# MANAGEMENT'S DISCUSSION & ANALYSIS

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

**JUNE 30, 2025**

## Management's Discussion and Analysis
## For the three and six months ended June 30, 2025

The following management discussion and analysis ("MD&A") of the financial condition and results of operations of Courser Energy Ltd. ("Courser" or the "Company") is dated September 04, 2025 and should be read in conjunction with the accompanying financial statements and related notes for the three and six months ended June 30, 2025 with comparisons to the year ended December 31, 2024. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Unless otherwise stated, reporting and the measurement currency amounts stated herein are in Canadian dollars ("$ or "CDN$"). The Company may also reference the United States dollars ("US$"). In this MD&A, production and reserves information may be presented on a "barrel of oil equivalent" or "boe" basis with six thousand cubic feet ("mcf") of natural gas being equivalent to one barrel ("bbl") of crude oil or natural gas liquids. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

In accordance with Canadian industry practice, production volumes, reserve volumes and revenues are reported on a Company interest basis (working interest plus royalty interest), before deduction of Crown and other royalties, unless otherwise indicated. The Company's results of operations are dependent on production volumes of heavy crude oil, natural gas and natural gas liquids and the prices received for this production. Prices for these commodities have shown significant volatility during recent years and are determined by supply and demand factors, including weather, general economic conditions, and changes in the Canadian/United States ("US") currency exchange rate.

### About Courser Energy Ltd.

Courser is a Calgary based energy company primarily focused on heavy oil development and production in Saskatchewan and Alberta and was incorporated in Alberta, Canada on November 6, 2012. The Company's principal place of business is located at 2000, 715 5th Avenue S.W, Calgary, Alberta, Canada, T2P 2X6.

## SECOND QUARTER HIGHLIGHTS

- Production for the second quarter was 429 boe/d, up from 398 boe/d in the prior year comparative quarter due largely to recompletion activity along with new well production.
- Operating netback came in at $392,357 ($10.05/boe), a decrease of $594,161 ($12.54/boe) from the same quarter in 2024, due largely to lower prices.
- Realized $2,524,038 in revenues ($64.70/boe), down $487,932 from the second quarter of 2024.
- Exit rate in June 2025 was 430 boe/d.
- Subsequent to quarter end, the Company disposed of certain assets in the Edam area. The proceeds from the disposition included cash consideration of $2.0 million and a reduction in abandonment obligations of $2.8 million. The annual production of the assets sold totaled 63 bbl/d in 2024.

## FINANCIAL AND OPERATING RESULTS SUMMARY

| | Three months ended | June 30, | **Six months ended** | **June 30,** |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| **Operating** | | | | |
| Average daily production (boe/d) | **429** | 398 | **421** | 382 |
| WCS heavy oil benchmark price (C$/bbl) | **74.89** | 91.54 | **79.65** | 84.68 |
| Operating netback[1] ($/boe) | | | | |
| Realized sales | **64.70** | 83.19 | **68.57** | 76.31 |
| Royalties | **(11.75)** | (14.33) | **(12.57)** | (12.38) |
| Saskatchewan resource tax | **(0.08)** | (0.83) | **(0.31)** | (0.67) |
| Operating expenses | **(39.33)** | (42.49) | **(40.25)** | (42.14) |
| Transportation expenses | **(3.49)** | (2.95) | **(3.37)** | (2.80) |
| Operating netback | **10.05** | 22.59 | **12.07** | 18.32 |
| **Financial ($'s except for share amounts)** | | | | |
| Petroleum and natural gas sales | **2,524,038** | 3,011,970 | **5,227,842** | 5,300,089 |
| Funds flow from operations (loss)[1] | **50,268** | 1,087,922 | **265,254** | 1,211,127 |
| Per share – basic and diluted | **-** | - | **-** | - |
| Net income (loss) | **(449,425)** | 590,442 | **(706,976)** | 242,041 |
| Per share – basic and diluted | **-** | - | **-** | - |
| Expenditures on oil and gas properties | **108,188** | 329,785 | **249,640** | 516,742 |
| Net debt / (surplus)[1] – end of period | | | | |
| Working capital [1][2] | **897,623** | 28,774 | **897,623** | 28,774 |
| Weighted average shares outstanding | | | | |
| Basic & diluted | **510,463,272** | **584,463,272** | 610,463,272 | 584,463,272 |
| Outstanding shares – end of period | **610,463,272** | 584,463,272 | **610,463,272** | 584,463,272 |

