



MANAGEMENT DISCUSSION AND ANALYSIS
For the three and nine months ended September 30, 2025 and 2024

November 28, 2025

This Management’s Discussion and Analysis (“MD&A”) of the financial condition and results of operations of Westgate Energy Inc. (“Westgate” or the “Company”) for the three and nine months ended September 30, 2025 is dated November 28, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2025 and September 30, 2024 (the “Financial Statements”) and the audited consolidated financial statements for the year ended December 31, 2024 and associated MD&A. The Financial Statements, including the comparative figures, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), representing generally accepted accounting principles (“GAAP”). This MD&A contains non-GAAP financial measures which are used by management to measure and analyze financial performance, financial position and cash flow and may not be comparable to similar measures presented by other entities. This MD&A contains forward-looking information based on the Company’s current expectations and projections. Readers should refer to the “Advisories and Other Guidance” section within this MD&A for further information on the material factors and assumptions underlying disclosed forward-looking information, and for important information regarding the Company’s non-GAAP financial measures, oil and gas advisories and abbreviations included in this MD&A. Unless otherwise stated herein all currency amounts indicated as “\$” in this MD&A are expressed in Canadian dollars.

Additional information relating to Westgate is available on SEDAR+ at www.sedarplus.ca, including Westgate’s annual information form for the year ended December 31, 2024 (the “AIF”).

Westgate Energy Inc.

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DESCRIPTION OF THE BUSINESS

Westgate is a Calgary based resources company engaged in the development and production of oil and natural gas in Western Canada with operations in the Killam, Beaverdam and Richdale areas of Alberta. The Company was formed on May 23, 2024, following the completion of a reverse takeover transaction (the “RTO”) whereby Westgate (formerly 763997 Alberta Ltd.) and Grafton Ventures Energy Holdings Corp. (“Grafton”) combined their respective businesses. Westgate’s common shares (the “Shares”) trade on the TSX Venture Exchange (the “TSXV”) under the symbol “WGT” and on the OTCQB Venture Market under the symbol “WGTF”.

Westgate is focused on the emerging Mannville Stack fairway located in East-Central Alberta and West-Central Saskatchewan. This fairway is characterized by known accumulations of medium and heavy oil and are being “unlocked” via the application of modern drilling techniques utilizing multi-lateral horizontal drilling. The application of these modernized multi-lateral drilling techniques to conventional heavy oil reservoirs has yielded strong oil economics in Western Canada.

Q3 2025 HIGHLIGHTS

Highlights for the three months ended September 30, 2025 include:

- Production in Q3 2025 averaged 434 boe/d compared to 213 boe/d in the same period of 2024, representing a 104% increase.
- September average production reached 628 boe/d with an oil weighting of 79%.
- The Company brought three horizontal wells on production in mid-August in the Beaverdam area of Alberta.
- The Company extended its convertible debenture until February 27, 2026. With the termination of the Moonshine Acquisition (as defined below), a \$700,000 deposit was returned and became available for the general use of the Company.

As at (\$'s, unless otherwise stated)	September 30, 2025	Dec. 31, 2024
LIQUIDITY AND BALANCE SHEET		
Cash	5,779,591	743,536
Working capital (Deficiency) ⁽¹⁾	(440,759)	124,306
Adjusted working capital (Deficiency) ⁽²⁾	4,347,700	124,306
Total assets	28,433,937	15,454,861
Total non-current liabilities	14,189,394	3,240,107
Total equity (deficit)	6,224,893	10,812,315

For the (\$'s, unless otherwise stated)	Three months ended September 30,		Nine months ended September 30,		
	2025	2024	2025	2024	
OPERATIONAL HIGHLIGHTS					
Production	boe/d	434	213	316	195
Petroleum, natural gas and NGL (“PNG”) sales		1,926,368	794,402	4,091,031	2,316,347
Realized Price ⁽²⁾	\$/boe	48.25	40.47	47.42	43.37
Operating Income (loss) ⁽³⁾		541,512	336,370	1,539,003	1,001,727
Operating Netback ⁽³⁾	\$/boe	13.56	17.14	17.84	18.76
Expenditures of exploration and evaluation (“E&E”)		-	(250,080)	-	(250,080)
Expenditures on property and equipment (“P&E”)		(3,020,090)	(3,413,834)	(8,531,032)	(4,333,412)
CORPORATE HIGHLIGHTS					
Loss and comprehensive loss		(4,784,770)	(487,454)	(6,627,070)	(2,551,218)
Per Share - basic and diluted	\$/Share	(0.07)	(0.01)	(0.11)	(0.06)
Cash flow from financing activities		(13,951)	(5,998)	15,508,903	6,841,627
Weighted average shares outstanding	#	66,869,318	50,328,051	61,355,562	40,151,144
Cash flow from (used in) operating activities		97,547	(700,416)	(1,446,695)	(1,449,633)
Per Share - basic and diluted	\$/Share	0.00	(0.01)	(0.02)	(0.04)
Adjusted Funds Flow ⁽³⁾		(403,440)	(152,776)	(1,138,005)	(1,200,283)
Per Share - basic and diluted ⁽³⁾	\$/Share	(0.01)	(0.00)	(0.02)	(0.03)

(1) Working capital is calculated as current assets minus current liabilities.

(2) Supplementary financial measure. Refer to the “Advisories and Other Guidance” section within this MD&A for additional information.

(3) Non-GAAP financial measure or non-GAAP ratio. Refer to the “Advisories and Other Guidance” section within this MD&A for additional information, including reconciliations to the most directly comparable GAAP measure.

