Consolidated Financial Statements

As at and for the year ended
December 31, 2024

MANAGEMENT'S REPORT

The accompanying Consolidated Financial Statements of Kiwetinohk Energy Corp. ("Kiwetinohk" or the "Company") are the responsibility of Management and have been approved by the Company's Board of Directors. In Management's opinion, the Consolidated Financial Statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the IAS Standards Board ("IASB®"), within acceptable limits of materiality, and have utilized supportable, reasonable estimates that reflect Management's best judgments.

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The Company's internal control system was designed to provide reasonable assurance that all assets are safeguarded, transactions are appropriately authorized, and facilitate the preparation of relevant, reliable, and timely information. 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. Management evaluated the effectiveness of the Company's ICFR as defined in Canada by NI 52-109. The assessment was based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded the Company's ICFR was effective as of December 31, 2024.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board of Directors fulfills this responsibility through the Audit Committee, which is comprised entirely of non-Management directors. The Audit Committee meets regularly with Management and the independent auditors to ensure that Management's responsibilities are properly discharged and to review the Consolidated Financial Statements. The Audit Committee reports its findings to the Board of Directors for consideration when approving the annual Consolidated Financial Statements for issuance. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or re-appointment of the independent auditors.

The Consolidated Financial Statements have been audited by independent auditors Deloitte LLP, as appointed by the shareholders of the Company, in accordance with Canadian Generally Accepted Auditing Standards. Deloitte LLP has full and free access to the Board of Directors, the Audit Committee and Management.

(signed) "Patrick Carlson"	*(signed) "Jakub Brogowski"*
Patrick Carlson	Jakub Brogowski
Chief Executive Officer	Chief Financial Officer

March 4, 2025

Deloitte.

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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Kiwetinohk Energy Corp.

Opinion

We have audited the consolidated financial statements of Kiwetinohk Energy Corp. (the "Company"), which comprise the consolidated balance sheet as at December 31, 2024 and 2023, and the consolidated statements of net income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Property, Plant and Equipment - Oil and gas properties - Refer to Note 4 to the financial statements

Key Audit Matter Description

The Company's property, plant and equipment includes oil and gas properties. Oil and gas properties are depleted on a unit of production method ("depletion") based on total estimated proved plus probable oil and gas reserves. The Company engages independent reserve evaluators to estimate oil and gas reserves using estimates, assumptions, and engineering data. The development of the Company's proved plus probable oil and gas reserves used to determine depletion requires management to make significant estimates and assumptions related to future oil and gas prices, reserves, and future operating and development costs.

Given the significant judgments made by management related to future oil and gas prices, reserves, and future operating and development costs, these estimates and assumptions are subject to a high degree of estimation uncertainty. Auditing these estimates and assumptions required auditor judgment in applying audit procedures and in evaluating the results of those procedures.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to future oil and gas prices, reserves, and future operating and development costs used to determine depletion included the following, among others:

- Evaluated future oil and gas prices by independently developing a reasonable range of forecasts based on reputable third-party forecasts and market data and comparing those to the future prices selected by management.
- Evaluated the Company's reserve evaluators by examining reports and assessing their scope of work and findings and assessing the competence, capability and objectivity by evaluating their relevant professional qualifications and experience.
- Evaluated the reasonableness of reserves by testing the source financial information underlying the reserves and comparing the reserve volumes to historical production volumes.
- Evaluated the reasonableness of future operating and development costs by testing the source financial information underlying the estimate and evaluating whether they are consistent with evidence obtained in other areas of the audit.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Langlois.

/s/ Deloitte LLP

Chartered Professional Accountants
March 4, 2025
Calgary, Alberta

Consolidated Balance Sheet

(Expressed in thousands of Canadian dollars)

As at December 31,	Note	2024	2023
Assets			
Current			
Cash	17	—	5,054
Accounts receivable	17	**60,181**	57,949
Prepaid expenses and deposits		**7,827**	14,240
Inventory		**315**	—
Risk management contracts	17	—	10,708
		68,323	87,951
Property, plant, and equipment	4	**1,134,859**	953,534
Project development costs	5	**12,393**	35,292
Risk management contracts	17	—	8,838
Total assets		**1,215,575**	1,085,615
Liabilities			
Current			
Accounts payable and accrued liabilities		**75,859**	59,277
Share based compensation liability	13	**4,260**	1,218
Risk management contracts	17	**20,900**	—
Lease liabilities	6	**4,683**	3,842
Provisions	10,20	**6,383**	5,341
		112,085	69,678
Share based compensation liability	13	**4,177**	1,986
Risk management contracts	17	**11,326**	—
Lease liabilities	6	**29,720**	22,683
Provisions	10,20	**82,255**	76,958
Loans and borrowings	8	**249,902**	194,088
Deferred tax liability	16	**11,072**	10,020
Total liabilities		**500,537**	375,413
Equity			
Shareholders' capital	12	**436,477**	434,615
Contributed surplus		**36,859**	34,950
Retained earnings		**241,702**	240,637
Total equity		**715,038**	710,202
Total liabilities and equity		**1,215,575**	1,085,615
Commitments and contingencies	11		
Subsequent events	20		

Approved on behalf of the Board of Directors:

(signed) "Kevin Brown"	*(signed) "John Whelen"*
Kevin Brown	John Whelen
Board Chair	Audit Committee Chair

See the accompanying notes to the consolidated financial statements.

Consolidated Statement of Net Income and Comprehensive Income

(Expressed in thousands of Canadian dollars except per share amounts)

For the year ended December 31,	Note	2024	2023
Revenue			
Commodity sales from production	7	**454,598**	411,826
Commodity sales from purchases	7	**55,526**	75,573
Royalty expense		**(34,690)**	(38,919)
Revenue, net of royalties		**475,434**	448,480
Other income			
Unrealized (loss) gain on risk management	17	**(51,772)**	37,313
Realized gain on risk management	17	**9,353**	26,257
Other income		**4,609**	3,304
Gain on disposition	4	**—**	7,594
Total revenue and other income		**437,624**	522,948
Expenses			
Operating		**69,277**	70,250
Transportation		**53,510**	46,214
Commodity purchases, transportation and other		**51,007**	82,215
Exploration, evaluation and other		**371**	734
General and administrative		**23,298**	20,708
Depletion and depreciation	4	**167,550**	128,150
Finance costs	15	**25,360**	23,071
Share-based compensation	13	**10,642**	6,701
Project development	5	**623**	—
Project development impairment	5	**29,222**	—
Provision for onerous contract	10	**4,594**	—
Revaluation of contingent consideration		**—**	(1,719)
Transaction costs		**—**	767
Total expenses		**435,454**	377,091
Net income before income taxes		**2,170**	145,857
Income tax expense			
Current	16	**53**	217
Deferred	16	**1,052**	33,744
Total income tax expense		**1,105**	33,961
Net income and comprehensive income		**1,065**	111,896
Net income per share			
Basic	9	**$0.02**	$2.54
Diluted	9	**$0.02**	$2.52

See the accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

(Expressed in thousands of Canadian dollars)

For the year ended December 31,	Note	2024	2023
Shareholders' equity			
Shareholders' capital			
Balance, beginning of year		**434,615**	440,916
Issuance of share capital	12	**1,862**	1,310
Repurchases of shares for cancellation	12	**—**	(7,611)
Balance, end of year		**436,477**	434,615
Contributed surplus			
Balance, beginning of year		**34,950**	30,962
Share-based compensation	13	**2,611**	4,494
Stock options exercised	12	**(702)**	(506)
Balance, end of year		**36,859**	34,950
Retained earnings			
Balance, beginning of year		**240,637**	128,741
Net income and comprehensive income		**1,065**	111,896
Balance, end of year		**241,702**	240,637
Total shareholders' equity		**715,038**	710,202

See the accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

(Expressed in thousands of Canadian dollars)

