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**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

For the three month period ended March 31, 2025

Greenfire Resources Ltd.

Greenfire Resources Ltd.
Condensed Interim Consolidated Balance Sheets (unaudited)

As at (\$CAD thousands)	note	March 31 2025	December 31 2024
Assets			
Current assets			
Cash and cash equivalents		\$72,238	\$67,419
Accounts receivable	11	55,320	56,417
Inventories		12,639	14,946
Prepaid expenses and deposits		6,852	5,456
Risk management contracts	11	6,101	-
		153,150	144,238
Non-current assets			
Property, plant and equipment	3	967,038	960,059
Deferred income tax asset		149,964	153,174
		1,117,002	1,113,233
		1,270,152	1,257,471
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		64,083	61,804
Current portion of long-term debt	4	12,195	248,489
Current portion of lease liabilities and other		6,450	7,014
Warrant liability	6	10,308	18,304
Risk management contracts	11	-	248
		93,036	335,859
Non-current liabilities			
Long-term debt	4	317,432	80,441
Lease liabilities and other		3,528	2,296
Decommissioning liabilities	5	18,030	17,444
		338,990	100,181
		432,026	436,040
Shareholders' equity			
Share capital	7	164,879	164,402
Contributed surplus		8,976	8,921
Retained earnings		664,271	648,108
		838,126	821,431
		\$1,270,152	\$1,257,471

Related party transaction (note 13)

See accompanying notes to the unaudited condensed interim consolidated financial statements

Greenfire Resources Ltd.
Condensed Interim Consolidated Statements of Comprehensive Income (Loss) (unaudited)

Three months ended March 31			
(\$CAD thousands, except per share amounts)	note	2025	2024
Revenues			
Oil sales	8	\$183,637	\$200,990
Royalties		(6,824)	(6,315)
Oil sales, net of royalties		176,813	194,675
Gain (loss) on risk management contracts	11	5,248	(47,534)
		182,061	147,141
Expenses			
Diluent expense		73,994	91,682
Transportation and marketing		14,185	13,199
Operating expenses		37,929	36,348
General and administrative		9,407	4,749
Stock-based compensation	10	1,252	852
Financing and interest	9	12,280	15,456
Depletion and depreciation	3	21,617	18,003
Exploration expenses		734	554
Other income		(670)	(1,441)
Loss (gain) on revaluation of warrants	6	(7,996)	6,379
Foreign exchange (gain) loss		(44)	8,275
Total expenses		162,688	194,056
Net income (loss) before taxes		19,373	(46,915)
Income tax expense		3,210	-
Net income (loss) and comprehensive income (loss)		\$16,163	\$(46,915)
Net income (loss) per share			
Basic	7	\$0.23	\$(0.68)
Diluted	7	\$0.23	\$(0.68)

See accompanying notes to the unaudited condensed interim consolidated financial statements

Greenfire Resources Ltd.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

Three months ended March 31			
(\$CAD thousands)	note	2025	2024
Share capital			
Balance, beginning of period		\$164,402	\$158,515
Issuance of shares on exercise of share units	7,10	477	995
Balance, end of period		164,879	159,510
Contributed surplus			
Balance, beginning of period		8,921	9,788
Stock-based compensation	10	1,252	852
Issuance of shares on exercise of share units	7,10	(1,197)	(1,776)
Balance, end of period		8,976	8,864
Retained earnings			
Balance, beginning of period		648,108	526,697
Net income (loss) and comprehensive income (loss)		16,163	(46,915)
Balance, end of period		664,271	479,782
Total shareholders' equity		\$838,126	\$648,156

See accompanying notes to the unaudited condensed interim consolidated financial statements

Greenfire Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows (unaudited)