*[1] Refer to "Non-GAAP Measures"*

*[2] Working capital is defined as current assets net of current liabilities excluding risk management contracts*

## Second Quarter Operating Results

Production averaged 429 boe/d during the second quarter of 2025, an 8% increase over the same quarter in 2024. The increase is due to well recompletions and new well production. Operating costs remained flat at $1,534,105 ($39.33/boe), compared to $1,538,498 ($42.49/boe) in the second quarter of 2024.

## Second Quarter Financial Results

The Company recorded an operating netback of $392,357, or $10.05/boe during the second quarter of 2025 compared to an operating netback of $817,750, or $22.59/boe recorded in the second quarter of 2024.

During the three months ended June 30, 2025, the Company recorded a funds flow from operations of $50,268 versus $1,087,922 in the prior year comparative period. The Company recorded a net loss of $449,425 during the second quarter of 2025 compared to $590,442 in net income in the second quarter of 2024. During the prior year comparative quarter, the Company completed a partial disposition of certain assets which resulted in a gain on disposition.

The Company exited the quarter with a working capital deficit of $897,623 compared to a deficit of $28,774 during the second quarter of 2024.

## Economic Environment

Westen Canadian Select ("WCS") prices averaged $74.89/bbl during the quarter. The discount relative to West Texas Intermediate ("WTI") was $9.60/bbl.

## 2025 SECOND QUARTER FINANCIAL AND OPERATING RESULTS

### Oil and Gas Production Volumes

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| **Sales volumes** | | | | |
| Crude oil (bbl/d) | **414** | 386 | **402** | 371 |
| Natural gas liquids ("NGL") (bbl/d) | **2** | 3 | **3** | 2 |
| Natural gas (Mcf/d) | **79** | 52 | **98** | 53 |
| **Total average daily production (boe/d)** | **429** | 398 | **421** | 382 |
| | | | | |
| **Production by area (boe/d)** | | | | |
| Lone Rock | **33** | 63 | **38** | 61 |
| Edam | **95** | 28 | **83** | 23 |
| Lloydminster | **173** | 172 | **163** | 158 |
| Coleville | **62** | 63 | **62** | 67 |
| Other | **66** | 72 | **75** | 73 |
| **Total average daily production (boe/d)** | **429** | 398 | **421** | 382 |

Courser production averaged 429 boe per day during the second quarter of 2025, an 8% increase from the prior year comparative quarter. The increases are primarily due to new well production related to drilling and well recompletions.

Exit volumes in June, 2025 were 430 boe/d.