For the year ended December 31,	Note	2024	2023
Cash flows related to the following activities:			
Operating			
Net income		**1,065**	111,896
Adjustments for non-cash items:			
Share-based compensation	13	**10,642**	6,701
Depletion and depreciation	4	**167,550**	128,150
Unrealized loss (gain) on risk management	17	**51,772**	(37,313)
Accretion expense	10,15	**3,706**	3,677
Interest on lease obligations	15	**2,240**	1,405
Deferred financing amortization	15	**732**	914
Unrealized (gain) loss on foreign exchange	15	**(460)**	683
Project development impairment	5	**29,222**	—
Provision for onerous contract	10	**4,594**	—
Gain on disposition	4	**—**	(7,594)
Revaluation of contingent consideration		**—**	(1,719)
Deferred tax expense	16	**1,052**	33,744
Net change in non-cash working capital	18	**(4,165)**	4,290
Provision expenditures	10	**(4,747)**	(4,074)
Cash flows from operating activities		**263,203**	240,760
Investing			
Cash used in acquisition	4	**—**	(1,286)
Settlement of contingent consideration	18	**—**	(10,250)
Property, plant and equipment	4	**(331,299)**	(293,811)
Project development costs	5	**(5,448)**	(13,174)
Power connection process payment		**(985)**	—
Proceeds from disposition	4	**318**	21,281
Net change in non-cash working capital	18	**18,999**	(5,791)
Cash flows used in investing activities		**(318,415)**	(303,031)
Financing			
Issuance of common shares	12	**1,160**	804
Repurchase of shares for cancellation	12	**—**	(7,611)
Payment of equity incentive plans	13	**(2,798)**	(1,056)
Increase in loans and borrowings	8	**55,082**	74,513
Payment of lease obligations	6	**(3,206)**	(1,180)
Net change in non-cash working capital	18	**—**	1,905
Cash flows from financing activities		**50,238**	67,375
Effect of foreign exchange on cash		**(80)**	(50)
(Decrease) Increase in cash		**(5,054)**	5,054
Cash, beginning of year		**5,054**	—
Cash, end of year		**—**	5,054
Cash finance costs paid		**18,817**	17,849
Cash taxes paid		**53**	217

See the accompanying notes to the consolidated financial statements.

1. Nature and description of the company

Kiwetinohk Energy Corp. ("Kiwetinohk" or the "Company") is a corporation formed on September 22, 2021, pursuant to the Canada Business Corporations Act. Kiwetinohk's common shares trade on the Toronto Stock Exchange under the symbol KEC.

Kiwetinohk produces natural gas, natural gas liquids, oil and condensate and is a developer of renewable and natural gas power projects, and early stage carbon capture and storage opportunities, in Alberta.

The registered office of the Company is located at Suite 1700, 250–2nd Street SW, Calgary, AB, T2P 0C1.

2. Basis of presentation

New accounting policies

IAS 1 Presentation of Financial Statements

Effective January 1, 2024, amendments to the classification of a liability as current or non-current require that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. An entity also has to disclose information to convey the risk to users that non-current liabilities with covenants could become repayable within twelve months. This did not have a material impact on the Company's financial statements.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Effective January 1, 2024, amendments in Supplier Finance Arrangements do not define supplier finance arrangements and instead provide the characteristics of an arrangement for which an entity is required to provide the information and add various disclosure objectives and requirements to sufficiently explain the impact of these arrangements on the financial statements. Additionally, supplier finance arrangements are added as an example within the liquidity risk disclosure requirements. This did not have a material impact on the Company's financial statements.

IFRS 16 Leases

Effective January 1, 2024, amendments to the sale and leaseback subsequent recognition criteria require a seller-lessee to subsequently measure the lease liability arising from a leaseback in a way that does not recognize any amount of the gain or loss that relates to the right of use it retains. This did not have a material impact on the Company's financial statements.

Statement of compliance and authorization

These financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the IAS Standards Board ("IASB®"). The Company has consistently applied the same accounting policies throughout all years presented except for new accounting policies noted above.

The financial statements have been prepared using historical costs, except those items that are presented at fair value as detailed in the accounting policies, on a going concern basis and have been presented in thousands of Canadian dollars, unless otherwise noted.

The financial statements were authorized for issue by the Company's Board of Directors on March 4, 2025.

3. Material accounting policies and estimates

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described in italics and grey within that note, with the related financial disclosures and accounting estimate and judgement by major caption as noted in the table below.

Section	Note	Topic	Accounting Policy	Accounting Estimate and Judgement
Long term assets	4	Property, plant and equipment	✓	✓
	5	Project development costs	✓	
Operations	7	Revenue	✓	
Obligations	6	Lease obligations	✓	
	8	Loans and borrowings	✓	
	10	Provisions	✓	✓
	11	Commitments	✓	
Capital	9	Weighted average shares	✓	
	12	Shareholders' capital	✓	
	13	Share-based compensation plans	✓	✓
	14	Capital management		
Other	15	Finance costs		
	16	Income taxes	✓	✓
	17	Financial instruments and risk management	✓	✓
	18	Supplemental cash flow information		
	19	Related party transactions	✓	
	20	Subsequent events		

Additional material accounting policies and estimates applicable to the Company are summarized below.

Joint operations
The Company conducts a portion of its petroleum and natural gas operations through joint operations which are joint arrangements whereby the parties have rights to the assets and obligations for the liabilities related to the arrangements. A joint operation involves joint control whereby unanimous consent is required for decisions about relevant activities and capital expenditures. The Company recognizes its share of any assets, liabilities, revenue and expenses which arise from the joint operation.

Farm-in transactions
The Company may enter into a farm-in arrangement whereby the Company as farmee will fund its share and a portion of the farmor's exploration and development expenditures for the Company to earn a working interest in the farm-in property. These expenditures are reflected in the Company's financial statements when the exploration and development work is incurred based on the accounting policies as described above.

Consolidation of subsidiaries
The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

1. has the power over the investee;
2. is exposed, or has rights, to variable returns from its involvement with the investee; and
3. has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

1. the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
2. potential voting rights held by the Company, other vote holders or other parties;
3. rights arising from other contractual arrangements; and
4. any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Company currently operates in the United States through a wholly-owned, controlled, subsidiary with a US dollar functional currency. The Company also holds 100% ownership in various limited partnership structures within its Power division. All inter-company transactions have been eliminated upon consolidation between the Company and any subsidiaries in these financial statements.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Non-controlling interests are initially measured at fair value at acquisition and then subsequently include the non-controlling interests' share of changes in equity. Profit or loss and each component of other comprehensive income or loss are attributed to the owners of the Company and to the non-controlling interests.

Transportation

Transportation costs paid by the Company for the transportation of crude oil, natural gas, condensate, and natural gas liquids to the point of title transfer are recognized when the transportation is provided.

Operating Segments

The Company's business activities include an upstream segment involved in the exploration and development of petroleum and natural gas in western Canada and a power segment involved in evaluating and developing low carbon solutions for the energy industry and securing access to downstream markets including power and hydrogen. Operating segments are reported separately if quantitative thresholds in accordance with IFRS 8 are met. Kiwetinohk's Canadian and US upstream operations are viewed as a single operating segment by the chief operating decision maker of the Company for the purpose of resource allocation and assessing performance and is the only reportable segment as quantitative thresholds have not been met for the power segment during the years ended December 31, 2024 and 2023.

Future Accounting Pronouncements
The following are future accounting pronouncements issued and not yet effective as at December 31, 2024. The Company intends to adopt these standards as they become effective and is in the process of evaluating the impacts, if any, on the consolidated financial statements.

IAS 21 The Effects of Changes in Foreign Exchange Rates
Effective January 1, 2025, amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. This is not expected to have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
Effective January 1, 2027, IFRS 18 will replace IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. IFRS 18 will introduce new requirements to present specific categories and defined subtotals in the statement of profit and loss, provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation. The Company expects IFRS 18 to impact future consolidated financial statements and disclosures.

IFRS 19 Subsidiaries without Public Accountability Disclosures
Effective January 1, 2027, amendments permit eligible subsidiaries to provide reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS. This is not expected to be applied for purposes of the consolidated financial statements.

4. Property, plant and equipment ("PP&E") assets

PP&E
Items of PP&E, which include oil and gas development and production assets, are measured at cost less accumulated depletion and depreciation and any accumulated impairment expenses.

Costs that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in a manner intended by management are capitalized.

Gains and losses on disposal of any PP&E is determined by comparing the proceeds from disposal with the carrying amount of the related PP&E and is recognized as a gain or loss on disposal.

Depreciation
Depreciation of furniture, leasehold improvements, information technology software and hardware, and other administrative assets is calculated on a straight-line basis over the estimated useful lives of the related assets which range from two to five years.