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QUARTERLY RESULTS

(\$'s, unless otherwise stated)	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Production								
Oil (bbl/d)	297	130	137	151	97	86	88	33
Natural gas (mcf/d)	790	708	702	732	661	618	511	437
NGLs (bbl/d)	5	5	5	5	7	4	5	4
Total (boe/d)	434	253	259	278	213	193	178	110
Revenue:								
Crude oil	1,888,070	882,207	1,041,085	1,159,167	746,176	713,611	615,264	272,172
Natural gas	10,930	78,879	109,505	54,377	14,476	43,904	85,644	81,264
NGLs	27,368	25,140	27,847	29,137	33,750	33,642	29,880	25,844
PNG sales	1,926,368	986,226	1,178,437	1,242,681	794,402	791,157	730,788	379,280
Processing revenue	3,458	3,863	3,383	3,267	3,783	3,789	364	13,404
Total Revenue ⁽¹⁾	1,929,826	990,089	1,181,820	1,245,948	798,185	794,946	731,152	392,684
Royalties	(269,510)	(127,503)	(154,972)	(158,081)	(98,551)	(87,026)	(71,888)	(66,866)
Operating expenses	(1,118,804)	(384,920)	(507,023)	(652,962)	(363,264)	(319,159)	(382,668)	(345,366)
Operating Income (loss) ⁽¹⁾	541,512	477,666	519,825	434,905	336,370	388,761	276,596	(19,548)
Net income (loss) attributable to shareholders	(4,784,770)	(1,185,086)	(657,214)	(488,780)	(487,454)	(1,278,940)	(784,824)	(516,092)
Net income (loss) per share attributable to shareholders – basic and diluted	(0.07)	(0.02)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)
Expenditure on E&E	-	-	-	(2,336,887)	(250,080)	-	-	-
Expenditure on P&E	(3,020,090)	(4,844,842)	(666,100)	(658,137)	(3,413,834)	(326,374)	(593,204)	(2,466,978)
Acquisition of P&E	-	-	-	-	-	-	-	(11,683)
REALIZED PRICES ⁽²⁾								
Crude oil (\$/bbl)	69.08	74.41	84.44	83.42	83.85	91.68	76.54	89.36
Natural gas (\$/mcf)	0.15	1.23	1.73	0.81	0.24	0.78	1.84	2.02
NGLs (\$/bbl)	57.15	56.97	61.88	65.11	56.18	83.17	68.81	66.31
Realized Prices (\$/boe)	48.25	42.83	50.55	48.60	40.47	45.06	45.06	37.43
Processing revenue (\$/boe)	0.09	0.17	0.15	0.13	0.19	0.22	0.02	1.32
Royalties (\$/boe)	(6.75)	(5.54)	(6.65)	(6.18)	(5.02)	(4.96)	(4.43)	(6.60)
Royalties as a % of revenue ⁽²⁾	14%	13%	13%	13%	12%	11%	10%	18%
Operating expenses (\$/boe)	(28.02)	(16.72)	(21.75)	(25.54)	(18.50)	(18.18)	(23.60)	(34.08)
Operating Netback (\$/boe) ⁽¹⁾	13.57	20.74	22.30	17.01	17.14	22.14	17.05	(1.93)

(1) Non-GAAP financial measure or non-GAAP ratio. Refer to the "Advisories and Other Guidance" section within this MD&A for additional information.

(2) Supplementary financial measure. Refer to the "Advisories and Other Guidance" section within this MD&A for additional information.

Westgate's operating results have been improving quarterly since Q2 2023:

- In Q3 2025, production volumes increased to 434 boe per day as the three Beaverdam wells drilled in Q2 were brought on production. Because Beaverdam produces a heavier crude, realized prices were lower, and operating costs were temporarily elevated during the initial production period. Early in their life, the new wells produced higher sand volumes and lower oil cuts, requiring additional sand handling and disposal, which increased operating expenses on a per barrel basis
- In Q2 2025, production volumes decreased because of natural declines. Lower benchmark pricing led to lower realized prices, lower revenue and royalties. The operating costs returned to normalized lower levels consistent with Q2 and Q3 2024.
- In Q1 2025, production volumes decreased due to natural declines, also impacting the Company's revenues. The operating costs continued to be higher in Q1 2025 due to annual carbon tax and freehold mineral taxes.
- In Q4 2024, production volumes and revenue increased, mainly driven by the two wells drilled in Q3 2024. The royalty rates increased in Q4 2024 as the new wells were located on freehold lands with a higher average royalty rate than the previously drilled Crown lands. Operating expenses were higher in Q4 2024 as a result of non-recurring pump conversions and maintenance.
- In Q3 2024, the Company drilled and completed two wells in Killam, which drove higher production and revenue. Operating expenses in Q3 2024, which were in-line with production increases and royalties as a percentage of revenue, increased as the new wells had higher royalty rates of 13% and 15%, respectively.
- In Q2 2024, production volumes increased to 193 boe/d, with the slight increase driven by higher gas production as the Richdale wells produced flush production following a temporary offline period to abandon a suspended leg of a pipeline.

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- In Q1 2024, production volumes increased to 178 boe/d, which was driven by the new well drilled in Q4 2023 at Killam. The higher production led to lower royalties and operating costs on a per boe basis.

Realized prices for crude oil have been correlated to fluctuations in benchmark WTI and Edmonton Par prices, and for gas with benchmark AECO prices. In Q3 2025, the realized prices were impacted by a higher weighting to Western Canadian Select due to the new production brought online at Beaverdam.

Westgate's E&E spending during 2024 related to the acquisition of undeveloped lands in the new Beaverdam area. These lands were transferred into P&E in Q3 2025 with the successful drilling of three economic wells and recognition of their associated reserves. The P&E spending in Q2 and Q3 2025 related to drilling activities in the Beaverdam area and the construction of associated facilities.

CAPITAL EXPENDITURES

(\$'s, unless otherwise stated)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Land and lease	(5,658)	1,460	280,969	63,435
Drill, complete, equip & tie-in	1,677,491	2,680,091	5,808,955	2,812,867
Recompletions and workovers	3,022	37,793	124,147	89,605
Facilities optimization costs	1,245,675	622,620	2,068,157	1,099,415
Geological and geophysical	2,310	14,670	22,253	93,090
Capitalized G&A	97,250	57,200	226,551	175,000
Expenditures on property and equipment	3,020,090	3,413,834	8,531,032	4,333,412
Exploration and evaluation expenditures	-	250,080	-	250,080
Total capital expenditures	3,020,090	3,663,914	8,531,032	4,583,492

During the three and nine months ended September 30, 2025, Westgate incurred \$3,020,090 and \$8,531,032, respectively, in expenditures on property and equipment. The expenditures on property and equipment in 2025 related mainly to expenditures incurred for the three well development program at Beaverdam, including:

- \$4,257,956 for drilling, including \$4,133,703 for the three Beaverdam wells and \$124,253 for preliminary costs for the three wells planned to be drilled in Q4 2025;
- \$684,673 for completions, including \$683,479 for the three Beaverdam wells;
- \$866,325 for equipping and tie-in of the three Beaverdam wells; and
- \$2,068,157 to purchase and install Beaverdam production facilities.