Three months ended March 31			
(\$CAD thousands)	note	2025	2024
Operating activities			
Net income (loss)		\$16,163	\$(46,915)
Items not affecting cash:			
Income tax expense		3,210	-
Unrealized (gain) loss on risk management contracts	11	(6,349)	38,737
Depletion and depreciation	3	21,748	17,799
Stock-based compensation	10	1,252	852
Accretion	9	1,755	2,462
Foreign exchange (gain) loss		(192)	8,275
Loss (gain) on revaluation of warrants	6	(7,996)	6,379
Change in non-cash working capital	12	5,082	(10,525)
Cash provided by operating activities		34,673	17,064
Financing activities			
Repayment of long-term debt	4	(7)	-
Payment of lease liabilities		(1,930)	(51)
Cash used in financing activities		(1,937)	(51)
Investing activities			
Property, plant and equipment expenditures	3	(26,299)	(31,920)
Acquisitions		-	(2,529)
Change in non-cash working capital (accrued additions to PP&E)	12	(1,515)	(3,232)
Cash used in investing activities		(27,814)	(37,681)
Exchange rate impact on cash and cash equivalents held in foreign currency		(103)	1,377
Change in cash and cash equivalents		4,819	(19,291)
Cash and cash equivalents, beginning of period		67,419	109,525
Cash and cash equivalents, end of period		\$72,238	\$90,234

See accompanying notes to the unaudited condensed interim consolidated financial statements

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

1. CORPORATE INFORMATION

Greenfire Resources Ltd. (the “Company” or “Greenfire”) was incorporated under the laws of Alberta on December 9, 2022. These condensed interim consolidated financial statements (the “financial statements”) are comprised of the accounts of Greenfire and its wholly owned subsidiaries. The Company and its subsidiaries are engaged in the exploration, development and operation of oil and gas properties in the Athabasca oil sands region of Alberta. Greenfire’s common shares are publicly traded on the New York Stock Exchange and the Toronto Stock Exchange under the symbol “GFR”. The Company’s corporate head office is located at 1900, 205 5th Avenue SW, Calgary, AB T2P 2V7.

Throughout 2024, certain limited partnerships comprising Waterous Energy Fund and its affiliates (collectively, “WEF”), through a series of transactions acquired a total of 39,300,278 common shares and 2,654,179 common share purchase warrants of Greenfire. The final transaction in this series occurred on December 23, 2024 (the “Change of Control Transaction”), which resulted in WEF holding 56.5% of the Company’s outstanding common shares. Following the completion of the Change of Control Transaction, the Company’s Board of Directors was reconstituted.

At March 31, 2025, approximately 56.2% of the Company’s common shares were owned by WEF.

2. BASIS OF PRESENTATION

Preparation

These financial statements have been prepared in accordance with IAS 34: “*Interim Financial Reporting*”, using the same accounting policies as those set out in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Certain disclosures, which are normally required to be included in the notes to the audited annual consolidated financial statements, have been condensed or omitted. The financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements and notes thereto for the year ended December 31, 2024.

The Company has adopted all published standards, interpretations or amendments to accounting standards issued by the IASB, that are effective for annual periods beginning on or after January 1, 2025. There was no material impact to the financial statements.

In these financial statements, all amounts are expressed in Canadian dollars (“\$CAD”), unless otherwise indicated, which is the Company’s functional currency. These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at their fair value.

These financial statements were approved by Greenfire’s Board of Directors on May 6, 2025.

Standards issued but not effective

IFRS 18 ‘Presentation and Disclosure in Financial Statements’ was issued in April 2024 by IASB and replaces IAS 1 ‘Presentation of Financial Statements’. The standard introduces defined structure to the Statement of Comprehensive Income (Loss) with related specific disclosure requirements. IFRS 18 is effective January 1, 2027 and is required to be adopted retrospectively. Early adoption is permitted. The Company is assessing the impact of IFRS 18 on its consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT (“PP&E”)