Right-of-use assets

The Company recognizes a right-of-use asset and a liability for leases with lease terms greater than one year. The right-of-use asset is measured at cost and depreciated over its estimated useful life. At the commencement date, the lease liability is measured at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Accounting estimates and judgements

Reserves

There are uncertainties associated with estimating quantities of proved reserves and probable reserves and in projecting future rates of production, timing of expenditures, and internal rates of return. Reserves information contains estimates prepared by the Company's independent reserve evaluators with respect to certain of the Company's oil, natural gas liquids ("NGL"), and natural gas properties. Information relating to oil, NGL, and natural gas properties may ultimately prove to be inaccurate.

Estimates of economically recoverable oil, NGL and natural gas reserves and resources and of future net cash flows necessarily depend upon a number of variable factors and assumption, such as historical production from the area compared with production from other producing areas, assumptions concerning commodity prices, the quality, quantity, and interpretation of available relevant data, future site restoration and abandonment costs, the assumed effects of regulations by governmental agencies and assumptions concerning future oil, NGL and natural gas prices, future operating costs, royalties, severance and excise taxes, capital investments and workover and remedial costs, all of which may vary considerably from actual results. Differences in estimates can have an impact on the carrying values of PP&E and rates of depletion. Reserves information are prepared in accordance with National Instrument 51-101 Standards of Disclosure of Oil and Gas Activities.

Impairment

PP&E assets are grouped into Cash Generating Units ("CGUs") for impairment testing. CGUs are defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company evaluates the geography, geology, production profile and infrastructure of its assets in determining its CGUs. The Company reviews the composition of its CGUs at each reporting date to assess whether any changes are required in light of new facts and circumstances.

CGUs are assessed for potential internal or external impairment indicators at the end of each reporting period. If an impairment indicator is identified, an impairment test is performed by comparing the carrying amount to the CGU's recoverable amount, which is defined as the higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU and discounted using a pre-tax rate, and fair value is the price that would be received to sell an asset in an orderly transaction between market participants. Any excess of the carrying value over the recoverable amount is recognized as an impairment expense.

Depletion

When significant components of PP&E, such as fields, processing facilities or pipelines have different useful lives, they are accounted for and depleted separately as major components.

PP&E is depleted on a unit of production method based on the following:

(1) Total estimated recoverable reserves gross of royalties;

(2) Total capitalized costs plus estimated future development costs; and

(3) Petroleum and natural gas are converted to a common unit of measurement on the basis of their relative energy content, where six thousand cubic feet of natural gas equates to one barrel of oil.

	Development and production	Office furniture and equipment	Right of use assets	Total
Cost				
Balance at December 31, 2022	983,168	1,222	12,825	997,215
Acquisitions	1,286	—	—	1,286
Additions	295,732	52	14,424	310,208
Change in decommissioning asset	(3,482)	—	—	(3,482)
Lease remeasurement	—	—	209	209
Disposition of assets	(113,382)	—	—	(113,382)
Balance at December 31, 2023	1,163,322	1,274	27,458	1,192,054
Additions	337,215	348	—	337,563
Change in decommissioning asset	2,786	—	—	2,786
Lease remeasurement (Note 6)	—	—	8,844	8,844
Disposition of assets	(318)	—	—	(318)
Balance at December 31, 2024	**1,503,005**	**1,622**	**36,302**	**1,540,929**
Accumulated depletion and depreciation				
Balance, December 31, 2022	(203,792)	(477)	(2,200)	(206,469)
Depletion and depreciation	(126,200)	(484)	(1,466)	(128,150)
Disposition of assets	96,099	—	—	96,099
Balance at December 31, 2023	(233,893)	(961)	(3,666)	(238,520)
Depletion and depreciation	(165,475)	(196)	(1,879)	(167,550)
Balance at December 31, 2024	**(399,368)**	**(1,157)**	**(5,545)**	**(406,070)**
Net book value				
At December 31, 2023	929,429	313	23,792	953,534
At December 31, 2024	**1,103,637**	**465**	**30,757**	**1,134,859**

Future development costs of $3.2 billion, inclusive of estimated abandonment and reclamation costs, were included in the depletion calculation during the year ended December 31, 2024 (December 31, 2023 - $2.8 billion). For the year ended December 31, 2024, the Company capitalized $3.3 million of general and administrative expenses directly to PP&E (December 31, 2023 - $3.1 million).

In the prior year, the Company disposed of non-core assets for total proceeds of $20.3 million, resulting in a total gain on disposition of $7.6 million recognized for the year ended, December 31, 2023.

At December 31, 2024, there were no indicators of impairment identified (December 31, 2023 - no indicators).

5. Project development costs

Project development costs related to initial evaluation, design, regulatory, environmental or engineering work are expensed in the period in which they are incurred.

Project development costs are capitalized when it is probable that the project will be an economic success based on evaluation of the following:

(1) *The technical feasibility of completing the project so that it will be available for use or sale;*
(2) *The intention to complete the project and use or sell it;*
(3) *The ability to use or sell the project;*
(4) *How the project will generate probable future economic benefit;*
(5) *The availability of adequate technical, financial and other resources necessary to complete the project; and*
(6) *Costs of the project can be measured reliably.*

Project development costs that are capitalized are reported at cost less accumulated amortization and less any accumulated impairment losses. At the end of each reporting period, project development costs are evaluated to determine whether there is any indication that these assets have suffered an impairment loss. If an impairment indicator is identified, an impairment test is performed by comparing the carrying amount to the asset's recoverable amount, which is defined as the higher of the asset's fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset discounted using a pre-tax rate and fair value is the price that would be received to sell an asset in an orderly transaction between market participants. Any excess of the carrying value over the recoverable amount is recognized as an impairment expense.

	2024	2023
Cost		
Balance, beginning of year	**35,292**	22,118
Additions	**5,448**	13,174
Impairment	**(28,347)**	—
Balance, end of year	**12,393**	35,292

For the year ended December 31, 2024, the Company capitalized $0.6 million in general and administrative expenses directly to project development costs (December 31, 2023 - $0.8 million).

In accordance with IFRS Accounting Standards, an impairment test is performed if the Company identifies indicators of impairment at the end of a reporting period. At June 30, 2024, the Company determined there was an impairment indicator present in its power project development costs for its portfolio of projects, with the exception of the Homestead solar project. The impairment indicator was related to evolving government policy and regulatory uncertainty which has caused delays and impacted the ability of the Company to finance these power development projects and advance their development to a Final Investment Decision on previously anticipated timelines. An impairment expense of $29.2 million, including $0.9 million of previously recognized refundable deposits, was recorded in the second quarter on power development projects within the portfolio (excluding Homestead solar), representing 100% of the costs to date.

There were no further impairment indicators at December 31, 2024.

6. Lease obligations

The Company recognizes a right-of-use asset and a liability for leases with lease terms greater than one year. The right-of-use asset is measured at cost and depreciated over its estimated useful life. At the commencement date, the lease liability is measured at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

	2024	2023
Balance, beginning of year	**26,525**	11,667
Accretion of lease liabilities	**2,240**	1,405
Lease payments	**(3,206)**	(1,180)
Lease remeasurement	**8,844**	209
Additions	**—**	14,424
Balance, end of year	**34,403**	26,525
Classification of lease obligations:		
Current liability	**4,683**	3,842
Long-term liability	**29,720**	22,683
Balance, end of year	**34,403**	26,525

The Company has lease liabilities for contracts related to office space held until August 31, 2031 and for lands for the Homestead Solar project for an initial period of 25 years. The Company recognizes discounted lease payments at the inception of the lease using a weighted average incremental borrowing rate at such time.

On November 28, 2024, the Company modified the Homestead project leases to set the rent structure and any applicable rate increases for an amended lease term of 35 years, providing economic certainty in development models. Expected lease payments for the Homestead solar project were discounted at a weighted average incremental borrowing rate of 8.5% resulting in an incremental lease liability and a corresponding right-of-use asset at the time of modification. The Company has the ability to terminate the Homestead lease upon providing notice to landowner's and satisfaction of certain reclamation requirements.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes payments associated with these leases as an expense over the lease term.

7. Revenue

Commodity sales from production

Revenue associated with the sale of crude oil, natural gas, condensate and natural gas liquids ("NGLs") owned by the Company is recognized when title is transferred from the Company to its customers. The Company considers its performance obligations to be satisfied and control to be transferred when all the following conditions are satisfied:

(1) The Company has transferred title and physical possession of the goods to the buyer based on the terms specified in the contract;
(2) The Company has transferred the significant risks and rewards of ownership of the goods to the buyer; and
(3) The Company has the present right to payment when performance obligations are met.