### Oil and Gas Realized Revenues and Pricing

| | Three months ended June 30, 2025 | 2024 | Six months ended June 30, 2025 | 2024 |
|---|---|---|---|---|
| **Sales revenues ($)** | | | | |
| Crude oil | **2,487,909** | 2,963,990 | **5,136,927** | 5,203,251 |
| Natural gas | **10,304** | 3,618 | **26,314** | 11,756 |
| NGL's | **13,349** | 18,184 | **36,568** | 32,283 |
| **Total petroleum and natural gas revenues** | **2,511,562** | 2,985,792 | **5,199,809** | 5,247,290 |
| Other revenue | **12,476** | 620,339 | **28,033** | 646,960 |
| **Total sales revenues** | **2,524,038** | 3,606,131 | **5,227,842** | 5,894,250 |
| **Realized prices** | | | | |
| Crude oil ($/bbl) | **66.04** | 84.38 | **70.62** | 77.06 |
| Natural gas ($/mcf) | **1.43** | 0.76 | **1.48** | 1.23 |
| NGL's ($/bbl) | **73.35** | 66.61 | **66.95** | 73.91 |
| **Corporate average realized price ($/boe)** | **64.70** | 83.19 | **68.57** | 76.31 |
| **Average benchmark prices** | | | | |
| WTI oil (US$/bbl)[1] | **63.74** | 80.57 | **67.58** | 78.76 |
| WCS differential (US$/bbl)[2] | **(9.60)** | (13.66) | **(11.08)** | (16.46) |
| WCS heavy oil (US$/bbl) | **54.14** | 66.91 | **56.50** | 62.30 |
| WCS differential % | **(15)** | (17) | **(16)** | (21) |
| AECO natural gas (CDN$/mcf)[3] | **1.74** | 1.17 | **1.93** | 1.68 |
| Cdn$/US$ | **0.72** | 0.73 | **0.71** | 0.74 |
| **WCS heavy oil (CDN$/bbl)** | **74.89** | 91.54 | **79.65** | 84.68 |

*(1) WTI represents posting price of West Texas Intermediate oil.*
*(2) WCS refers to the average posting price for benchmark WCS heavy oil.*
*(3) AECO refers to the AECO Alberta spot price as published by Sproule.*

### Realized Pricing

The Company realized oil prices of $66.04 per barrel for crude oil during the three months ended June 30, 2025, a per barrel decrease of 22% over the prior year comparative period. WTI prices have decreased $16.83/bbl relative to the prior year comparative quarter, while differentials shrunk to $9.60/bbl in the second quarter of 2025 (prior year $13.66/bbl). With the expansion of the Trans Mountain pipeline, differentials between WCS and WTI have narrowed. On a year-to-date basis, WCS is down $5.03/bbl relative to 2024.

### Crown and Freehold Royalties

| | Three months ended June 30, 2025 | Three months ended June 30, 2024 | Six months ended June 30, 2025 | Six months ended June 30, 2024 |
|---|---|---|---|---|
| Crown | **$ 222,479** | $ 303,167 | **$ 483,333** | $ 492,086 |
| Freehold | **236,059** | 215,753 | **475,329** | 367,884 |
| **Royalties** | **$ 458,538** | $ 518,920 | **$ 958,662** | $ 859,970 |
| **$ per Boe** | **$ 11.75** | $ 14.33 | **$ 12.57** | $ 12.38 |
| % of revenue | **18.3** | 17.4 | **18.4** | 16.4 |

Approximately 80% of Courser lands are held under Crown leases with the remaining held under freehold leases. Crown royalty rates range from ~2% to 30% depending upon the type and vintage of wells, commodity type, volume of daily production, and market prices. As a percentage of revenue, royalties were 18.3% for the three months ended June 30, 2025 (2024 – 17.4%).

On a per boe basis, royalties for the three months ended June 30, 2025 decreased to $11.75/bbl from $14.33/bbl in the comparative period. This is due largely to decreased prices.

### Saskatchewan Resource Tax

| | Three months ended June 30, 2025 | Three months ended June 30, 2024 | Six months ended June 30, 2025 | Six months ended June 30, 2024 |
|---|---|---|---|---|
| **Saskatchewan resource tax** | **$ 3,000** | $ 30,000 | **$ 24,000** | $ 46,500 |
| $ per Boe | **$ 0.08** | $ 0.83 | **$ 0.31** | $ 0.67 |

Under Saskatchewan provincial legislation, the Company is charged a resource tax based on its Saskatchewan production. The resource tax rate is 1.70% for all oil and gas wells with a finished drilling date on or after October 1, 2002, and for incremental oil related to new or expanded enhanced oil recovery projects or water flood projects having a commencement date on or after October 1, 2002. The resource tax rate for all other oil and gas wells is 3.0%.

For the three months ended June 30, 2025, the Company incurred Saskatchewan resource taxes of $0.08/boe (2024 - $0.83).