(\$ thousands)	Developed and producing	Right-of-use assets	Corporate assets	Total
Cost				
Balance as at December 31, 2024	1,194,384	9,539	618	1,204,541
Additions	28,306	-	293	28,599
Transfers of right-of-use assets	1,544	(1,544)	-	-
Change in decommissioning liabilities	128	-	-	128
Balance as at March 31, 2025	1,224,362	7,995	911	1,233,268
Accumulated Depletion, Depreciation and Amortization				
Balance as at December 31, 2024	243,494	546	442	244,482
Depletion and depreciation ⁽¹⁾	21,587	105	56	21,748
Balance as at March 31, 2025	265,081	651	498	266,230
Net Book Value				
Balance at December 31, 2024	\$950,890	\$8,993	\$176	\$960,059
Balance at March 31, 2025	\$959,281	\$7,344	\$413	\$967,038

(1) As at March 31, 2025 \$0.4 million of depletion and depreciation was capitalized to inventory (December 31, 2024- \$0.3 million).

4. LONG-TERM DEBT

Senior Secured Notes

On September 20, 2023, Greenfire issued US\$300 million of senior secured notes (the “2028 Notes”). The 2028 Notes bear interest at the fixed rate of 12.00% per annum payable semi-annually, have a term of five years maturing on October 1, 2028, and are secured by a second priority lien on the Company’s assets, junior to the Senior Credit Facility and financial risk management contracts with the Senior Credit Facility lenders.

As at (\$ thousands)	March 31, 2025	December 31, 2024
Senior secured notes (“2028 Notes”) \$US	\$238,964	\$238,969
Foreign exchange rate	1.4376	1.4389
Senior secured notes (“2028 Notes”) \$CAD	343,535	343,852
Unamortized debt discount and debt issue costs	(13,908)	(14,922)
Total term debt	\$329,627	\$328,930
Current portion of long-term debt	12,195	248,489
Long-term debt	\$317,432	\$80,441

The 2028 Notes are not subject to any financial covenants but subject to certain exceptions and qualifications. The indenture governing the 2028 Notes (the “2028 Indenture”) contains certain non-financial covenants that limit the Company’s ability to, among other things, incur additional indebtedness, create or permit liens to exist, pay dividends, redeem stock, make certain restricted payments, and sell assets. In addition, the Company is required to maintain financial hedges for a minimum of 50% of the forward twelve calendar month forecasted production⁽¹⁾ until the outstanding principal is less than US\$100 million, and to limit capital expenditures to US\$150⁽²⁾ million annually until the outstanding principal is less than US\$150 million. As at March 31, 2025 the Company was compliant with all covenants.

(1) Forecasted production is defined by the 2028 Indenture as the Company’s proved developed producing (“PDP”) forecast in the Company’s most recent reserve report, as determined by a qualified and independent reserves evaluator, as prepared to the Canadian standard using National Instrument 51-101.

(2) On March 10, 2025, the Company completed an amendment to the 2028 Note Indenture to increase the annual capital expenditure limitation from CAD\$100 million to US\$150 million, until the outstanding principal amount of the 2028 Notes is less than US\$150 million.

As the result of a Change of Control Transaction (Note 1), Greenfire was required to make an offer to repurchase the 2028 Notes, or a portion thereof. This repurchase offer expired on February 19, 2025, with \$7,000 (US\$5,000) principal amount tendered for repurchase.

The 2028 Indenture requires the Company to redeem the 2028 Notes at 105% of the principal amount plus accrued and unpaid interest with 75% of its Excess Cash Flow (as defined in the 2028 Indenture) every six-months (the “ECF Sweep”). When consolidated indebtedness⁽³⁾ is less than US\$150 million, the ECF Sweep is reduced to 25% of Excess Cash Flow until the principal outstanding on the 2028 Notes is US\$100 million. The next redemption, if applicable, is due by September 3, 2025.