Commodity sales from purchases
The Company purchases natural gas in Canada from third parties to fulfill take-or-pay transportation commitments on pipelines. The ultimate sale of purchased natural gas is reflected as commodity sales from purchases. Commodity purchases, transportation and other include the original commodity purchase, related transportation expense and any related marketing fees.

For the year ended December 31,	2024	2023
Oil & condensate	**294,246**	254,053
NGLs	**63,186**	53,629
Natural gas	**97,166**	104,144
Commodity sales from production	**454,598**	411,826
Commodity sales from purchases	**55,526**	75,573
Total revenue	**510,124**	487,399

The Company purchases natural gas in Canada from third parties to fulfill take-or-pay transportation commitments on pipelines. The ultimate sale of purchased natural gas is reflected as commodity sales from purchases. Costs of purchased natural gas are presented as commodity purchases, transportation and other within the consolidated statement of net income and comprehensive income and include the original commodity purchase, related transportation expense and any related marketing fees.

8. Loans and borrowings

Loans and borrowings are initially measured at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of loans and borrowings approximates carrying value as floating market rates of interest are used in measurement.

Senior Secured Extendible Revolving Facility ("Credit Facility")

On May 27, 2024 the Company completed the annual borrowing base review of the consolidated Credit Facility and increased the borrowing base from $375.0 million to $400.0 million. The borrowing base is comprised of an operating facility of $65.0 million and a syndicated facility of $335.0 million. The Credit Facility is a 364-day committed facility available on a revolving basis which was extended until May 31, 2025, at which time it may be extended at the lenders' option. If the revolving period is not extended, the undrawn portion of the Credit Facility will be cancelled and the amount outstanding would be required to be repaid at the end of the non-revolving term, being May 31, 2026. The borrowing base is determined based on the lenders' evaluation of the Company's petroleum and natural gas reserves at the time and commodity prices.

Interest payable on amounts drawn under the Credit Facility is charged at the prevailing bankers' acceptance rate plus the applicable stamping fees, lenders' prime rate or U.S. base rate plus the applicable margins, depending on the form of borrowing by the Company. The applicable margins and stamping fees are based on a sliding scale pricing grid tied to the ratio of the Company's debt to earnings before interest, taxes, depreciation and amortization ("bank EBITDA ratio"). Applicable margins over the bank's prime rate or U.S. base rate range from 1.75 percent to 5.25 percent and stamping fees applicable to the relevant Canadian Overnight Repo Rate Average ("CORRA") rate range from 2.75 percent to 6.25 percent. The undrawn portion of the Credit Facility is subject to standby fees ranging from 0.6875 percent to 1.5625 percent based on the Company's bank EBITDA ratio.

The Credit Facility is secured by a $1.0 billion demand floating charge debenture and a general security agreement over all recourse assets of the Company. At December 31, 2024, the Company had letters of credit outstanding of $70.0 million (December 31, 2023 - $89.4 million) of which, $48.0 million had been provided for through the EDC facility (see below), and the remaining $22.0 million were issued under the Credit Facility and reduce the available operating facility capacity. At December 31, 2024, the Company has $127.0 million of capacity available under the Credit Facility (December 31, 2023 - $156.7 million).

	2024	2023
Credit facility drawn	**251,002**	195,000
Deferred financing costs	**(1,100)**	(912)
Balance, end of year	**249,902**	194,088

The Company is not subject to any financial covenants under the Credit Facility.

EDC Letter of Credit Facility

On May 27, 2024, Kiwetinohk amended and increased the unsecured demand revolving letter of credit facility (the "LC Facility") with Export Development Canada ("EDC") from $75.0 million to $125.0 million. Kiwetinohk's obligations under the LC Facility are supported by a performance security guarantee ("PSG") granted by EDC to the Credit Facility lender to guarantee the payment of certain amounts in respect of letters of credit. The PSG is valid to May 31, 2025 and may be extended from time-to-time at the option of Kiwetinohk and with the agreement of EDC. The Company expects to renew the PSG in May 2025 concurrently with its annual borrowing base review of the consolidated Credit Facility. At December 31, 2024, the Company has $77.0 million of capacity remaining under the LC Facility (December 31, 2023 - $8.9 million).

9. Weighted average shares

Basic per share amounts are computed by dividing the net gain (loss) by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated using the treasury stock method giving effect to the potential dilution that would occur if stock options and warrants were exercised.

For the year ended December 31,	**2024**	2023
Basic weighted average shares	**43,691**	43,971
Effect of dilutive instruments	**881**	496
Diluted weighted average shares	**44,572**	44,467

10. Provisions

Asset retirement obligation ("ARO")

ARO is recorded for the abandonment and restoration obligations associated with PP&E and E&E assets. The offsetting capitalized amount recorded to PP&E or E&E is depreciated on a unit of production basis as described above. Subsequent to the initial measurement, the ARO liability is adjusted at the end of each period to reflect the passage of time which is recorded as an accretion expense. Changes in the estimated future cash flows and any changes to the discount rate result in an increase or decrease to ARO and the offsetting PP&E or E&E capitalized amount. Actual costs incurred upon settlement of the ARO liability are recorded against the liability.

Accounting estimates and judgements

ARO estimates are based on current legal and constructive requirements, technology, price levels, cost inflation, the risk-free interest rate, timing, and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions, and changes in technology.

Provisions for onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

	Asset Retirement Obligations	Onerous Contract	Total
Balance at December 31, 2022	89,774	—	89,774
Provisions incurred	2,472	—	2,472
Expenditures	(4,074)	—	(4,074)
Changes in estimate	(5,954)	—	(5,954)
Accretion expense	3,677	—	3,677
Dispositions	(3,596)	—	(3,596)
Balance at December 31, 2023	82,299	—	82,299
Provisions incurred	3,384	4,531	7,915
Expenditures	(4,479)	(268)	(4,747)
Changes in estimate	(598)	63	(535)
Accretion expense	3,637	69	3,706
Balance at December 31, 2024	**84,243**	**4,395**	**88,638**

	2024	2023
Current liability	**6,383**	5,341
Long-term liability	**82,255**	76,958
Balance, end of year	**88,638**	82,299

Asset Retirement Obligations

The Company’s asset retirement obligations ("ARO") result from its ownership in oil and natural gas assets, including well sites, facilities and gathering systems. The Company estimates the total future cash flows to settle its ARO is $114.9 million, or $176.6 million inflated at 1.82% (December 31, 2023 – 1.62%) and undiscounted. These cash flows have been discounted using a long-term risk-free interest rate of 3.33% (December 31, 2023 – 3.02%) to arrive at the present value estimate of $84.2 million. The Company expects these obligations to be settled over one to forty-two years.

Onerous Contracts

During the second quarter of 2024, the Company recognized a provision related to an onerous contract to transport and offload natural gas from the Nova Gas Transmission Ltd. pipeline system for use at its Opal gas-fired peaking project. The provision represents the future tolling obligations that the Company is obligated to make under the contract. As at December 31, 2024, the Company estimates the total undiscounted future tolling obligations under this contract to be $4.8 million. These payments have been discounted using a seven-year risk-free interest rate of 3.07% to arrive at a present value estimate of $4.4 million (December 31, 2023 – nil).

Subsequent to December 31, 2024, the Company sold its Opal gas-fired peaking project and assigned all future tolling obligations under the contract and unrecognized the provision. See Note 20.

11. Commitments and contingencies

At each reporting date, the Company recognises unrecognised contractual commitments as the undiscounted contractually agreed upon minimum payments.

Provisions are recognized when the Company has a present obligation as a result of a past event, payment is probable, and the amount can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditures required to settle the obligation at the balance sheet date using a present value technique and a risk-free pre-tax rate.

$ millions	2025	2026	2027	2028	2029	Thereafter
Gathering, processing and transport [1]	76.8	63.6	39.9	39.9	39.9	72.0
Natural gas purchases	31.0	—	—	—	—	—
Upstream and corporate lease liabilities	2.2	2.2	2.2	2.2	2.2	3.9
Power lease liabilities [2]	2.0	1.9	1.5	1.7	1.8	75.8
Other	0.4	0.4	0.4	0.4	0.4	—
Total	112.4	68.1	44.0	44.2	44.3	151.7

1 - The Company has extended its commitment on the US segment of the Alliance pipeline until October 2032, with evergreen renewals on the Canadian segment of the Alliance pipeline for one-year terms starting November 2025.
2- The Company has not reached a final investment decision ("FID") on power projects as of the date hereof. The Company has the ability to terminate the lease and remove this financial obligation if FID is not achieved.