### Operating Expenses

| | Three months ended June 30, 2025 | Three months ended June 30, 2024 | Six months ended June 30, 2025 | Six months ended June 30, 2024 |
|---|---|---|---|---|
| **Operating expenses** | **$ 1,534,105** | $ 1,538,498 | **$ 3,068,632** | $ 2,926,842 |
| **$ per Boe** | **$ 39.33** | $ 42.49 | **$ 40.25** | $ 42.14 |

Operating expenses, excluding crude oil transportation costs, are driven by both fixed and variable costs. The Company's primary fixed cost drivers include contract operator wages, property taxes, freehold mineral rentals, and surface rentals, while primary variable cost drivers include emulsion treating, produced wastewater and sand trucking and disposal, utilities, heating fuel, and routine maintenance. Primary non-routine expenses include minor and major workovers. Courser continually works closely with suppliers and service providers to seek out cost reductions, increased operating efficiencies, and decreased labor costs.

Operating costs averaged $39.33/boe during the second quarter of 2025 (2024 $42.49/boe).

### Transportation Expenses

| | Three months ended June 30, 2025 | Three months ended June 30, 2024 | Six months ended June 30, 2025 | Six months ended June 30, 2024 |
|---|---|---|---|---|
| **Transportation expenses** | **$ 136,038** | $ 106,802 | **$ 257,048** | $ 194,301 |
| **$ per boe** | **$ 3.49** | $ 2.95 | **$ 3.37** | $ 2.80 |

Transportation expenses relate specifically to the cost of trucking and transportation of produced clean oil and emulsion to the sales point where it is then cleaned and blended for market. Costs related to water and sand transportation are included within operating costs. The majority of the Company's crude oil production is trucked to sales facilities near Lloydminster, Edam, and Coleville, Saskatchewan. Bottlenecking of trucks at sales facilities and road restrictions may impact the cost of transportation in any given period; however, the Company's transportation expense has typically been in the $2.00 to $3.00 per boe range, but have climbed closer to $3.50 in recent quarters due in part to inflation, and due to the Company incurring additional transportation costs to move product to sales point with advantageous pricing.

During the three months ended June 30, 2025, the Company recorded transportation expenses of $3.49 per boe (2024 – $2.95 per boe).

## Operating Netback

The components of operating netback for the three and six months ended June 30, 2025 and 2024 are below.

| | **Three months ended June 30,** | | **Six months ended June 30,** | |
|---|---|---|---|---|
| ($ per boe) | **2025** | 2024 | **2025** | 2024 |
| Realized sales price[(1)] | **$ 64.70** | $ 83.19 | **$ 68.57** | $ 76.31 |
| Royalties | **(11.75)** | (14.33) | **(12.57)** | (12.38) |
| Saskatchewan surcharge tax | **(0.08)** | (0.83) | **(0.31)** | (0.67) |
| Operating expenses | **(39.33)** | (42.49) | **(40.25)** | (42.14) |
| Transportation expenses | **(3.49)** | (2.95) | **(3.37)** | (2.80) |
| **Operating netback[(2)]** | **$ 10.05** | $ 22.59 | **$ 12.07** | $ 18.32 |

*[(1)] Includes other income, excludes gain/loss on dispositions*
*[(2)] Refer to "Non-GAAP Measures"*

## General and Administrative ("G&A") Expenses

| | **Three months ended June 30,** | | **Six months ended June 30,** | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| Gross G&A expenses | **$ 386,409** | $ 359,509 | **$ 741,814** | $ 726,237 |
| Capitalized G&A expenses | **(54,000)** | (45,000) | **(108,000)** | (90,000) |
| **Total G&A Expenses** | **$ 332,409** | $ 314,509 | **$ 633,814** | $ 636,237 |
| **$ per boe** | **$ 8.85** | $ 8.69 | **$ 8.31** | $ 9.16 |

G&A expenses are primarily fixed by nature and therefore fluctuate on a per barrel basis with the rate of production. Courser capitalizes to property, plant, and equipment a percentage of technical staff salaries and share-based compensation expense for engineering and geological work at a rate that is commensurate with the extent of work required to execute on the Company's capital program.