During 2025, the Company also incurred \$124,147 on pump conversions for two wells and a reactivation at Killam, and \$226,551 of capitalized G&A which increased compared to the prior year due to the increased drilling activity related to the Beaverdam development.

Additionally, the Company incurred \$280,969 on land lease related costs during 2025. \$176,786 related to Beaverdam area lease access rights paid to the Elizabeth Metis Settlement. The remaining \$104,183 incurred related to the March 7, 2025 asset purchase and sale agreement with an arm's length, large, well-financed private oil and gas company for the strategic acquisition of Mannville Stack focused assets in East-Central Alberta for total consideration of \$7.0 million, subject to customary adjustments (the "Moonshine Acquisition"). A \$700,000 deposit was made during Q1 2025 related to the Moonshine Acquisition. The Company was not able to obtain all necessary third-party approvals and consents. As such, the Moonshine Acquisition was terminated in Q3 2025 with the \$700,000 deposit returned to Westgate and the fees of \$104,183 recorded as an acquisition expense in Q3, 2025.

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OPERATING RESULTS

(\$'s, unless otherwise stated)	Three Months Ended September 30,		Nine Months Ended September 30,		
	2025	2024	2025	2024	
Production					
Oil	bbl/d	297	97	189	90
Natural gas	mcf/d	790	661	734	597
NGLs	bbl/d	5	7	5	5
Total	Boe/d	434	213	316	195
Revenue:					
Crude Oil		1,888,070	746,176	3,811,362	2,075,051
Natural Gas		10,930	14,476	199,314	144,024
NGLs		27,368	33,750	80,355	97,272
Petroleum, natural gas and NGL sales		1,926,368	794,402	4,091,031	2,316,347
Processing income		3,458	3,783	10,704	7,936
Total Revenue ⁽¹⁾		1,929,826	798,185	4,101,735	2,324,283
Royalties		(269,510)	(98,551)	(551,985)	(257,465)
Operating expenses		(1,118,804)	(363,264)	(2,010,747)	(1,065,091)
Operating Income (loss) ⁽¹⁾		541,512	336,370	1,539,003	1,001,727
Expenditures on E&E		-	250,080	-	250,080
Expenditures on P&E		3,020,090	3,413,834	8,531,032	4,333,412
Acquisition of P&E		-	-	-	-
REALIZED PRICES⁽²⁾					
Crude Oil	\$/bbl	69.08	83.85	73.94	83.94
Natural Gas	\$/mcf	0.15	0.24	1.00	0.88
NGLs	\$/bbl	57.15	56.18	59.52	67.62
Realized Price ⁽²⁾	\$/boe	48.25	40.47	47.42	43.37
Processing revenue	\$/boe	0.09	0.19	0.12	0.15
Royalties	\$/boe	(6.75)	(5.02)	(6.40)	(4.82)
Royalties as a percentage of revenue ⁽²⁾	%	14%	12%	13%	11%
Operating expenses	\$/boe	(28.02)	(18.50)	(23.31)	(19.94)
Operating Netback ⁽¹⁾	\$/boe	13.57	17.14	17.83	18.76

(1) Non-GAAP financial measure or non-GAAP ratio. Refer to the "Advisories and Other Guidance" section within this MD&A for additional information, including reconciliations to the most directly comparable GAAP measures.

(2) Supplementary financial measure. Refer to the "Advisories and Other Guidance" section within this MD&A for additional information on supplementary financial measures.

Westgate's 2025 operating results improved significantly compared to 2024, driven mainly by the Killam wells drilled in Q3 2024 and the Beaverdam wells drilled in Q2 2025.

- Operating income increased in the three and nine months ended September 30, 2025 as compared to the same periods of 2024 due to higher production driving higher revenue, partly offset by higher royalties and operating expenses.
- Operating netback was lower for the three months ended September 30, 2025 and for the nine months ended September 30, 2025 compared to the same periods of 2024.
 - The decrease in Q3 2025 netback reflects temporarily higher operating costs associated with the initial production period of the new Beaverdam wells, which produce elevated sand volumes and lower oil cuts early in their life. This required additional sand handling and disposal, resulting in higher per barrel operating costs during startup.
 - Overall for Q3 2025 compared to Q3 2024, realized prices on a \$/boe basis increased due to an increased liquids ratio as a result of the new Beaverdam wells, royalties per boe were higher due to the increased production associated with the new Killam wells drilled in Q3 2024 and new Beaverdam wells drilled in Q2 2025 having a higher royalty rate, and operating costs were higher per boe mainly due to elevated costs associated with the initial production on the new Beaverdam wells.
 - Overall, for the nine months ended September 30, 2025, compared to the same period of 2024, realized prices on a \$/boe basis increased slightly due to a higher proportion of the production being liquids weighted (i.e. oil and NGL) which had a higher realized price than natural gas, partially offset by lower oil & NGL prices. Royalties per boe were higher due to the increased production associated with the new Killam wells drilled in Q2 2024 and Beaverdam wells drilled in Q2 2025 having higher royalty rates.

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General and administrative expenses (“G&A”)

(\$'s, unless otherwise stated)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Salary and consulting fees	464,151	357,553	1,260,533	1,134,210
Rent	34,078	31,694	100,984	96,547
Software and I.T.	48,808	46,592	140,864	127,129
Professional Fees	76,937	76,805	312,401	298,478
Office and other expense	48,816	97,869	256,239	178,430
Overhead recovery ¹	(73,488)	(59,261)	(122,327)	(90,146)
Gross G&A	599,302	551,252	1,948,694	1,744,648
Capitalized G&A	(102,251)	(57,200)	(231,551)	(175,000)
Net G&A	497,051	494,052	1,717,143	1,569,648
<i>Total</i>	<i>(\$/boe)</i>	<i>12.45</i>	<i>25.17</i>	<i>19.90</i>

(\$'s, unless otherwise stated)	Q3-2025	Q2-2025	Q1-2025	Q4-2024
Salary and consulting fees	464,151	448,836	347,546	354,104
Rent	34,078	33,578	33,328	34,040
Software and I.T.	48,808	47,951	42,303	41,845
Professional fees	76,937	90,386	132,458	134,027
Office and other expense	48,816	123,712	83,713	59,743
Overhead recovery	(73,488)	(34,648)	(14,191)	(16,824)
Gross G&A	599,302	709,867	639,526	606,935
Capitalized G&A	(102,251)	(81,801)	(47,500)	(67,500)
Net G&A	497,051	628,066	592,026	539,435
<i>Total</i>	<i>(\$/boe)</i>	<i>12.45</i>	<i>27.27</i>	<i>25.40</i>

Net G&A increased slightly in the three and nine months ended September 30, 2025 compared to the same periods in 2024 as Westgate continued to execute its strategic initiatives. Salary and consulting fees increased in 2025, along with capitalized G&A, as a result of increased staffing levels required for the increased production at Killam and development activity with the new core area at Beaverdam. Office and other expenses were lower in Q3 2025 due to reduced agent and filing fees and travel costs, and higher during the nine months ended September 30, 2025 as result of new ongoing public company costs starting in the third quarter of 2024 following completion of the RTO, including TSXV, investor relations and business development fees.