The Company may make additional redemptions of some or all of the 2028 Notes on or after October 1, 2025, inclusive of a “make whole” premium, as set out in the table below. At any time before October 1, 2025, the Company may redeem up to 40% of the aggregate principal amount of the notes using the net proceeds from certain equity issuances as a redemption price equal to 112% of the principal amount plus accrued and unpaid interest. The following table discloses the redemption amount including the “make whole” premium on redemption of the 2028 Notes:

	2028 Notes
On or after October 1, 2025 to October 1, 2026	106%
On or after October 1, 2026 to October 1, 2027	103%
On or after October 1, 2027	100%

As at March 31, 2025, the carrying value of the Company’s long-term debt was \$329.6 million and the fair value was \$364.1 million (December 31, 2024 carrying value – \$328.9 million, fair value - \$371.2 million).

Senior Credit Facility

Greenfire has a reserve-based credit facility (the “Senior Credit Facility”) comprised of an operating facility and a syndicated facility. Total credit available under the Senior Credit Facility is \$50.0 million comprised of a \$20.0 million operating facility and a \$30.0 million syndicated facility.

The Senior Credit Facility is a committed facility available on a revolving basis until May 31, 2025. The Senior Credit Facility may, subject to the lenders’ approval, be extended for a 364-day period. If the revolving period is not extended, the undrawn portion of the facility will be cancelled and any amounts outstanding would be repayable on May 31, 2026. The Senior Credit Facility is subject to a semi-annual borrowing base review, occurring in May and November of each year. The borrowing base is determined based on the lenders’ evaluation of the Company’s hydrocarbon reserves and their commodity price outlook at the time of each borrowing base review.

The Senior Credit Facility is secured by a first priority security interest on substantially all of the assets of the Company and is senior in priority to the 2028 Notes. The Senior Credit Facility contains certain covenants that limit the Company’s ability to, among other things, incur additional indebtedness, create or permit liens to exist, pay dividends, redeem stock, and sell assets. The Senior Credit Facility is not subject to any financial covenants.

(3) Consolidated indebtedness under the 2028 Indenture includes amounts outstanding under the 2028 Notes, amounts outstanding under the Senior Credit Facility, and any leases that would be classified as a “capital lease” under IAS[®] 17 – Leases (superseded).

Amounts borrowed under the Senior Credit Facility bear interest at a floating rate based on the applicable Canadian prime rate, US base rate, adjusted secured overnight financing rate or adjusted Canadian overnight repo rate average, plus a margin of 1.75% to 6.25% based on Debt to EBITDA ratio. A standby fee on the undrawn portion of the Senior Credit Facility ranges from 0.6875% to 1.5625% based on Debt to EBITDA ratio. As at March 31, 2025 and December 31, 2024, the Company had no amounts drawn under the Senior Credit Facility.

Letter of Credit Facility

Greenfire maintains a separate \$55.0 million letter of credit facility (the “EDC Facility”) with a Canadian bank that is supported by a performance security guarantee from Export Development Canada (“EDC”). The EDC Facility is available on a demand basis. As at March 31, 2025, the Company had \$54.0 million (December 31, 2024 - \$54.0 million) in letters of credit outstanding under the EDC Facility.

5. DECOMMISSIONING LIABILITIES

The Company’s decommissioning liabilities result from net ownership interests in petroleum assets including well sites, gathering systems and processing facilities. In 2024, the Company acquired certain natural gas and heavy oil assets in the Athabasca region of Northern Alberta and recognized \$12.5 million of future decommissioning obligations. The Company estimates the total undiscounted escalated amount of cash flows required to settle its decommissioning liabilities to be approximately \$341.4 million (December 31, 2024 - \$340.8 million). For the period ended March 31, 2025, a credit-adjusted discount rate of 10.5% (December 31, 2024 - 10.5%) and an inflation rate of 2.0% (December 31, 2024 - 2.0%) were used to calculate the decommissioning liabilities. A 1.0% change in the credit-adjusted discount rate would impact the discounted value of the decommissioning liabilities by approximately \$3.3 million with a corresponding adjustment to PP&E. The decommissioning liabilities are estimated to be settled in periods up to year 2077, with the majority being incurred between 2047 and 2077.