The Company currently has 29.3 MMcf/d of natural gas transportation commitments on the Nova Gas Transmission Ltd. to March 2026. In addition, the Company holds a commitment to deliver approximately 120.0 MMcf/d of gas to Chicago on Alliance. The Company has extended its commitment on the US segment of the Alliance Pipeline until October 31, 2032, with anticipated toll renewals on the Canadian segment of the Alliance Pipeline for evergreen one-year terms starting November 1, 2025, with a longer term expectation of

renewing for the full-term committed to on the US segment pending a review of tolls on the Canadian segment by the Canadian Energy Regulator. The Company has entered into various gas purchase agreements to fill the underutilized portion of the Alliance pipeline through October 2025.

Subsequent to December 31, 2024, the Company reduced its transportation commitment on the Nova Gas Transmission Ltd. pipeline by $5.3 million as a result of the Opal power project sale.

Lease liabilities represent the undiscounted payments required under lease obligations as described in Note 6.

The Company is involved in litigation and disputes arising in the normal course of operations. Management is of the opinion that any potential litigation will not have a material adverse impact on the Company's financial position or results of operations as at December 31, 2024.

12. Shareholders' capital

Common shares issued represent a residual interest in the Company and are recognized as a change in shareholders' capital. Qualifying costs attributable to an equity transaction are recognized as a deduction to equity.

The Company is authorized to issue an unlimited number of voting common shares and an unlimited number of preferred shares issuable in series.

$000s, except share amounts	Number	$
Common shares:		
Balance, December 31, 2022	44,176,710	440,916
Stock options exercised	84,710	1,310
Repurchase of shares for cancellation	(598,776)	(7,611)
Balance, December 31, 2023	43,662,644	434,615
Stock options exercised [1]	119,104	1,862
Balance, December 31, 2024	**43,781,748**	**436,477**

1 – Common shares received on exercise of stock options excludes the impact of cash-less settlements during the period.

On December 19, 2024, the Company renewed its normal course issuer bid ("NCIB"), allowing the Company to purchase and cancel up to 2,188,237 Common Shares prior to December 22, 2025. The Company did not purchase any shares under the NCIB program for the year ended December 31, 2024.

13. Share-based compensation plans

Equity-settled share-based awards to directors, officers, and employees include options and performance warrants and are measured at the fair value of the equity instruments at the grant date. The fair value is expensed over the vesting period based on the Company's estimate of equity instruments that will eventually vest with a corresponding increase in contributed surplus. When equity instruments are exercised, the cash proceeds together with the amount previously recorded as contributed surplus are recorded as shareholders' capital. The Company incorporates an estimated forfeiture rate for equity instruments that will not vest, and subsequently adjusts for actual forfeitures as they occur.

Cash-settled incentive awards to directors, officers and employees include Deferred Share Units, Performance Share Units and Restricted Share Units. Cash-settled incentives are recognized as a liability and are measured at fair value of the instrument each reporting period, with changes recognized through profit and loss. The fair value is determined at the end of each reporting period by the trading price of the Company's shares, an estimated forfeiture rate and an estimated payout multiplier for performance share units.

Accounting estimates and judgements

The significant inputs to the Black-Scholes option pricing model include the fair value of the shares at issue date, expected volatility, dividend yield, forfeitures, and discount rates.

The significant inputs to the cash-settled awards include the fair value of the shares at reporting date, forfeitures, and payout multipliers.

Equity-settled incentive plans

Stock Options

The Company has a stock option plan for directors, officers, employees and consultants of the Company. The aggregate number of stock options that may be granted at any time under the plan shall not exceed 10 percent of the aggregate number of issued and outstanding common shares.

Options are subject to vesting conditions and unless otherwise determined by the board of directors at the time of grant, options time vest one-third after one, two and three years after the date of grant and expire seven years from the date of grant. Options are settled by issuing shares of the Company or can be cashless exercised.

The following table summarizes the changes in stock options outstanding and related weighted average exercise prices of stock options outstanding for the year ended December 31, 2024.

	Number of options	Weighted average exercise price ($)
Outstanding, December 31, 2022	2,716,786	10.36
Granted	244,500	14.11
Exercised	(96,462)	10.00
Forfeited	(96,755)	10.94
Outstanding, December 31, 2023	2,768,069	10.68
Granted	203,887	13.55
Exercised	(134,751)	10.01
Forfeited	(10,403)	12.30
Outstanding, December 31, 2024	**2,826,802**	**10.92**

	Options Outstanding		Options Exercisable	
Range of Exercise Prices	Number of options	Weighted average contractual life remaining (years)	Number of options	Weighted average exercise price $
10.00 — 12.00	2,123,244	2.1	2,123,244	10.00
12.01 — 14.00	361,983	5.8	86,521	12.41
14.01 — 16.00	323,025	5.3	160,499	14.14
16.01 — 18.00	18,550	4.9	12,368	17.29
	2,826,802	2.4	2,382,632	10.30

A summary of the inputs used to value stock options granted during the year ended December 31, 2024 is as follows:

	2024	2023
Risk-free interest rate	**2.89 %**	3.61 %
Expected life (years)	**7.0**	7.0
Expected volatility [1]	**52 %**	54 %
Expected dividend rate	**— %**	— %
Expected forfeiture rate	**3 %**	5 %
Weighted average fair value	**$7.53**	$8.10

1 – Kiwetinohk has estimated the expected volatility over the life of the option based on a peer group average for intermediate oil and gas and power companies.

Performance Warrants

The Company has a performance warrant plan for directors, officers, employees and consultants of the Company. The Company does not have the ability to issue any further performance warrants as a public company. Each performance warrant, when vested, entitles the holder thereof to acquire one common share at various exercise prices of $15.00, $17.50, $20.00, $22.50, and $25.00.

The performance warrants are subject to time vesting conditions. Unless otherwise determined by the board of directors at the time of grant, performance warrants vest one-third after one, two and three years after the date of grant. Performance warrants may be exercised at or before the earlier of their contractual expiration date, or a liquidity event. Warrants are settled by issuing shares of the Company or can be cashless exercised upon a liquidity event.

The following table summarizes the changes in performance warrants outstanding and related weighted average exercise prices of performance warrants outstanding for the year ended December 31, 2024.

	Number of performance warrants	Weighted average exercise price ($)
Outstanding, December 31, 2022	7,555,258	20.00
Forfeited	(776,003)	20.00
Outstanding, December 31, 2023	6,779,255	20.00
Exercised	(2,000)	15.00
Forfeited	(193,860)	20.05
Outstanding, December 31, 2024	6,583,395	20.00

	Performance Warrants Outstanding		Performance Warrants Exercisable	
Exercise Price	Number of performance warrants	Weighted average contractual life remaining (years)	Number of performance warrants	Weighted average exercise price $
15.00	1,316,682	1.5	1,316,682	15.00
17.50	1,316,683	1.5	1,316,683	17.50
20.00	1,316,678	1.5	1,316,678	20.00
22.50	1,316,676	1.5	1,316,676	22.50
25.00	1,316,676	1.5	1,316,676	25.00
	6,583,395	1.5	6,583,395	20.00

Cash-settled incentive plans

Deferred share units
The Company has a deferred share unit ("DSU") incentive plan for members of the board of directors. Each DSU entitles participants to receive cash equal to the trading price of the equivalent number of shares of the Company. All DSUs granted vest immediately upon grant and become payable upon retirement of the director.

The compensation expense was calculated using the fair value method based on the trading price of the Company's shares at the end of each reporting period.

Performance share units
The Company has a performance share unit ("PSU") incentive plan for employees and officers. Each PSU entitles the holder to be issued a lump sum cash payment based on the trading price of the equivalent number of shares of the Company, multiplied by a payout multiplier based on the total shareholder return on its Common Shares relative to peer performance and a three-year vesting period.

The multiplier ranges from 0.0x – 2.0x and is calculated based on an annual performance period at the time of vesting as determined and approved by the Board of Directors. All PSUs granted time vest one-third after one, two and three years after the date of grant and are cash settled upon vesting.

The compensation expense was calculated using the fair value method based on the trading price of the Company's shares at the end of each reporting period, including an estimated forfeiture rate of 3%, an estimated performance multiplier as at December 31, 2024 and a three-year vesting period.

