devote significant resources in defense against any such litigation.

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Financial Risks

Financial risks include commodity pricing, exchange and interest rates and volatile markets. Commodity price fluctuations result from market forces completely out of the Company's control and can significantly affect the Company's financial results. In addition, fluctuations between the Canadian dollar and the US dollar can also have a significant impact. Expenses are all incurred in Canadian dollars while oil, and to some extent natural gas, prices are based on reference prices denominated in US dollars. Due to both of these factors, Tenth Avenue may enter into derivative instruments to partially mitigate the effects of downward price and foreign exchange volatility. To evaluate the need for hedging, management, with direction from the Board of Directors, monitors future pricing trends together with the cash flow necessary to fulfill capital expenditure requirements. Tenth Avenue will only enter into a hedge to reduce downside uncertainty of pricing, not as a speculative venture.

Operational Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Tenth Avenue depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, existing reserves and their subsequent production will decline over time as they are exploited. A future increase in Tenth Avenue's reserves will depend not only on its ability to explore and develop any properties it may have, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by Tenth Avenue.

Tenth Avenue endeavors to mitigate these risks by, among other things, ensuring that its employees are highly qualified and motivated. Prior to initiating capital projects, the Tenth Avenue technical team completes an economic analysis, which attempts to reflect the risks involved in successfully completing the project. In an effort to mitigate the risk of not finding new reserves, or of finding reserves that are not economically viable, Tenth Avenue utilizes various technical tools, such as 2D and 3D seismic data, rock sample analysis and the latest drilling and completions technology.

Insurance is in place to protect against major asset destruction or business interruptions, and includes, but is not limited to, events such as well blow-outs or pollution. In addition, Tenth Avenue cultivates relationships with its suppliers in an effort to ensure good service regardless of the prevailing cycle of oil and gas activity.

Operational risk is mitigated by having Tenth Avenue employees address the continued development of a new or established reservoir on a go-forward basis, using the same procedure that is used to address exploration risk. The decision to produce reserves is made based on the amount of capital required, production practices and reservoir quality. Tenth Avenue evaluates reservoir development based on the timing, amount of additional capital required and the expected change in production values. Finding and development costs are controlled when capital is employed in a cost-effective manner.

Regulatory Risks

Regulatory risks include the possibility of changes to royalty, tax, environmental, safety, and public disclosure and reporting legislation. Tenth Avenue endeavours to anticipate the costs related to compliance and budget sensibly for them. Changes to environmental and safety legislation may also cause delays to Tenth Avenue's drilling plans, its production efficiencies and may adversely affect its future earnings. The Company's exploration and production activities emit greenhouse gases ("GHG") which may require Tenth Avenue to comply with federal and/or provincial GHG emissions legislation. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. The direct or indirect costs of compliance

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with GHG-related regulations may have a material adverse effect on Tenth Avenue's business, financial condition, results of operations and prospects. Restrictive new legislation is a risk the Company cannot control.

The ISSB is expected to develop globally consistent, comparable and reliable standards for disclosing and reporting ESG and climate-related metrics. On March 31, 2022, the ISSB issued exposure drafts IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate related Disclosures". The Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts until a ballot is completed and the standards ratified. In addition, the Canadian Securities Administrators have issued a proposed NI 51-107 Disclosure of Climate-related Matters. The cost to implement and comply with these standards, and others, that may be developed or evolved over time, has not yet been quantified.

and the exposure drafts are open for comment until July 29, 2022. IFRS S1 "sets out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures." IFRS S2 "sets out the requirements for identifying, measuring and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting." The exposure drafts do not currently disclose an effective date for the application of any future sustainability standards and accordingly, the Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts. In addition, the Canadian Securities Administrators have issued a proposed NI 51-107 Disclosure of Climate-related Matters. The cost to implement and comply with these standards, and others, that may be developed or evolved over time, has not yet been quantified.

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 effects of the Company's acquisitions on the Company's strategy, land holdings and profitability, including, but not limited to, the Swan Hills acquisition, the Avalon acquisition, and the Danzig acquisition;
- the COVID-19 pandemic, the Company's and governmental authorities' current and planned responses thereto and the impact thereof on, without limitation, the Company in particular, including the Company's capital expenditure plans, and the oil and gas industry in general;
- uncertainty regarding the full impact of COVID-19 on global economies and oil demand and commodity prices, including the effects of recent outbreaks of COVID-19 in China;
- the timing of full economic recovery related to the COVID-19 pandemic;
- the impacts on the Company of the military conflict between Russia and Ukraine;