A reconciliation of the decommissioning liabilities is provided below:

As at (\$ thousands)	March 31, 2025	December 31, 2024
Balance, beginning of period	\$17,444	\$8,449
Acquisitions	-	12,483
Liabilities incurred	128	27
Change in estimates	-	(5,801)
Accretion expense	458	2,286
Balance, end of period	\$18,030	\$17,444

6. WARRANT LIABILITY

The outstanding warrants entitle each warrant holder to purchase one common share of Greenfire, expire on September 19, 2028, and contain a cashless exercise feature, permitting an exercise without the payment of the exercise price by the issuance of a net, lower number of common shares. The warrants are remeasured to their fair value at each reporting period with the change recognized through the statement of comprehensive income (loss). The following table reconciles the warrant liability.

(\$ thousands, unless otherwise noted)	Three months ended March 31, 2025		Year ended December 31, 2024	
	Number of Warrants ('000)	Amount	Number of Warrants ('000)	Amount
Balance, beginning of period	7,527	\$18,304	7,527	\$18,630
Change in fair value	-	(7,996)	-	(326)
Balance, end of period	7,527	\$10,308	7,527	\$18,304
Common shares issuable on exercise	7,527	-	7,527	-

The fair value of each warrant was estimated using the Black Scholes Merton model with the following assumptions:

	March 31, 2025	December 31, 2024
Share price \$USD	\$5.87	\$7.06
Exercise price \$USD	\$11.50	\$11.50
Average risk-free interest rate	4.41%	4.49%
Average expected volatility ⁽¹⁾	44%	45%
Average expected life (years)	3.50	3.75

(1) Expected volatility has been based on historical share volatility and that of similar market participants.

A 10% change in the share price would impact warrant liability by \$2.8 million with a corresponding adjustment to the statement of comprehensive income (loss).

7. SHARE CAPITAL AND PER SHARE AMOUNTS

Share capital

As at March 31, 2025 the Company's authorized share capital consists of an unlimited number of common shares without a nominal or par value. The following table summarizes the changes to the Company's common share capital:

(\$ thousands, unless otherwise noted)	Three months ended March 31, 2025		Year ended December 31, 2024	
	Number of shares ('000)	Amount	Number of shares ('000)	Amount
Shares outstanding				
Balance, beginning of period	69,718	\$164,402	68,642	\$158,515
Issued on exercise of share units ⁽¹⁾	204	477	1,076	5,887
Balance, end of period	69,922	\$164,879	69,718	\$164,402

(1) Differences in the number of exercised units compared to those disclosed in stock based compensation (Note 10) and the value recognized in contributed surplus relates to withholding taxes on issuances (Note 12).

Per share amounts

The following table summarizes the Company's basic and diluted net income (loss) per share:

(thousands of shares, except per share information)	Three months ended March 31, 2025	Three months ended March 31, 2024
Weighted average shares outstanding - basic	69,872	68,684
Dilutive effect of share units and performance warrants	627	-
Weighted average shares outstanding - diluted	70,499	68,684
Basic \$ per share	\$0.23	\$(0.68)
Diluted \$ per share	\$0.23	\$(0.68)

When computing the diluted net loss per share for the three months March 31, 2024, the Company excluded the effect of 7.5 million warrants, 3.0 million performance warrants and 1.1 million share units as their effect was anti-dilutive.

8. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's revenue from contracts with customers consists of diluted and non-diluted bitumen sales.