For the three months ended June 30, 2025, net G&A expenses were $332,409 (2024 – $314,509). On a per boe basis, net G&A expenses were $8.85 during the second quarter of 2025 (2024 - $8.69/boe).

## Net Finance Expenses

| | **Three months ended June 30,** | | **Six months ended June 30,** | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Interest expense on term and bank loans | **$ 4,123** | $ 5,035 | **$ 9.318** | $ 10,383 |
| Capital lease interest expense | **285** | 34 | **630** | 118 |
| Accretion of decommissioning obligations | **78,001** | 78,830 | **141,965** | 155,387 |
| Total Finance Expenses | **$ 82,409** | $ 83,899 | **$ 151,913** | $ 165,888 |

Accretion expense relates to the Company's decommissioning obligation for the future abandonment and reclamation of its lands and well sites. The estimated future decommissioning obligation is discounted at a risk-free rate in accordance with the Company's accounting policies and recorded as a liability on the Statement of Financial Position. This liability is increased monthly to account for the passage of time, with the monthly increase recorded as accretion expense. Material changes in accretion expense are typically driven by new well additions (removals) in each period due to the Company's drilling program and acquisitions (divestitures).

### Share-Based Compensation

| | Three months ended | June 30, | Six months ended | June 30, |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| **Share-based compensation** | **$ 1,827** | $ 7,862 | **$ 7,491** | $ 21,895 |

The Company has a share option plan pursuant to which options to purchase common shares of the Company may be granted by the Board of Directors to directors, officers, employees and consultants of the Company. Pursuant to the plan, the exercise price of each option may shall be fixed by the Board of Directors when such option is granted, provided that from and after the date that the common shares are listed on a stock exchange (the "Exchange"), such price shall not be less than the price permitted by such Exchange.

Compensation expense is recognized as options vest. Unless otherwise determined by the Board of Directors, vesting typically occurs one third on each of the next three anniversaries of the date of the grant as recipients render continuous serve to the Company, and the share options typically expire five years from the date of the grant. The maximum number of common shares issuable on the exercise of outstanding share options at any time is limited to 10% of the issued and outstanding common shares. The Company's current share-based compensation plans consist of share options and executive incentive options.

During the three months ended June 30, 2025, the Company recorded share-based compensation expenses of $1,827 (2024 – $7,862).

### Depletion and Depreciation

| | Three months ended | June 30, | Six months ended | June 30, |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| Depletion | **$ 418,000** | $ 409,000 | **$ 819,000** | $ 788,000 |
| Depreciation | **7,137** | 6,199 | **14,258** | 12,576 |
| **Depletion and depreciation** | **$ 425,137** | $ 415,199 | **$ 833,258** | $ 800,576 |
| **$ per boe** | **$ 10.72** | $ 11.30 | **$ 10.74** | $ 11.35 |

Depletion expense is a product of depletable assets multiplied by total production divided by estimated proved and probable oil and natural gas reserves at the beginning of each period, while also considering the estimated future development costs necessary to bring those reserves into production. Depreciation expenses are recorded based on corporate assets and are calculated on a declining basis.

As at June 30, 2025, $71.0 million in future development costs less total salvage values of the assets of $2.3 million were included in the production asset cost bases for depletion calculation purposes. For the three months ended June 30, 2025, per boe depletion expenses decreased to $10.72/boe, a 5% decrease in comparison to the prior year comparative period.