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- applications and grants under the Alberta Site Rehabilitation Program ("SRP"), the Federal Emissions Reduction Fund ("ERF"), the Alberta Methane Technology Information Program ("MTIP"), including estimates of expected funding, and repayment timing thereof, as applicable;
- the Company's commitment to advancing ESG practices, managing greenhouse gas emissions and to continued Indigenous and community partnerships in the areas where it operates;
- the potential impact of ESG disclosure and reporting policies and standards imposed by the ISSB and proposed NI 51-107;
- expectations regarding the estimated recoverable amount of the Company's oil and gas properties, royalty rates as a percentage of revenue, and committed capital spending to develop the GORR lands and timing thereof;
- expectations relating to future realized commodity prices, volatile commodity prices, royalty rates and oil price differentials and the effects thereof, including with respect to revenue, earnings and stability to oil pricing;
- the Company's diversification strategy, including the Company's third-party gas sales contracts, and the effects thereof on risk mitigation, price exposure and realized price improvements;
- the Company's plans in respect of returns of capital, including base dividend and enhanced return programs;
- expectations relating to cash tax, tax pools, and deferred tax assets, including in respect of deferred income tax;
- contractual obligations and commitments;
- estimates used to calculate decommissioning obligations and depletion of PP&E; and
- the Company's expectations regarding inflation and interest rates. With respect to the forward-looking statements contained in this MD&A, Tenth Avenue has made assumptions regarding, among other things:
 - future commodity prices, price differentials and the actual prices received for the Company's products;
 - expected net production expenses and transportation expenses;
 - estimated proved and probable oil and natural gas reserves;
 - the effects of heavy volume apportionment and fluctuating diluent costs on the heavy oil market in Alberta;
 - the ability to obtain equipment and services in the field in a timely and efficient manner;
 - the ability to add production and reserves through acquisition and/or drilling at competitive prices;
 - the timing of anticipated future production additions from the Company's properties and acquisitions;
 - the realization of anticipated benefits of acquisitions, including the acquisitions and the related drilling programs;
 - the ability to explore and realize benefits from exposure to diversified gas markets;
 - drilling results, including field production rates and decline rates;
 - the performance of the waterflood projects;
 - the continued application of horizontal drilling and fracturing techniques and pad drilling;
 - the continued availability of capital and skilled personnel;
 - the ability to obtain financing on acceptable terms;
 - the accuracy of Tenth Avenue's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation;
 - the impact of increasing competition;
 - the ability of the Company to secure adequate product transportation;
 - the ability to enter into future commodity derivative contracts on acceptable terms;
 - the continuation of the current tax, royalty and regulatory regime;
 - the volatility in commodity prices and oil price differentials and the resulting effect on Tenth Avenue'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;
 - 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;

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- the ability to maintain financial flexibility;
- Tenth Avenue's ability to execute its plans in response to the COVID-19 pandemic; and
- the impact of inflation on costs and interest rates.

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 headings "Unit Cost Calculation", "Non-IFRS Financial Measures", "Critical Accounting Estimates", "Disclosure Controls and Internal Controls over Financial Reporting", "Business Risks", "Financial Risks", "Operational Risks" and "Regulatory Risks";
- the material assumptions and observations described under the headings "Operational and Financial Highlights", "COVID-19 Response", "Sustainability", "Production", "Petroleum and Natural Gas Sales", "Royalties", "Net Production Expenses", "Transportation Expense", "Operating Netback", "General and Administrative ("G&A") Expenses", "Stock-Based Compensation Expense", "Finance Expense", "Depletion, Depreciation and Amortization ("DD&A")", "Impairment (Impairment Reversal) of Property, Plant and Equipment", "Income Taxes", "Adjusted Funds Flow and Net Income (Loss)", "Capital Expenditures (Including Exploration and Evaluation Expenditures)", "Acquisitions and Dispositions", "Share Capital", "Liquidity and Capital Resources", "Bank Debt", "Commitments", "Contingency" and "Selected Quarterly Information";
- the COVID-19 pandemic and the impact on the Company's business, financial condition and results of operations;
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production and including continued weakness and volatility in commodity prices and petroleum product prices;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved and probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation costs and future development costs;
- the ability to access sufficient capital from internal and external sources;
- changes in tax, royalty and environmental legislation and any government policy;
- any legal proceedings, the results thereof and the impact on the Company's business, financial condition and results of operations;
- 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

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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 Tenth Avenue are included in reports on file with applicable securities regulatory authorities, including but not limited to Tenth Avenue's Annual Information Form for the year ended December 31, 2022, which may be accessed on Tenth Avenue's SEDAR+ profile www.sedarplus.ca or on the Company's website at www.tenthavenuepetroleum.com

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tenth Avenue's prospective results of operations, production, free funds flow, net debt, net debt to annualized adjusted funds flow, corporate decline rates, royalty rates and components thereof, 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-IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures", and should not be used for purposes other than those for which it is disclosed herein. Tenth Avenue 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, Tenth Avenue'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 Tenth Avenue 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.