(\$ thousands)	Three months ended March 31, 2025	Three months ended March 31, 2024
Diluted bitumen sales	\$174,365	\$196,980
Bitumen sales	9,272	4,010
Oil sales	\$183,637	\$200,990

9. FINANCING AND INTEREST

(\$ thousands)	Three months ended March 31, 2025	Three months ended March 31, 2024
Interest on senior secured notes	\$9,998	\$12,762
Other interest	527	232
Total finance and interest expense before accretion	10,525	12,994
Amortization of debt issuance costs and redemption premium (Note 4)	999	1,896
Accretion of decommissioning obligations (Note 5)	458	549
Accretion of lease liabilities	298	17
Accretion	1,755	2,462
Financing and interest expense	\$12,280	\$15,456

10. STOCK-BASED COMPENSATION

Issued and Outstanding Share Units

A summary of the PWs, RSUs, PSUs and DSUs, collectively the share units, issued and outstanding is as follows:

(thousands of units or warrants)	PWs	RSUs	PSUs	DSUs	Total
Outstanding January 1, 2024	3,617	-	-	-	3,617
Granted	-	672	919	21	1,612
Exercised ⁽¹⁾	(1,080)	(519)	-	-	(1,599)
Forfeited	(17)	(17)	(44)	-	(78)
Balance, December 31, 2024	2,520	136	875	21	3,552
Exercisable, December 31, 2024	2,520	-	-	21	2,541

(thousands of units or warrants)	PWs	RSUs	PSUs	DSUs	Total
Outstanding January 1, 2025	2,520	136	875	21	3,552
Granted	-	13	18	-	31
Exercised ⁽¹⁾	(323)	(46)	-	-	(369)
Forfeited	(19)	(1)	(316)	-	(336)
Cancelled	(1,398)	-	-	-	(1,398)
Balance, March 31, 2025	780	102	577	21	1,480
Exercisable, March 31, 2025	780	-	-	21	801

(1) Differences in exercised awards compared to those disclosed in share capital (Note 7) relate to withholding taxes on share issuances (Note 12).

Stock-based compensation expense

(\$ thousands)	Three months ended March 31, 2025	Three months ended March 31, 2024
Restricted share units (RSUs)	\$84	\$255
Performance share units (PSUs)	1,168	528
Deferred share units (DSUs)	-	69
	\$1,252	\$852

Performance warrants

Following the Change of Control Transaction (Note 1), on February 7, 2025, the Company's Board of Directors exercised its discretion to accelerate the expiry of all performance warrants to April 30, 2025. The performance warrants were fully expensed when they vested on September 20, 2023.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

The Company classifies the fair value of financial instruments according to the following hierarchies based on the amount of observable inputs used to value the instruments:

- **Level 1:** Unadjusted quoted prices for identical assets or liabilities in active markets;
- **Level 2:** Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability; and
- **Level 3:** Significant unobservable inputs for use when little or no market data exists, requiring a significant degree of judgment.

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities included on the condensed interim consolidated balance sheets approximates the fair values of the respective assets and liabilities due to the short-term nature of those instruments.

The 2028 Notes are classified as Level 1 in the fair value hierarchy. For purposes of estimating the fair value of this instrument, the Company used the quoted market price of the 2028 Notes. The Company's risk management contracts and warrant liability are classified as Level 2 in the fair value hierarchy. To estimate the fair value of these instruments, the Company used observable market data and/or other sources utilizing assumptions that market participants would use to determine fair value.

Market Risk

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates, will affect the Company's cash flow, income, or the value of its financial instruments.

Commodity Price Risk

The Company's risk management program is designed to reduce the volatility of revenue and cash flow, generate sufficient cash flows to service debt obligations, and fund the Company's operations. The Company's risk management liabilities may consist of hedging instruments such as fixed price swaps and option structures, including costless collars on WTI, WCS differentials, condensate differential, natural gas and electricity swaps. The Company does not use financial derivatives for speculative purposes.

The Company's obligations under its 2028 Notes (Note 4) include a requirement to maintain a twelve-month forward commodity price risk management program covering at least 50% of the forecasted PDP production over the next twelve months, as set out in the Company's most recent reserves report, until the outstanding principal is reduced to below US\$100 million.