## PROPERTY, PLANT AND EQUIPMENT (DEVELOPMENT) EXPENDITURES

| | Three months ended | June 30, | Six months ended | June 30, |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| Land, geological and geophysical | **$ 10,507** | $ 69,692 | **$ 10,507** | $ 82,280 |
| Capital disposition | **-** | (1,148,338) | **-** | (1,148,338) |
| Drilling, completions and optimizations | **4,018** | 1,270,391 | **47,200** | 1,331,879 |
| Equipment and facilities | **293** | 92,624 | **293** | 159,916 |
| Abandonments | **35,783** | - | **78,068** | - |
| Capitalized G&A | **54,000** | 45,000 | **108,000** | 90,000 |
| Corporate | **3,227** | 416 | **5,212** | 1,005 |
| **Development expenditures** | **$ 108,188** | $ 329,785 | **$ 249,640** | $ 492,380 |

During the three months ended June 30, 2025, the Company made development expenditures of $108,188 (2024 – $329,785) largely related to abandonment activities and well recompletion / reactivations.

## LIQUIDITY AND CAPITAL RESOURCES

| | **June 30, 2025** | December 31, 2024 |
|---|---|---|
| Net debt (Net Cash) | **$ 897,623** | $ 913,237 |
| Shareholders' equity | **$ 10,776,770** | $ 11,474,220 |

The Company exited the quarter in a with a working capital deficit of $897,623.

The Company's policy is to maintain a strong capital base to provide flexibility in the future development of the business and to maintain the confidence of investors and lenders. The Company periodically reviews certain quantitative measures of its capital structure to understand its position relative to industry peers but does not set certain limits or ranges with respect to these quantitative measures. The Company is not subject to any external restrictions on its capital structure. Management closely monitors debt leverage to ensure the Company maintains financial flexibility and balance sheet strength sufficient to manage unforeseen events and opportunities as they arise.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due, under both normal and unusual conditions without incurring unacceptable losses or jeopardizing the Company's business objective. The Company manages this risk by preparing cash flow forecasts to assess whether additional funds are required. The Company's liquidity is dependent on the Company's expected business growth and changes in its business environment.

Undiscounted cashflows relating to financial liabilities as at June 30, 2025 were as follows:

| | Undiscounted amount | Less than 1 year | 1 – 3 years |
|---|---|---|---|
| Accounts payable and accrued liabilities | $ 1,884,479 | $ 1,884,479 | - |
| Office Lease | 124,302 | 124,302 | - |
| **Financial liabilities** | **$ 2,008,781** | **$ 2,008,781** | **$ -** |

## RISK MANAGEMENT

Management of cash flow variability is an integral component of the Company's business strategy. Changing business conditions are monitored regularly and, where material, reviewed with the Board of Directors to establish risk management guidelines used by Management to carry out the Company's strategic risk management program. The risk exposure inherent in the movements of the price of crude oil and fluctuations in CDN$:US$ exchange rates are all proactively reviewed by the Company and may be managed through the use of derivative contracts as considered appropriate.

The Company has elected not to apply IFRS prescribed "hedge accounting" rules. Accordingly, the fair value of financial derivative contracts is recorded at each period-end. The fair value may change substantially from period to period depending on market conditions. As a result, net earnings may fluctuate considerably based on the period ending commodity forward strip prices compared to the prices in any derivative contracts.

### Commodity Price Risk

The Company is exposed to commodity price movements as part of its operations, particularly in relation to prices received for its oil production. Commodity prices for oil are impacted by the world and continental/regional economy and other events that dictate the levels of supply and demand. Consequently, these changes could also affect the value of the Company's properties, the level of spending for exploration and development and the ability to meet obligations as they come due. There were no risk management contracts in place as at June 30, 2025.