Restricted share units

The Company has a restricted share unit ("RSU") award incentive plan for employees and officers. Each RSU entitles the holder to be issued a lump sum cash payment based on the trading price of the equivalent number of shares of the Company as at the time of vesting. All RSUs granted time vest one-third after one, two and three years after the date of grant and are cash settled upon vesting.

The compensation expense was calculated using the fair value method based on the trading price of the Company's shares at the end of each reporting period, including an estimated forfeiture rate of 3% and a three-year vesting period.

All cash award incentive plans have been recognized as a compensation liability on the Consolidated Balance Sheet.

The following table summarizes the changes in the deferred share unit ("DSU"), performance share unit ("PSU"), and restricted share unit ("RSU") awards for the year ended December 31, 2024.

(Number of awards)	DSUs	PSUs	RSUs
Outstanding, December 31, 2022	47,422	142,494	184,195
Granted	55,331	141,657	198,533
Settled	—	(32,282)	(55,609)
Forfeited	—	(28,667)	(17,341)
Outstanding, December 31, 2023	102,753	223,202	309,778
Granted	49,849	209,038	279,576
Settled	(7,224)	(86,400)	(121,399)
Forfeited	—	(3,261)	(6,091)
Outstanding, December 31, 2024	145,378	342,579	461,864

The following table summarizes the change in compensation liability relating to awards:

	DSUs	PSUs [1]	RSUs
Balance, December 31, 2022	693	603	757
Change in accrued compensation liability	(186)	(933)	(971)
Granted	661	1,768	2,531
Settled	—	(418)	(720)
Forfeited	—	(364)	(217)
Balance, December 31, 2023	1,168	656	1,380
Change in accrued compensation liability	667	2,246	2,104
Granted [1]	658	1,377	1,168
Settled	(115)	(1,165)	(1,601)
Forfeited	—	(37)	(69)
Balance, December 31, 2024	2,378	3,077	2,982

1 – The change in PSU compensation liability relating to granted awards is calculated as the ending liability of all granted awards during the period, after applying the period-end performance multiplier. The change in accrued compensation liability includes the impact of changes in the estimated performance multiplier on all other PSUs.

The following table summarizes the composition of the compensation liability as at December 31, 2024:

	2024	2023
Current liability	**4,260**	1,218
Long-term liability	**4,177**	1,986
Balance, end of year	**8,437**	3,204

The following table summarizes the total share-based compensation expense relating to equity-settled and cash-settled awards for the year ended December 31:

	2024	2023
Equity-settled awards	**2,611**	4,494
Cash-settled awards	**8,031**	2,207
Share-based compensation expense	**10,642**	6,701

14. Capital management

The Company's objective when managing its capital is to maintain a conservative structure that provides financial flexibility to execute on strategic opportunities and new business opportunities. The Company manages its capital structure and adjusts it in response to changes in economic conditions. The Company's capital is comprised of shareholders' equity, loans and borrowings, and working capital. The Company plans to use its credit facility for working capital purposes to fund go forward plans in advance of cash flow from new investments and will target a ratio of net debt to last-twelve months of adjusted funds flow from operations of no more than 1.0 times.

The Company is not subject to any externally imposed financial covenants or capital requirements.

Adjusted funds flow from operations

Adjusted funds flow from operations is cash flow from (used in) operating activities before changes in net change in non-cash working capital from operating activities, provision expenditures, restructuring costs, transaction costs and settlement agreement costs. Management uses adjusted funds flow from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments, asset retirement obligations and to repay debt.

	2024	2023
Cash flow from operating activities	**263,203**	240,760
Net change in non-cash operating working capital from operating activities	**4,165**	(4,290)
Provision expenditures	**4,747**	4,074
Transaction costs	**—**	767
Adjusted funds flow from operations	**272,115**	241,311

Adjusted working capital (deficit) surplus

Adjusted working capital (deficit) surplus is comprised of current assets less current liabilities excluding risk management contracts. Adjusted working capital (deficit) surplus is used by management to provide a more complete understanding of the Company's liquidity. The current portion of risk management contracts has been excluded as there is no intention to realize these financial instruments and they are also subject to a high degree of volatility prior to ultimate settlement.

	2024	2023
Current assets	**68,323**	87,951
Current liabilities	**(112,085)**	(69,678)
Working capital (deficit) surplus	**(43,762)**	18,273
Risk management contracts liabilities (assets)	**20,900**	(10,708)
Adjusted working capital (deficit) surplus	**(22,862)**	7,565

Net debt and net debt to trailing 12 month adjusted funds flow from operations
Net debt is comprised of loans and borrowings plus adjusted working capital surplus (deficit) and represents the Company's net financing obligations. Net debt is used by management to provide a more complete understanding of the Company's capital structure and provides a key measure to assess the Company's liquidity.

Net debt to trailing 12 month adjusted funds flow from operations is a liquidity ratio that represents the Company's ability to cover its net debt with its adjusted funds flow from operations. Net debt to trailing 12 month adjusted funds flow is calculated as net debt divided by the trailing 12 month adjusted funds flow from operations.

	2024	2023
Loans and borrowings	**249,902**	194,088
Adjusted working capital deficit (surplus)	**22,862**	(7,565)
Net debt	**272,764**	186,523
Net debt to adjusted funds flow from operations	**1.00**	0.77

15. Finance costs

	2024	2023
Interest and bank charges	**19,142**	16,392
Accretion expense	**3,706**	3,677
Interest on lease obligations	**2,240**	1,405
Deferred financing amortization	**732**	914
Unrealized (gain) loss on foreign exchange	**(460)**	683
Finance costs	**25,360**	23,071

16. Income taxes

Current tax
Current tax payable is based on taxable income for the year. Taxable income differs from income as reported in the consolidated statement of net income and comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, except to the extent that it relates to items recognized directly in shareholders' equity, in which case the income tax is recognized directly in shareholders' equity. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Accounting estimates and judgements

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such deductible temporary differences can be utilized.

Provision for (recovery of) income taxes

For the year ended December 31, 2024, the Company incurred current tax expense of $0.1 million relating to the United States subsidiary. The Company's provision for (recovery of) income taxes for the year ended December 31, 2024 is comprised of:

	2024	2023
Current tax expense	**53**	217
Deferred tax expense	**1,052**	33,744
Income tax expense	**1,105**	33,961

A reconciliation of the Company's expected income tax expense recognized is as follows:

	2024	2023
Net income before income taxes	**2,170**	145,857
Combined federal and provincial tax rate	**23.0%**	23.0%
Expected income tax expense	**499**	33,547
Effect on income tax of:		
Share-based compensation	**601**	1,034
Change in valuation allowance	**—**	—
True up of provision to tax returns as filed	**(45)**	(197)
Rate reduction and other	**(3)**	(640)
Current tax expense	**53**	217
Income tax expense	**1,105**	33,961

Deferred taxes

	2024	2023
Deferred income tax assets:		
Provisions	**20,387**	18,929
Share and debt issue costs	**276**	446
Non-capital losses	**50,715**	51,849
Risk management contracts	**7,412**	(4,496)
Lease obligations	**7,913**	6,101
Other	**2,676**	1,848
Deferred income tax liabilities:		
PP&E	**(97,600)**	(76,204)
Project development costs	**(2,851)**	(8,493)
Net deferred income tax liability	**(11,072)**	(10,020)

As of December 31, 2024, the Company recognized a net deferred tax liability of $11.1 million (December 2023 - deferred tax liability of $10.0 million).

At December 31, 2024, the Company has total tax pools of $928 million (December 2023 - $845 million), including non-capital loss carry-forwards of $221 million (December 2023 - $225 million) available to reduce future years' income for tax purposes, with the earliest expires occurring in 2038.

17. Financial instruments and risk management

The Company's financial instruments recognized on the consolidated balance sheet includes cash, accounts receivable, prepaid expenses and deposits, inventory, accounts payable and accrued liabilities, lease liabilities, share based compensation liability, loans and borrowings, and risk management contracts.

Classification

The Company's financial instruments are classified and measured at amortized cost or fair value through profit of loss ("FVTPL").

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual cash flows give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are measured at FVTPL.

All financial liabilities are measured at amortized cost except for risk management contracts which are measured at FVTPL.

Presentation

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated balance sheet when an entity has a legally enforceable right to offset the recognised amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Accounting estimates and judgements

Financial instruments measured at fair value are estimated using the following hierarchy for observable inputs:

(1) Level 1 inputs – Quoted prices in active markets for identical assets or liabilities that the Company can access at date of measurement;

(2) Level 2 inputs – Inputs other than quoted prices included in level 1 that are observable either directly or indirectly; and

(3) Level 3 inputs – Unobservable inputs for the asset or liability.