Depletion and Depreciation

(\$'s, unless otherwise stated)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Depletion and Depreciation	792,985	268,960	1,580,934	726,598
<i>Total</i>	<i>(\$/boe)</i>	<i>19.86</i>	<i>13.70</i>	<i>13.66</i>

(\$'s, unless otherwise stated)	Q3-2025	Q2-2025	Q1-2025	Q4-2024
Depletion and Depreciation	792,985	395,764	392,185	408,832
<i>Total</i>	<i>(\$/boe)</i>	<i>19.86</i>	<i>17.19</i>	<i>16.82</i>

The carrying costs for P&E directly associated with crude oil and natural gas operations, including estimated future development costs, are recognized as depletion expense in the statements of loss and comprehensive loss on a unit of production basis over proved plus probable reserves. The carrying costs of office and computer equipment are recognized as depreciation expense in the statements of loss and comprehensive loss on a straight-line or declining-balance basis. Depletion increased for the three and nine months ended September 30, 2025 as compared to the same periods in 2024 due to the wells drilled in Q3 2024 and Q2 2025 resulting in higher production. Depletion per boe increased for the three and nine months ended September 30, 2025 as compared to the same periods in 2024 as a result of pump conversion costs incurred in 2025 and facility construction for the Beaverdam area in 2025.

Impairment

For the Company’s P&E assets, the Company identified two cash generating units (“CGUs”) as of September 30, 2025, one for oil and another for gas, based on the lowest level at which properties generate cash inflows while applying judgment to consider factors such as similar reserve characteristics, geographical location, and shared infrastructure. The

Company determined that there were no impairment indicators on the Company’s CGUs, nor its E&E assets, as at September 30, 2025.

CORPORATE REVIEW

Liquidity and Capital Resources

Funding

For the remainder of 2025 and 2026, Westgate’s capital and operating activities are expected to be funded through cash flow from operating activities, existing cash and cash equivalents, and the funding commitments through equity and debt proceeds secured in 2025. Depending on the Company’s level of capital spend, acquisitions and the commodity price environment, the Company may require additional funding which could include debt, equity, joint ventures, asset sales or other external financing. The availability of any additional future funding will depend on, among other things, the current commodity price environment, the Company’s operating performance, the Company’s credit rating and the current availability of the equity and debt capital markets. As at September 30, 2025, the Company had working capital of approximately \$(440,759).² For Q3 2025, the Company incurred a net loss and comprehensive loss of \$4,784,770 (September 30, 2024 - \$487,454) and generated cash flows from operating activities of \$97,547 (September 30, 2024 – used cash flows of \$700,416).

The Company secured additional funding during the first nine months of 2025:

- During Q1 2025, Westgate secured a \$1.0 million revolving operating loan with ATB Financial (the “ATB Facility”). The ATB Facility was repayable on demand, was available for borrowing, guaranteed by Westgate Energy Operations Ltd. (“Westgate Energy Operations”), the Company’s wholly-owned subsidiary, and secured by a lien over all present and after acquired property of Westgate and Westgate Energy Operations. The commitment letter with respect to the ATB Facility amended and restated the prior commitment letter between ATB Financial and Westgate Energy Operations. The ATB Facility was to be used for the Company’s general corporate purposes, including managing working capital, but excluding capital expenditures and acquisitions. During Q1 2025, the Company drew \$255,000 against the ATB Facility. During Q2 2025, the Company repaid the \$255,000 owing on the ATB Facility.
- On March 7, 2025, the Company closed a non-brokered private placement offering of 700 convertible debenture units of the Company (the “2025 Private Placement Units”) to Art Agolli, a director of the Company, at a price of \$1,000 per unit for gross proceeds of \$700,000 (the “2025 Private Placement”). Each 2025 Private Placement Unit was comprised of \$1,000 principal amount of convertible unsecured subordinated debentures of the Company (the “2025 Convertible Debentures”) and 285 Share purchase warrants. The 2025 Convertible Debentures bear interest at the rate of 12.5 percent per annum. The 2025 Convertible Debentures are convertible at the election of the holder into Shares at a conversion price of \$0.25 until immediately before the earlier of the redemption or maturity of the 2025 Convertible Debentures or the change of control of the Company, and each warrant entitles the holder to acquire one Share at an exercise price of \$0.27 until March 7, 2026. The proceeds from the 2025 Private Placement were used to fund a \$700,000 deposit required under the Moonshine Acquisition. With the termination of the Moonshine Acquisition, the \$700,000 deposit was returned and became available for the general use of the Company. During the third quarter of 2025, the maturity date of the 2025 Convertible Debentures was extended until February 27, 2026 and the Company recognized a gain on modification of \$2,019.

(\$’s, unless otherwise stated)	Liability Component	Equity Component	Warrant Reserve	Total
Balance at December 31, 2024	-	-	-	-
Issuance of 2025 Convertible Debentures	691,871	1,673	6,456	700,000
Modification of 2025 Convertible Debentures	(2,019)	-	-	(2,019)
Interest added to principle	51,410	-	-	51,410
Accretion	8,428	-	-	8,428
Balance at September 30, 2025	749,690	1,673	6,456	757,819

- On April 2, 2025, Westgate closed a best-efforts public offering of 16,541,267 units of the Company (the “2025 Public Units”) at a price of \$0.15 per 2025 Public Unit for aggregate gross proceeds of approximately \$2.5 million (the “2025 Public Offering”). Each 2025 Public Unit was comprised of one Share and one Share purchase warrant (each a “2025 Warrant”). Each 2025 Warrant entitles the holder thereof to acquire one Share at an exercise price of \$0.24 until April 2, 2027. In connection with the 2025 Public Offering, Haywood Securities

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Inc., as sole agent and bookrunner, was issued 918,022 non-transferable compensation options of the Company (the “Broker Compensation Options”). Each Broker Compensation Option entitles the holder to acquire one Share at an exercise price of \$0.15 per Share until April 2, 2027. The Company intends to use the net proceeds from the 2025 Public Offering to fund drilling on the Company’s existing lands, future acquisitions, as well as for working capital and general corporate purposes.