The Company's commodity price risk management program does not involve margin accounts that require posting of margin with increased volatility in underlying commodity prices. Financial risk management contracts are measured at fair value, with gains and losses on re-measurement included in the consolidated statements of comprehensive income (loss) in the period in which they arise.

The Company's financial risk management contracts are subject to master netting agreements that create the legal right to settle the instruments on a net basis. The following table summarizes the gross asset and liability positions of the Company's individual risk management contracts that are offset in the consolidated balance sheets:

(\$ thousands)	As at March 31, 2025	As at December 31, 2024
Gross amount	\$6,987	\$(1,395)
Amount offset	(886)	1,147
Risk management contracts – Asset (Liability)	\$6,101	\$(248)

The following table summarizes the financial commodity risk management gains and losses:

(\$ thousands)	Three months ended March 31, 2025	Three months ended March 31, 2024
Realized loss on risk management contracts	\$(1,101)	\$(8,797)
Unrealized gain (loss) on risk management contracts	6,349	(38,737)
Gain (loss) on risk management contracts	\$5,248	\$(47,534)

As at March 31, 2025, the following financial commodity risk management contracts were in place:

Term	WTI- Costless Collar			WTI Fixed Price Swaps	
	Volume (bbls/d)	Put Strike Price (C\$/bbl)	Call Strike Price (C\$/bbl)	Volume (bbls/d)	Swap Price (C\$/bbl)
Q2 2025	-	-	-	9,450	\$ 100.84
Q3 2025	-	-	-	9,450	\$ 101.00
Q4 2025	-	-	-	9,450	\$ 100.85
Q1 2026	4,951	\$ 81.89	\$ 100.16	2,549	\$ 96.95

Subsequent to March 31, 2025, Greenfire entered into the following financial commodity risk management contracts:

Term	WCS Differential Swaps	
	Volume (bbls/d)	Swap Price (US\$/bbl)
Q3 2025	12,600	\$ (10.90)
Q4 2025	5,000	\$ (13.50)

The following table summarizes the sensitivity to price changes for Greenfire's WTI Fixed Price Swaps:

As at March 31, 2025 (\$ thousands)	\$5.00/ bbl Change in WTI	
	Increase	Decrease
Increase (decrease) to fair value of the WTI Fixed Price Swaps	\$14,141	\$(14,141)

The Company's commodity risk management contracts are held with two large reputable financial institutions. As a result, the Company concluded that credit risk associated with its commodity risk management contracts is low.

Foreign Currency Risk Management

The Company is exposed to foreign currency risk on the principal and interest components of its US dollar denominated 2028 Notes (Note 4) and US Dollar denominated cash, cash equivalents, accounts receivables and accounts payables, and accrued liabilities. As at March 31, 2025, Greenfire's net foreign exchange risk exposure was a US\$217.5 million liability (December 31, 2024 – US\$218.4 million liability), and a 10% change in the foreign exchange rate would result in a \$31.3 million change in the foreign exchange gain or loss (December 31, 2024 - \$31.4 million).

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk related to borrowings drawn under the Senior Credit Facility, as the interest charged on the credit facility fluctuates with floating interest rates. Currently no amounts are drawn on the Senior Credit Facility. The 2028 Notes and letters of credit issued are subject to fixed interest rates and are not exposed to changes in interest rates.

Credit Risk

(\$ thousands)	As at March 31 2025	As at December 31 2024
Trade receivables	\$37,380	\$47,412
Joint interest receivables	17,940	9,005
Accounts receivable	\$55,320	\$56,417

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company is primarily exposed to credit risk from receivables associated with its oil sales. The Company manages its credit risk exposure by transacting with high-quality credit worthy counterparties and monitoring credit worthiness and/or credit ratings on an ongoing basis. Trade receivables from oil sales are generally collected on the 25th day of the month following production. Joint interest receivables are typically collected within one to three months of the invoice being issued. The Company has not previously experienced any material credit losses on the collection of accounts receivable.