Financial instruments carried at fair value include cash, share based compensation liability, and risk management contracts. Cash is classified as a Level 1 measurement and share based compensation liability and risk management contracts are classified as a Level 2 measurement in the fair value measurement hierarchy. All other financial instruments are measured at amortized cost.

With respect to risk management contracts, which are derivative financial instruments, management has elected not to use hedge accounting and consequently records the fair value of its natural gas, crude oil, foreign exchange and basis differential contracts on the consolidated balance sheet at each reporting period with the change in the fair value of the financial contracts being classified as unrealized gains and losses in the consolidated statement of net income (loss) and comprehensive income (loss).

The carrying value of accounts receivable, prepaid expenses and deposits, inventory, accounts payable and accrued liabilities approximate fair value due to their short terms to maturity. Loans and borrowings approximate their fair value due to the use of floating rates. Lease liabilities have a carrying value that does not significantly differ compared to fair value.

Impairment of financial assets
Impairment of accounts receivable is measured at an amount equal to lifetime expected credit losses as they do not contain significant financing components.

The Company's financial instruments recognized on the consolidated balance sheet in accordance with the accounting policies above includes cash, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities, lease liabilities, share based compensation liability, loans and borrowings, and risk management contracts.

The nature of financial instruments exposes the Company to credit risk, liquidity risk, and market risk.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is exposed to credit risk with respect to its accounts receivable and risk management contracts.

The Company's risk management contracts are held with large established financial institutions. The Company manages credit risk by ensuring transactions are only entered into with counterparties with strong credit worthiness and regular internal reviews are performed on the Company's exposure to these counterparties, the majority of which is short-term.

The majority of credit risk exposure on accounts receivable at December 31, 2024, relates to accrued sales revenue for December 2024 production volumes and marketing of purchased gas. Purchasers of the Company's commodity sales typically remit amounts to the Company by the 25th day of the month following the month of production. At December 31, 2024, nine commodity purchasers accounted for more than 5% of the total accounts receivable balance individually, and 68% together. None are considered a credit risk.

The Company's maximum exposure to credit risk is as follows:

	2024	2023
Commodity sales from production and marketing	**55,280**	51,630
Government related filings	**3,758**	5,786
Joint venture	**999**	485
Other	**144**	48
Total accounts receivable	**60,181**	57,949
Cash	**—**	5,054
Risk management contracts	**—**	19,546
Total exposure	**60,181**	82,549

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company operates in a capital-intensive industry with medium to long-term cash cycles. The Company may face lengthy development lead times, as well as risks associated with rising capital costs and timing of project completion because of the availability of resources, permits and other factors beyond its control. The Company regularly monitors its cash requirements by assessing its ability to generate cash flow from operations, access to external financing, debt obligations as they become due, and its expected future operating and capital expenditure requirements. The Company may adjust planned capital expenditures to manage liquidity risk as required.

The Company's expected cash outflows relating to financial liabilities at December 31, 2024 are as follows:

$ millions	2025	2026	2027	2028	2029	Thereafter
Accounts payable	75.9	—	—	—	—	—
Cash-settled compensation liability[1]	4.3	1.4	0.3	—	—	2.4
Loans and borrowings[2]	—	251.0		—	—	—
Risk management contracts	20.9	10.9	0.4	—	—	—
Upstream and Corporate lease liabilities	2.2	2.2	2.2	2.2	2.2	3.9
Power lease liabilities[3]	2.0	1.9	1.5	1.7	1.8	75.8
Total	105.3	267.4	4.4	3.9	4.0	82.1

1 – Cash outflows relating to the DSU cash-settled compensation liability will be paid when each director retires. The Company has no available information to estimate the year of cash outflow and therefore the entirety of the DSU expected outflow has been assigned to "Thereafter".
2 – Assumes the outstanding debt on the Credit Facility as of December 31, 2024 is repaid on the facility's maturity date.
3 – The Company has not reached a final investment decision ("FID") on power projects as of December 31, 2024. The Company has the ability to terminate the lease and remove this financial obligation if FID is not achieved.

Market risk

Market risk is the risk that fluctuations in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's consolidated statement of net income and comprehensive income to the extent the Company has outstanding financial instruments.

Interest rate risk

The Company is exposed to interest rate risk to the extent that changes in market interest rates impact interest incurred on loans through its credit facility. The Company's bankers' acceptances primarily have terms of one month and are subject to floating rate exposure upon each renewal. Based on the monthly average outstanding loan balance for the year, a 1.0% change in interest rates would result in the following increase or decrease in finance costs for the year ended December 31, 2024:

	Increase	Decrease
1% change in interest rate impact on finance costs	**2,040**	(2,040)

Commodity price risk and foreign currency risk

The nature of the Company's operations result in exposure to fluctuations in commodity prices. Additionally, the Company is exposed to foreign currency fluctuations as crude oil and natural gas prices are referenced in U.S. dollar denominated prices. The demand for energy including petroleum and natural gas sales is generally linked to economic activities. A slowdown in economic growth, an economic downturn or recession, or other adverse economic or political developments in North America or globally, could result in a significant adverse effect on global financial markets which could in turn cause commodity price and foreign currency fluctuations which could negatively impact the Company's operations and cash flows.

Management continuously monitors commodity prices and foreign exchange rates and may from time to time enter into risk management contracts to manage exposure to these risks in accordance with Board approved risk management guidelines.

The Company has the following commodity risk management contracts outstanding at December 31, 2024:

Type		Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026	2027
Crude oil [1]							
WTI swap	bbl/d	1,833	1,250	1,167	1,000	750	225
WTI buy put	bbl/d	3,833	3,583	3,083	2,833	1,500	50
WTI sell call	bbl/d	3,833	3,583	3,083	2,833	1,500	50
WTI swap average	US$/bbl	$72.57	$70.69	$70.47	$70.04	$68.72	$67.57
WTI buy put average	US$/bbl	$67.98	$67.83	$67.48	$67.26	$65.83	$70.00
WTI sell call average	US$/bbl	$76.38	$76.12	$75.59	$75.38	$73.11	$73.18
Natural gas [1]							
NYMEX Henry Hub buy put	MMBtu/d	57,500	47,500	45,833	45,000	35,833	3,587
NYMEX Henry Hub sell call	MMBtu/d	57,500	47,500	45,833	45,000	36,042	3,337
NYMEX Henry Hub buy put average	US$/MMBtu	$3.13	$3.15	$3.15	$3.17	$3.08	$3.21
NYMEX Henry Hub sell call average	US$/MMBtu	$4.32	$4.33	$4.35	$4.45	$4.24	$3.69

Type		Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026	2027
Natural gas transportation [1,2,3]							
Purchase AECO 5A basis (to NYMEX Henry Hub)	MMBtu/d	30,000	25,000	25,000	8,333	—	—
Sell GDD Chicago basis (to NYMEX Henry Hub) [3]	MMBtu/d	(30,000)	(25,000)	(25,000)	(8,333)	—	—
AECO 5A basis (to NYMEX Henry Hub) average	US$/MMBtu	$(1.35)	$(1.36)	$(1.36)	$(1.36)	$—	$—
GDD Chicago basis (to NYMEX Henry Hub) average [3]	US$/MMBtu	$(0.01)	$(0.08)	$(0.08)	$(0.08)	$—	$—

1 – Prices per unit and volumes per day are represented at the average amounts for the period.
2 – Natural gas transportation hedges relate to exposure to basis pricing differentials between AECO and Chicago arising from firm transportation commitments.
3 – Gas Daily Daily ("GDD") pricing represents the daily natural gas settlement price in Chicago.

The Company has the following foreign exchange risk management contracts outstanding at December 31, 2024:

Type		Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026	2027
Foreign exchange [1]							
Sell USD CAD (monthly average)	US$	$12.5 MM	$12.5 MM	$12.5 MM	$12.5 MM	$— MM	$— MM
USD CAD buy put	US$	$6.5 MM	$6.5 MM	$6.5 MM	$6.5 MM	$13.0 MM	$— MM
USD CAD sell call [2]	US$	$6.5 MM	$6.5 MM	$6.5 MM	$6.5 MM	$17.0 MM	$— MM
USD CAD fixed sell rate		$1.35	$1.35	$1.35	$1.35	$—	$—
USD CAD buy put rate		$1.33	$1.33	$1.33	$1.33	$1.33	$—
USD CAD sell call rate [2]		$1.39	$1.39	$1.39	$1.39	$1.39	$—

1 – Prices per unit and volumes per day are represented at the average amounts for the period.
2 – The Company entered into a collar effective for the 2026 calendar year. As at December 31, 2024, $8.0 million per month at a rate of 1.37 USD/CAD has been included in the above table. Should the WM/Reuters monthly average drop below 1.4050, the notional amount will drop to $4.0 million at a call rate of 1.405.