	<i>Shares</i>	<i>Warrants Reserve</i>	<i>Total</i>
Gross proceeds	1,749,219	731,971	2,481,190
Issue costs – cash related	(468,908)	(190,308)	(659,288)
Initial cash proceeds	1,280,311	541,591	1,821,902
Issue costs – compensation shares	(41,598)	(17,407)	(59,005)
Net proceeds	1,238,713	524,184	1,762,897

- On April 3, 2025, Westgate closed a first lien senior secured loan for up to US\$25 million (the “Senior Secured Loan”) from Cibolo Energy Partners, LLC and certain of its affiliates (“Cibolo”), a Houston based firm focused on energy investment opportunities. The Senior Secured Loan is a multi-draw, non-revolving term loan facility of a maximum aggregate principal amount of up to US\$25.0 million. Westgate has made an initial draw of US\$10.0 million. An additional US\$10.0 million has been committed and remains available for draw. Additional commitments are subject to further approval by Cibolo. The Senior Secured Loan carries an interest rate due quarterly of SOFR plus 7.75%, with a SOFR floor of 4.25%, and will mature on April 3, 2029. Westgate Energy Operations has guaranteed the Senior Secured Loan. In connection with the Senior Secured Loan, Cibolo was issued 24,343,659 non-transferable Share purchase warrants (the “Cibolo Warrants”). Each Cibolo Warrant entitles the holder to acquire one Share at an exercise price equal to \$0.21 per Share until April 3, 2030, subject to certain adjustment features. The Company intends to use the Senior Secured Loan to fund drilling on its Beaverdam assets.

	Senior Secured Loan		
	Liability component	Warrant liability	Total
Carrying value – December 31, 2024	-	-	-
Borrowings – principal (US\$10,000,000)	12,413,353	1,892,647	14,306,000
Debt issue costs – original discount	(572,240)	-	(572,240)
Debt issue costs – cash related	(907,053)	(125,001)	(1,032,054)
Initial cash proceeds	10,934,060	1,767,646	12,701,706
Debt issue costs – warrant component to expense	-	125,001	125,001
Accretion of warrants and debt issue costs	283,528	-	283,528
Foreign exchange gain - unrealized	(385,000)	-	(385,000)
Revaluation of warrants at fair value	-	2,895,812	2,895,812
Carrying value – September 30, 2025	10,832,588	4,788,459	15,621,047

Risk Management Contracts

From time to time, the Company enters into derivative contracts to manage its commodity price risk. During the nine months ended September 30, 2025, the Company agreed to pay on a deferred basis US\$185,164 and entered into the following risk management contracts for crude oil:

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Contract	Term	Average Volume	Contract Price	Premium
Crude Oil (put)				
WTI oil put contract (floor)	Oct. 1, 2025 – Dec. 31, 2025	59 bbl/day	\$59.30 USD/bbl	\$6.45 USD/bbl
WTI oil put contract (floor)	Jan. 1, 2026 – Mar.31, 2026	54 bbl/day	\$59.20 USD/bbl	\$7.32 USD/bbl
WTI oil put contract (floor)	Apr. 1, 2026 – Jun. 30, 2026	51 bbl/day	\$59.30 USD/bbl	\$7.87 USD/bbl
WTI oil put contract (floor)	Jul. 1, 2026 – Sep. 30, 2026	47 bbl/day	\$59.30 USD/bbl	\$8.39 USD/bbl
Crude Oil (Swap)				
WTI Oil OTC Fixed/Float Swap	Oct. 1, 2026 – Dec. 31, 2026	43 bbl/day	\$60.92 USD/bbl	-

Subsequent to September 30, 2025, the Company entered into the following financial commodity risk contracts:

Contract	Term	Average Volume	Contract Price	Premium
Crude Oil (Swap)				
WTI Oil OTC Fixed/Float Swap	Nov. 1, 2025 – Dec. 31, 2025	191 bbl/day	\$81.91 CAD/bbl	-
WTI Oil OTC Fixed/Float Swap	Jan. 1, 2026 – Mar.31, 2026	226 bbl/day	\$82.02 CAD/bbl	-
WTI Oil OTC Fixed/Float Swap	Apr. 1, 2026 – Jun. 30, 2026	212 bbl/day	\$81.99 CAD/bbl	-
WTI Oil OTC Fixed/Float Swap	Jul. 1, 2026 – Sep. 30, 2026	202 bbl/day	\$82.00 CAD/bbl	-
WTI Oil OTC Fixed/Float Swap	Oct. 1, 2026 – Dec. 31, 2026	177 bbl/day	\$82.00 CAD/bbl	-
WTI Oil OTC Fixed/Float Swap	Jan. 1, 2027 – Mar.31, 2027	193 bbl/day	\$82.01 CAD/bbl	-

Outstanding Share Data

The Company’s authorized share capital consists of an unlimited number of Shares and an unlimited number of preferred shares, issuable in series (of which nil are issued and outstanding). The following table summarizes the issued and outstanding Shares and the Company’s issued and outstanding securities convertible into, or exercisable or exchangeable for Shares:

	Shares	Amount
Balance, January 1, 2024 (pre-consolidation)	89,923,120	7,974,208
Share cancellation - Grafton	(89,923,120)	-
Issuance of shares - Grafton Conversion	30,963,659	-
Issuance of shares - non-brokered	7,770,496	2,442,283
Issuance of shares - brokered	8,379,009	3,135,049
Issuance of shares - pre-RTO	3,214,887	934,461
Share issue costs	-	(385,941)
Balance, December 31, 2024	50,328,051	14,100,060
Issuance of shares – 2025 Public Units	16,541,267	1,749,219
Share issue costs	-	(510,506)
Balance, September 30, 2025	66,869,318	15,338,773

As at September 30, 2025, there were 66.9 million Shares, 1.6 million restricted share units (“RSUs”), 0.1 million deferred share units (“DSUs”), 3.4 million stock options (“Options”) and 0.9 million Broker Compensation Options outstanding, and 2.8 million potential Shares issuable pursuant to the 2025 Convertible Debentures and 57.6 million potential Shares issuable under warrants outstanding.