## SUMMARY OF QUARTERLY RESULTS

| *($000's except boe and per boe amounts)* | **Q2 2025** | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 |
|---|---|---|---|---|---|---|---|---|
| Sales revenue | **2,524** | 2,704 | 2,930 | 2,995 | 3,012 | 2,288 | 2,381 | 3,174 |
| Funds flow from operations (loss)[(1)] | **50** | 215 | 191 | 430 | 1,088 | 123 | (95) | 724 |
| Net income (loss) | **(449)** | (258) | (858) | (447) | 590 | (348) | (530) | (228) |
| Expenditures on oil & gas properties | **108** | 141 | 472 | 1,060 | 330 | 187 | 2,721 | 226 |
| Net debt (Net Cash) [(1)] | **898** | 840 | 913 | 632 | 29 | 787 | 723 | (142) |
| **Sales Volumes** (boe per day) | **429** | 414 | 448 | 430 | 398 | 365 | 394 | 404 |
| **Operating Netbacks** ($/boe)[(1)] | | | | | | | | |
| Realized sales price | **64.70** | 72.61 | 71.11 | 75.65 | 83.19 | 68.82 | 65.73 | 85.31 |
| Royalties | **(11.75)** | (13.43) | (11.82) | (13.84) | (14.33) | (10.26) | (9.63) | (12.18) |
| Saskatchewan surcharge tax | **(0.08)** | (0.56) | (1.46) | (0.99) | (0.83) | (0.50) | (0.77) | (1.02) |
| Operating expenses | **(39.33)** | (41.21) | (42.38) | (41.94) | (42.49) | (41.76) | (47.02) | (41.99) |
| Transportation expenses | **(3.49)** | (3.25) | (2.93) | (2.78) | (2.95) | (2.63) | (3.00) | (2.97) |
| **Operating netback** | **10.05** | 14.16 | 12.52 | 16.10 | 22.59 | 13.67 | 5.31 | 27.15 |

(1) *See "Non-GAAP Measures ".*

## NON-GAAP MEASURES

This MD&A contains terms commonly used in the oil and natural gas industry, including funds flow from operations per share, operating netback and net debt. These terms do not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Shareholders and investors are cautioned that these measures should not be construed as alternatives to cash provided by operating activities, net income, total liabilities, or other measures of financial performance as determined in accordance with GAAP. Management uses these non-GAAP measures for its own performance measurement and to provide stakeholders with measures to compare the Company's operations over time.

### Funds Flow from Operations

A reconciliation of funds flow from operations (loss) to cash provided by (used in) operating activities is presented as follows:

| | **Three months ended June 30,** | | **Six months ended June 30,** | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Cash flow from (used-in) operating activities | **$ (31,930)** | $ 2,608,613 | **$ 178,655** | $ 2,824,224 |
| Less change in non-cash working capital | 82,198 | (1,520,691) | 86,599 | (1,613,097) |
| **Funds flow from operations (loss)** | **$ 50,268** | $ 1,087,922 | **$ 265,254** | $ 1,211,127 |

## Operating Netback

The Company uses operating netback as a key performance indicator of field results. Operating netback is presented on a per barrel of oil equivalent basis and is calculated by deducting royalties, Saskatchewan resource tax, transportation expenses and operating expenses from petroleum and natural gas sales. If applicable the Company also discloses operating netback both prior to realized gains or losses on derivatives and after the impacts of derivatives are included. Realized gains or losses represent the portion of risk management contracts that have settled in cash during the period, disclosing this provides Management and investors with transparent measures that reflect how the Company's risk management program can impact netback metrics. The Company considers operating netback to be a key measure as it demonstrates the Company's profitability relative to current commodity prices. This measurement assists Management and investors in evaluating operating results on a per barrel of oil equivalent basis to analyze performance on a historical basis.

The following table calculates operating netback for the periods indicated:

| | **Three months ended** | **June 30,** | **Six months ended** | **June 30,** |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| Petroleum sales | **$ 2,511,562** | $ 2,985,792 | **$ 5,199,809** | $ 5,247,290 |
| Other income | **12,476** | 620,339 | **28,033** | 646,960 |
| Royalties | **(458,538)** | (518,920) | **(958,662)** | (859,970) |
| Saskatchewan resource tax | **(3,000)** | (30,000) | **(24,000)** | (46,500) |
| Operating expenses | **(1,534,105)** | (1,538,498) | **(3,068,632)** | (2,926,842) |
| Transportation expenses | **(136,038)** | (106,802) | **(257,048)** | (194,301) |
| Operating netback | **$ 392,357** | $ 1,411,911 | **$ 919,500** | $ 1,272,476 |
| Production (boe) | **39,010** | 36,206 | **76,244** | 69,455 |
| **Operating netback ($/boe)** | **$ 10.05** | $ 22.59 | **$ 12.07** | $ 18.32 |