Subsequent to December 31, 2024, the Company entered into the following risk management contracts:

Type		Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026	2027	2028
Crude oil contracts [1,2]								
WTI buy put	bbl/d	167	250	250	250	250	—	—
WTI sell call	bbl/d	167	250	250	250	250	—	—
Sell Ft Sask C5 differential (to WTI)	bbl/d	833	1,667	—	—	—	—	—
WTI buy put average	US$/bbl	$65.00	$65.00	$65.00	$65.00	$65.00	$—	$—
WTI sell call average	US$/bbl	$72.50	$72.50	$72.50	$72.50	$72.50	$—	$—
Ft Sask C5 differential (to WTI) average	US$/bbl	$(0.57)	$(0.57)	$—	$—	$—	$—	$—

Type		Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026	2027	2028
Natural gas [1,2]								
NYMEX Henry Hub buy put	MMBtu/d	7,500	18,333	20,000	13,333	8,125	7,500	208
NYMEX Henry Hub sell call	MMBtu/d	7,500	15,833	17,500	10,833	7,500	7,500	208
NYMEX Henry Hub buy put average	US$/MMBtu	$3.53	$3.65	$3.69	$3.56	$3.44	$3.42	$3.50
NYMEX Henry Hub sell call average	US$/MMBtu	$4.47	$4.53	$4.71	$4.52	$4.48	$4.48	$4.28
Foreign exchange								
Buy USD CAD put (monthly average)	US$	$1.3 MM	$4.0 MM	$4.0 MM	$4.0 MM	$2.0 MM	$2.0 MM	$— MM
Sell USD CAD call (monthly average)	US$	$1.3 MM	$4.0 MM	$4.0 MM	$4.0 MM	$2.0 MM	$2.0 MM	$— MM
Buy USD/CAD put rate		$1.40	$1.40	$1.40	$1.40	$1.38	$1.36	$—
Sell USD/CAD call rate		$1.47	$1.47	$1.47	$1.47	$1.46	$1.42	$—

1 – Prices per unit and volumes per day are represented at the average amounts for the period.
2 – Additional contracts were layered into the Company's existing risk management portfolio as part of the Company's risk management policy. The Company does not seek to speculate on commodity price movements through the hedging program.

The Company offsets risk management assets and liabilities if the Company has a legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. The following table is a summary of the company's risk management position in the consolidated Balance Sheet as at December 31, 2024 and the impact of offsetting contracts.

	Gross financial assets (liabilities)	Offsetting contracts	Net financial assets (liabilities) on Balance Sheet
As at December 31, 2023			
Current asset	14,950	(4,242)	10,708
Long-term asset	9,014	(176)	8,838
Current liability	(4,242)	4,242	—
Long-term liability	(176)	176	—
Net risk management position	19,546	—	19,546
As at December 31, 2024			
Current asset	5,207	(5,207)	—
Long-term asset	3,025	(3,025)	—
Current liability	(26,107)	5,207	(20,900)
Long-term liability	(14,351)	3,025	(11,326)
Net risk management position	(32,226)	—	(32,226)

A summary of the Company's total gain (loss) on risk management contracts for the year ended December 31, 2024 is as follows:

	2024	2023
Realized gain on production	**12,944**	15,043
Realized gain on purchases	**3,034**	13,934
Realized loss on foreign exchange	**(6,625)**	(2,720)
Total realized gain	**9,353**	26,257
Unrealized (loss) gain	**(51,772)**	37,313
Total (loss) gain on risk management	**(42,419)**	63,570

The following table demonstrates the sensitivity of the Company's risk management contracts in place at December 31, 2024 to fluctuations in commodity prices:

		Increase (decrease) in net income	
	Sensitivity	+10% / +1%	-10% / -1%
Natural gas [1]	**10%**	(6,918)	6,980
Crude oil [2]	**10%**	(13,601)	19,704
Foreign exchange [3]	**1%**	6,744	(6,540)

1 – Natural gas sensitivities are based on a 10% increase or decrease of natural gas pricing and basis differentials for contracts entered into as at December 31, 2024, using strip prices as of December 31, 2024.
2 – Crude oil sensitivities are based on a 10% increase or decrease of WTI for contracts entered into as at December 31, 2024, using strip prices as of December 31, 2024.
3 – Foreign exchange sensitivities are based off the USD CAD exchange rate for contracts entered into as at December 31, 2024.

18. Supplemental cash flow information

Changes in non-cash working capital are as follows:

For the year ended December 31,	2024	2023
Accounts receivable	**(1,262)**	21,192
Prepaid expenses and deposits	**259**	(3,097)
Inventory	**(315)**	7
Accounts payable and accrued liabilities	**16,152**	(17,698)
Net change in non-cash working capital	**14,834**	404
Allocated to:		
Operating activities	**(4,165)**	4,290
Investing activities	**18,999**	(5,791)
Financing activities	**—**	1,905
Net change in non-cash working capital	**14,834**	404

For the year ended December 31, 2024, the Company has drawn $6.3 million of prepaid casing into Property, Plant and Equipment with no impact on the consolidated Statement of Cash Flows (2023 - $2.0 million). As at December 31, 2024, the casing has been transferred entirely to Property, Plant and Equipment with no value remaining in Prepaid Expenses and Deposits.

In the prior year, the Company settled a $10.0 million contingent payment related to the 2021 Simonette Acquisition. All contingent payments related to this acquisition have been fully settled. This $10.0 million payment has been recognized in the consolidated Statement of Cash Flows under investing activities.

19. Related party transactions

Related parties and related party transactions

A related party is a person or entity that is related to the entity. Related parties include:

(1) A person or close member of that person's family is related to a reporting entity if that person has control, significant influence, or is a member of the key management personnel of the reporting entity.

(2) An entity is related to the entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group; (ii) the entity is controlled or jointly controlled by a person identified in (1); and (iii) a person identified in (1) has significant influence over the entity or is a member of the key management personnel of the entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (executive or otherwise) of the entity.

Key management compensation includes all forms of consideration paid, payable, provided by the entity in exchange for services from key management personnel. Compensation includes short term employee benefits, post employment benefits, other long-term employee benefits, termination benefits, and share-based payments.

Key Management Compensation

The aggregate expense of key management personnel, which include directors of the company, the CEO and four other members of the senior management team that report directly to the CEO was as follows:

	2024	2023
Salaries, bonus, benefits, and other personnel costs	**3,835**	3,161
Share-based compensation	**2,711**	1,944
Directors compensation	**998**	998
Total	**7,543**	**6,103**

During the year ended December 31, 2024 the Company incurred the following transactions:

	2024	2023
Legal services from a law firm where a director is a partner	**1,130**	603
Upstream evaluation fees where a director is the Chairman of the Board of Directors of the evaluation firm	**89**	79
Total	**1,219**	682

All related party transactions are incurred in the normal course of operations and recorded at the exchange amount which approximates the fair value of the services provided. As at December 31, 2024, there is $0.1 million (December 31, 2023 - $0.1 million) outstanding in amounts payable to related parties included in accounts payable and accrued liabilities.

20. Subsequent events

Subsequent to December 31, 2024, the Company closed the sale of its proposed 101-MW Opal natural gas-fired power project for gross proceeds of $21.0 million. The sale included all Opal assets, material contracts, leases and permits relating to the project, including the assignment of the transportation service required to offload natural gas from the Nova Gas Transmission Ltd. pipeline system to the Opal project. This contract was recognized as an onerous contract when the Opal project was impaired in the second quarter of 2024, and resulted in a $4.4 million provision recorded as at December 31, 2024. Upon closing, the Company has unrecognized this provision with no further liability held by the Company as of March 4, 2025.

Subsequent to December 31, 2024, the Homestead Solar project advanced to AESO Stage 5, thereby becoming a fully permitted and licensed project which will require a $8.4 million Generating Unit Owner’s Contribution ("GUOC") payment to the Alberta Electric System Operator ("AESO") in March of 2025 to maintain the project in Alberta's regulatory queue.