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Warrants

The following table summarizes the Company's issued and outstanding warrants:

	Nine Months Ended		Nine Months Ended	
	September 30, 2025		September 30, 2025	
	Liabilities		Equity	
	Units	Amount	Units	Amount
Balance at December 31, 2024	-	-	16,485,068	1,363,508
Issuance of warrants – 2025 Private Placement	-	-	199,500	6,456
Issuance of warrants – 2025 Public Offering	-	-	16,541,267	731,971
Warrant issue costs – 2025 Public Offering	-	-	-	(207,787)
Issuance of warrants - Senior Secured Loan	24,343,659	1,892,647	-	-
Revaluation of warrants at fair value	-	2,895,812	-	-
Balance at September 30, 2025	24,343,659	4,788,459	33,225,835	1,894,148

Stock-based compensation

The Company has an omnibus equity incentive plan (the “Plan”) that permits the grant of Options, RSUs, performance share units (“PSUs”), and DSUs to employees, directors and consultants. The Plan is a “rolling up to 10% and fixed up to 10%” security-based compensation plan in accordance with section 3.1(c) of Policy 4.4 of the TSXV Corporate Finance Manual. The Plan is a “rolling plan” with respect to the Options and a “fixed plan” with respect to the RSUs, PSUs and DSUs. This means that the aggregate maximum number of Shares available for issuance pursuant to the exercise of Options under the Plan is 10% of the total issued and outstanding Shares from time to time, while the aggregate maximum number of Shares available for issuance on the settlement of RSUs, PSUs and DSUs is limited to a set number determined as at the effective date of the Plan (being 6,686,931 Shares). The Options have been accounted for as equity-based stock-based compensation plans. The RSUs and DSUs have been accounted for as cash-settled stock-based compensation plans.

The fair values of the equity settled awards are initially measured using the Black-Scholes model using an estimated forfeiture rate, volatility, risk-free rate and expected life. The fair value is recorded as stock-based compensation over the vesting period with a corresponding amount reflected in contributed surplus. When Options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. If the Company elects to pay the equity-based awards in cash, the amount previously recorded as contributed surplus is reversed up to the cash payment amount, with any additional amount being expensed immediately.

The RSUs and DSUs are cash-settled stock-based compensation plans. RSUs and DSUs fair values are expensed over the vesting period with a corresponding liability recognized. The liability under the Plan is revalued at each reporting date based on the Company's closing Share price with any subsequent changes in value recognized in the consolidated statements of loss and comprehensive loss.

For employees who are working on capital projects, a portion of stock-based compensation may be capitalized to P&E or E&E assets. For the remainder of employees, the compensation is expensed.

The following tables summarize the Company's outstanding stock-based compensation units:

	RSUs	DSUs	Options
Units outstanding at December 31, 2024	1,674,000	126,000	3,600,000
Units forfeited and cancelled	(108,000)	-	(216,000)
Units outstanding at September 30, 2025	1,566,000	126,000	3,384,000

(\$'s, unless otherwise stated)	September 30, 2025		December 31, 2024	
	Outstanding	Exercisable	Outstanding	Exercisable
RSUs	1,566,000	783,000	1,674,000	-
DSUs	126,000	63,000	126,000	-
Cash-settled units	1,692,000	846,000	1,800,000	-
Options - equity-based units	3,384,000	1,128,000	3,600,000	-
Total stock-based compensation units	5,076,000	1,974,000	5,400,000	-

The following table summarizes the Company's stock-based compensation expense:

	Three Months ended September 30		Nine Months ended September 30	
	2025	2024	2025	2024
RSU - cash-settled expense	77,210	-	225,103	-

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DSU - cash settled expense	7,561	-	18,693	-
Total - cash-based expense	84,771	-	243,796	-
Options - equity-based expense	41,237	-	209,617	-
Stock-based compensation expense	126,008	-	453,413	-

The liabilities under the cash-settled plans are revalued at each reporting date based on the Share price on the TSXV. The following table reconciles the Company's cash-settled stock-based liability:

Periods ended (\$'s, unless otherwise stated)	Nine Months Ended September 30, 2025	Year Ended Dec. 31, 2024
Cash-settled stock-based liability, beginning of periods	120,368	-
RSUs - cash-settled expense	225,103	111,942
DSUs - cash-settled expense	18,693	8,426
Cash-settled stock-based liability, end of periods	364,164	120,368
Presented as:		
Current (within accounts payable and accrued liabilities)	364,164	76,008
Long-term	-	44,360

Finance Expenses (Income)

(\$'s, unless otherwise stated)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Accretion of decommissioning obligations	28,368	23,855	79,544	69,156
Accretion and non-cash interest for 2025 Convertible Debentures	26,224	-	59,838	-
Accretion of debt issue costs on Senior Secured Loan	147,702	-	283,528	-
Accretion	202,294	23,855	422,910	69,156
Warrant liability issue expense	-	-	125,001	-
Operating loan fees	-	-	72,696	-
Interest expense	419,188	-	832,936	-
Total finance expense	621,482	23,855	1,453,543	69,156
Interest income	(104,047)	(59,721)	(255,225)	(153,054)
Net finance expense (income)	517,435	(35,866)	(1,198,318)	(83,898)

(\$'s, unless otherwise stated)	Q3-2025	Q2-2025	Q1-2025	Q4-2024
Accretion of decommissioning obligations	28,368	24,871	26,306	24,160
Accretion and non-cash interest for 2025 Convertible Debenture	26,224	26,308	7,305	-
Accretion of debt issue costs on Senior Secured Loan	147,702	135,826	-	-
Accretion	202,294	187,005	33,611	24,160
Warrant liability issue expense	-	125,001	-	-
Operating loan fees	-	72,696	-	-
Interest expense	419,188	411,622	2,085	7
Total finance expense (income)	621,482	796,365	35,696	24,167
Interest income	(104,047)	(143,989)	(7,189)	(27,480)
Net finance expense (income)	517,435	652,376	28,507	(3,313)

Interest income decreased in Q3 2025 as a result of the decreased cash and cash equivalents on hand related to the payment of capital expenditures, and interest expense increased due to fluctuations in the SOFR rate. Cash and cash equivalents are held in bank accounts and an interest-bearing Guaranteed Investment Certificate, with a rate of interest lower than that on the senior secured debt.