At March 31, 2025, and December 31, 2024 the Company was exposed to concentration risk associated with its outstanding trade receivables and joint interest receivables balances. Of the Company's trade receivables at March 31, 2025, 89% was receivable from a single company (December 31, 2024 - 99% receivable from a single company). At March 31, 2025, 100% of the Company's joint interest receivables were held by a single company (December 31, 2024 - 100% by a single company). Maximum exposure to credit risk is represented by the carrying amount of accounts receivable on the balance sheet. Subsequent to March 31, 2025, the Company has received \$4.1 million from its joint interest partner.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient available reserves to meet its financial obligations at any point in time. The Company expects to achieve this objective through prudent capital spending, an active commodity risk management program and through strategies such as continuously monitoring forecast and actual cash flows from operating, financing and investing activities, and available credit facilities. Management believes that future cash flows generated from these sources will be adequate to settle Greenfire's financial liabilities.

The following table details the Company's contractual maturities of its financial liabilities:

(\$ thousands)	As at March 31, 2025		As at December 31, 2024	
	Less than one year	Greater than one year	Less than one year	Greater than one year
Accounts payable and accrued liabilities	\$64,083	\$-	\$61,804	\$-
Risk management contracts	-	-	248	-
Lease liabilities ⁽¹⁾	6,922	3,843	7,669	2,726
Long-term debt ⁽²⁾	12,195	331,340	260,252	83,600
Total financial liabilities	\$83,200	\$335,183	\$329,973	\$86,326

(1) Amounts represent the expected undiscounted cash payments.

(2) Amounts represent undiscounted principal only and exclude interest and transaction costs.

12. SUPPLEMENTAL CASH FLOW INFORMATION

The following table reconciles the net changes in non-cash working capital and other liabilities from the consolidated balance sheet to the consolidated statement of cash flows:

(\$ thousands)	As at March 31, 2025	As at March 31, 2024
Change in accounts receivable	\$1,097	(\$17,877)
Change in inventories	2,307	1,391
Change in prepaid expenses and deposits	(1,396)	2,705
Change in accounts payable and accrued liabilities	2,279	737
	4,287	(13,044)
Other items impacting changes in non-cash working capital:		
Withholding taxes on share units	(720)	(780)
Unrealized foreign exchange gain (loss) related to working capital	-	67
	3,567	(13,757)
Related to operating activities	5,082	(10,525)
Related to investing activities	(1,515)	(3,232)
Net change in non-cash working capital	3,567	(13,757)
Cash interest paid (included in operating activities)	(\$20,841)	(\$25,881)
Cash interest received (included in operating activities)	\$670	\$1,504

13. RELATED PARTY TRANSACTION

Following the Change of Control Transaction (see Note 1), Greenfire agreed to reimburse WEF for approximately \$1.9 million of legal fees associated with the Company's adoption of a shareholder rights plan and related hearings before the Alberta Securities Commission, in which WEF was successful. These events ultimately led to the Change of Control Transaction and the reconstitution of the Company's Board of Directors. The reimbursement was reviewed and approved by the independent members of the Company's Board of Directors.

Corporate Information

Directors

Adam Waterous⁽¹⁾⁽⁴⁾
W. Derek Aylesworth⁽²⁾
Tom Ebbert⁽³⁾
Andrew Kim
David Roosth
Henry Hager
Brian Heald
David Knight-Legg

- (1) Executive Chair of the Board of Directors
- (2) Chair of the Audit Committee
- (3) Chair of the Reserves Committee and Lead Director
- (4) Chair of the Compensation and Governance Committee

Officers

Colin Germaniuk, P.Eng
President

Tony Kraljic, CA
Chief Financial Officer

Jonathan Kanderka, P.Eng
Chief Operating Officer

Charles R. Kraus
Corporate Secretary

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