COMMITMENTS AND CONTINGENCIES

The Company had no commitments as at September 30, 2025 (December 31, 2024 – Nil).

RELATED PARTY TRANSACTIONS

Transactions with related parties are recorded at negotiated and agreed amounts for services provided. During the nine months ended September 30, 2025, the transactions the Company had with its directors, related persons or controlled entities were in the normal course of business, including consulting fees and unit issuances.

During Q1 2025, the Company closed the 2025 Private Placement and, during Q3 2025, the Company amended those terms as described in the "Corporate Review - Liquidity and Capital Resources" section of this MD&A. As at September

30, 2025, the Company paid \$100,939 for office rent to a company controlled by a director of Westgate (September 30, 2024 - \$96,547).

OFF-BALANCE SHEET TRANSACTIONS

The Company had no material off-balance sheet transactions during the period ended September 30, 2025.

CHANGES IN ACCOUNTING POLICIESConvertible debentures

Following the issuance of the 2025 Convertible Debentures, the Company made certain changes to its accounting policies to account for the liability and equity components of the 2025 Convertible Debentures. Convertible debentures with both a liability and an equity component are accounted for and presented separately according to their substance based on the definitions of liabilities and equity. The split is made at issuance and not revised for subsequent changes in market interest rates, share prices, or any other event that changes the likelihood that the conversion option will be exercised. The liability portion of convertible debentures represents the Company's contractual obligation to pay cash, and the equity portion represents the holder's option to convert the liability into common shares or share purchase warrants attached to the compound instrument. Warrant value has been determined when the initial carrying amount of a compound financial instrument is required to be allocated to its equity and liability components, the equity component is assigned the residual amount after deducting the fair value of the liability component from the proceeds received for the compound instrument as a whole; or when the residual method is not applicable, utilizing a Black Scholes options pricing model.

CONTROLS AND PROCEDURES

Westgate is required to comply with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings. The certificate requires that Westgate disclose in this MD&A any change in the Company's internal control over financial reporting ("ICOFR") that occurred during the period that has materially affected or is reasonably likely to materially affect Westgate's ICOFR. As of the date of this MD&A, Westgate confirms that there have been no such changes in Westgate's ICOFR during the nine months ended September 30, 2025.

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.

CREDIT RISK

Credit risk is the risk of financial loss to Westgate if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Westgate's cash balances and accounts receivables from petroleum and natural gas marketers. The Company's cash is held with two counterparties, which are large reputable financial institutions, and management concluded that credit risk associated with the Guaranteed Investment Certificate is low. Management concluded that collection risk of the outstanding accounts receivables is low given the high credit quality of the Company's material counterparties.

INTEREST RATE RISK

The Company's exposure to interest rate fluctuations on interest earned on its floating rate cash balance at September 30, 2025 of \$5.8 million (December 31, 2024 - \$0.7 million), from a 1.0% change in interest rates, would have an annualized impact of approximately \$58,000 (December 31, 2024 - \$7,000).

The Company's exposure to interest rate fluctuations on interest expenses on its floating rate Senior Secured Loan balance as at September 30, 2025 of \$13.9 million (December 31, 2024 - \$0 million), from a 1.0% change in interest rates, would have an annualized impact of approximately \$139,000 (December 31, 2024 - \$0).

BUSINESS RISKS AND UNCERTAINTIES

The reader is referred to the Financial Statements and the AIF for a more complete description of risks, copies of which are available under the Company's SEDAR+ profile at www.sedarplus.ca.

ADVISORIES AND OTHER GUIDANCENon-GAAP Financial Measures and Ratios

The Financial Statements have been prepared in accordance with IFRS. This MD&A contains non-GAAP financial measures, non-GAAP ratios and supplementary financial measures, including operating income (loss), operating netback, adjusted funds flow, adjusted working capital (deficiency), total revenue, realized price, and royalties as a percentage of revenue which are not recognized measures under GAAP. Management believes these measures are useful for reporting

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purposes and for evaluating the consolidated financial position of the Company but cautions readers that these measures should not be considered as alternatives to measures calculated in accordance with IFRS. Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers for these non-GAAP financial measures.

Operating Income (Loss)

Operating income (loss) is a non-GAAP financial measure calculated by subtracting the cost of royalties and operating expenses from total revenue. Operating income (loss) is a component of operating netback, a non-GAAP ratio that management believes is a key industry benchmark and a measure of performance of the Company that provides investors/readers with information that is commonly used by other petroleum and natural gas producers. For a reconciliation of operating income (loss) to revenue, the most directly comparable GAAP measure, see the table under the heading “Operating Results” within this MD&A.

Operating Netback

Operating Netback is a non-GAAP financial ratio calculated by dividing operating income (loss) by production volumes. Operating Netback allows management and others to evaluate the production results from the Company’s assets. Management feels that operating netback is a key industry benchmark and a measure of performance of the Company that provides investors/readers with information that is commonly used by other petroleum and natural gas producers.

Adjusted Funds Flow

Adjusted funds flow is a non-GAAP financial measure and is not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. Adjusted funds flow is calculated as cash used in operating activities plus net change in non-working capital and settlements of decommissioning provisions. The adjusted funds flow measure allows management and others to evaluate the Company’s ability to fund its capital programs and meet its ongoing financial obligations using cash flow internally generated from ongoing operating related activities. Adjusted funds flow per share is a non-GAAP financial ratio calculated as adjusted funds flow divided by the applicable number of weighted average Shares outstanding. A reconciliation to cash from (used in) operating activities, the most directly comparable GAAP measure, is provided below:

(\$'s, unless otherwise stated)	Three Months Ended September			
	30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cash from (used in) operating activities	97,547	(700,416)	(1,446,695)	(1,449,633)
Net change in non-cash working capital ⁽¹⁾	(510,459)	544,611	238,077	214,004
Settlements of decommissioning provision ⁽¹⁾	9,472	3,029	70,613	35,346
Adjusted Funds Flow	(403,440)	(152,776)	(1,138,005)	(1,200,283)

(1) Refer to the statements of cash flow in the Financial Statements as at and for the years ended December 31, 2024.

(\$'s, unless otherwise stated)	Q3-2025	Q2-2025	Q1-2025	Q4-2024
Cash from (used in) operating activities	97,547	(808,758)	(735,484)	649,289
Net change in non-cash working capital ⁽¹⁾	(510,459)	159,223	589,313	(587,241)
Settlements of decommissioning provisions ⁽¹⁾	9,472	61,141	-	-
Adjusted Funds Flow	(403,440)	(588,394)	(146,171)	62,048

(1) Refer to the statements of cash flow in the Financial Statements as at and for the years ended December 31, 2024.

Adjusted Working Capital (deficiency)

Adjusted working capital (deficiency) is a non-GAAP financial measure and is not intended to represent working capital calculated in accordance with IFRS. Adjusted working capital (deficiency) is calculated as working capital adjusted to remove the effect of the Company’s warrant liability, which will not be settled with cash. The adjusted working capital (deficiency) measure allows management and others to evaluate the Company’s ability to fund its capital programs and meet its ongoing financial obligations. A reconciliation to working capital (deficiency), the most directly comparable GAAP measure, is provided below:

As at:	September 30,	December 31,
(\$'s, unless otherwise stated)	2025	2024
Working capital (deficiency)	(440,759)	124,306
Warrant liability	4,788,459	-
Adjusted working capital (deficiency)	4,347,700	124,306

Total Revenue

Total revenue is a non-GAAP financial measure calculated by adding processing revenue to petroleum, natural gas and NGL sales. Management uses total revenue to evaluate the cash flow generated from the Company's assets and believes it is useful to investors as a key industry benchmark and a measure of performance of the Company that provides investors/readers with information that is commonly used by other petroleum and natural gas producers. For a reconciliation of petroleum, natural gas and NGL sales, the most directly comparable GAAP measure, to total revenue see the table under the heading "Operating Results" within this MD&A.

Supplementary Financial Measures

Realized Price

Realized price is a supplementary financial measure calculated as the revenue by product divided by the production by product and is a key industry benchmark and a measure of performance of the Company that provides investors/readers with information that is commonly used by other petroleum and natural gas producers.

Other Supplementary Measures

Per boe, per mcf or per bbl disclosures for royalties, operating expenses, G&A and depletion are supplementary financial measures that are calculated by dividing the respective GAAP measure by its respective sales volumes. Royalties as a percentage of revenue is a supplementary financial measure that is calculated by dividing royalties by revenue, expressed as a percentage.

Production

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Production					
Oil ⁽¹⁾	bbl/d	297	97	189	90
Natural gas ⁽²⁾	mcf/d	790	661	734	597
NGLs	bbl/d	5	7	5	5
Total	boe/d(6:1)	434	213	316	195
For the quarter ended:		Q3-2025	Q2-2025	Q1-2025	Q4-2024
Production					
Oil ⁽¹⁾	bbl/d	297	130	137	151
Natural gas ⁽²⁾	mcf/d	790	708	702	732
NGLs	bbl/d	5	5	5	5
Total	boe/d(6:1)	434	253	259	278

(1) Comprised of 99% or greater of light and medium crude oil, with the remaining being tight oil.

(2) Comprised of 99% or greater of conventional natural gas, with the remaining being shale gas.

Oil and Gas Advisories

Caution Respecting Boe

This MD&A discloses certain estimated production information on a boe basis with natural gas converted to barrels of oil equivalent using a conversion factor of six mcf to bbl of oil (6 mcf:1 bbl). Condensate and other NGLs are converted to boe at a ratio of 1 bbl:1 bbl. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based roughly on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at sales point. This conversion conforms with NI 51-101 disclosure standards. Although the 6:1 conversion ratio is an industry-accepted norm, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between crude oil, NGLs and natural gas is significantly different from the 6:1 energy equivalency ratio. Accordingly, using a conversion ratio of 6 mcf:1 bbl may be misleading as an indication of value.

Forward-Looking Statements

Certain statements and information contained in this MD&A and the documents incorporated by reference herein and therein constitute forward-looking statements or forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities legislation. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words or phrases such as "will", "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projects", "could", "vision", "goals", "objective", "outlook" or similar words suggesting future outcomes or language suggesting an outlook. In particular, this MD&A and the documents incorporated by reference herein and therein contain forward-looking statements with respect to, among other things, the following: management's assessment of future plans and operations,

the expected use of proceeds from the 2025 Public Offering, the expected use of proceeds from the Senior Secured Loan, future operating expenses, working capital requirements, market conditions, methods of financing capital and operating expenditures and the ability to fund financial liabilities, the availability of future funding, expected commodity prices and their impact on the Company, the Company's exposure to interest rate fluctuations, regulatory developments and decisions and their potential impact on the Company, and future risks.

By their nature, forward-looking statements involve numerous assumptions, and while management of the Company believes the assumptions reflected in its forward-looking statements to be reasonable, there can be no guarantee that actual results will be consistent with these forward-looking statements. In particular, with respect to forward-looking statements contained in this MD&A and the documents incorporated by reference herein and therein the Company has made assumptions regarding, among other things: the timing of drilling oil and natural gas wells; the general stability of the economic and political environment in which the Company operates; the ability of the operator of the projects in which the Company has an interest to operate the field in a safe, efficient and effective manner; the Company's ability to obtain financing on acceptable terms; field production rates and decline rates; future oil and natural gas prices; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates, and the Company's ability to successfully market its oil and natural gas products.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in this MD&A and the documents incorporated by reference herein and therein. Forward-looking statements are subject to various known and unknown risks, both general to the industry as a whole and specific to the Company, that contribute to the possibility that the forward-looking statements contained in this MD&A and the documents incorporated by reference herein and therein may not occur. Although management of the Company believes that the expectations reflected in its forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of known and unknown risks, uncertainties and other factors, many of which are outside the Company's control, including, but not limited to, the following risk factors, and those elsewhere in this MD&A and the documents incorporated by reference herein and therein: risks associated with oil and natural gas development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risk, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals, actions by governmental authorities, including changes in regulations, tariffs and taxation, failure to negotiate and conclude any required commercial agreements, and the Company's ability to access sufficient capital from internal and external sources.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

The above summary of assumptions and risks related to forward-looking statements are provided in this MD&A and the documents incorporated by reference herein and therein in order to provide readers with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A and the documents incorporated by reference herein and therein are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation or is under any duty to publicly update or revise any forward-looking statements. Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in the AIF and the other documents incorporated by reference therein.

Abbreviations

AECO	physical storage and trading hub for natural gas on the TC Alberta transmission system which is the delivery point for various benchmark Alberta index prices
bbl	barrels of oil
bbl/d	barrels of oil per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
NGLs	Natural gas liquids
WTI	West Texas Intermediate