## Net Debt and Working Capital

The Company uses net debt, which includes a measure of working capital, to assess its true debt and liquidity position and to manage capital and liquidity risk. Working capital subtracts current liabilities from current assets, excluding any current balances related to debt and risk management contracts. Net debt is calculated as the Company's bank loan plus (less) the working capital deficit (surplus). The following table summarizes net debt for the periods indicated:

| | **June 30, 2025** | December 31, 2024 |
|---|---|---|
| Current assets | **$ (1,311,952)** | $ (1,239,720) |
| Accounts payable and accrued liabilities | **1,884,479** | 1,905,245 |
| **Working capital** | **$ 572,527** | $ 665,525 |
| Bank debt | **325,096** | 247,711 |
| **Net debt / (Net Cash)** | **$ 897,623** | $ 913,236 |

### BOE CONVERSION

Within this document, petroleum and natural gas volumes are converted to a common unit of measure, referred to as a barrel of oil equivalent ("boe"), using a ratio of 6,000 cubic feet of natural gas to one barrel of oil. Use of the term boe may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalent method and does not necessarily represent a value of equivalency at the wellhead.

## ADVISORY ON FORWARD LOOKING STATEMENTS

*In the interest of providing Courser shareholders and potential investors with information regarding the Company, including Management's assessment of Courser's future plans and operations, certain statements contained in this MD&A constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of the "safe harbor" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to:*

- *Future development plans;*
- *Future financing plans and goals;*
- *The ability of the Company to fund capital programs with existing working capital and cash flow from operating activities*
- *The Company continuing as a going concern*
- *The impact of adjustments to drilling and completion techniques; and*
- *General business strategies and objectives*

*Such forward-looking information is based on a number of assumptions, including: future commodity prices; royalty rates, taxes and capital, operating, general and administrative and other costs; foreign currency exchange rates and interest rates; general business, economic and market conditions; the ability of the Company to obtain the require capital to finance its exploration, development and other operations and meet its commitments and financial obligations; the ability of Courser to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its activities; the ability of Courser to market its oil and natural gas successfully to current and new customers; the ability of Courser to obtain drilling success (including in respect of anticipated production volumes, reserve additions and resource recoveries) and operational improvements, efficiencies and results consistent with expectations; the timely receipt of governmental and regulatory approvals; and anticipated timelines and budgets being met in respect of drilling programs and other operations (including well completions and tie-ins and the construction, commissioning and start-up of new and expanded facilities).*

*Although the Company believes that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on them as the Company can give no assurance that such assumptions will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Courser and described in the forward-looking information. The material risks and uncertainties include, but are not limited to: fluctuations in commodity prices, foreign currency exchange rates and interest rates; estimates and projections relating to future revenue, future production, reserve additions, resource recoveries, royalty rates, taxes and costs and expenses; tariffs; operational risks in exploring for, developing and producing, oil and natural gas; the ability to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost; potential disruptions, delays or unexpected technical or other difficulties in designing, developing, expanding or operating new, expanded or existing facilities; processing and pipeline infrastructure outages, disruptions and constraints; risks and uncertainties involving the geology of oil and gas deposits; uncertainty of reserves and resources estimates; general business, economic and market conditions; changes in, or in the interpretation of, laws, regulations or policies (including environmental laws); the ability to obtain required governmental or regulatory approvals in a timely manner, and to enter into and maintain leases and licenses; the effects of weather and other factors including wildlife and environmental restrictions which affect field operations and access; the timing and cost of future abandonment and reclamation obligations and potential liabilities for environmental damage and contamination; uncertainties regarding aboriginal claims and in maintaining relationships with local populations and other stakeholders; the outcome of existing and potential lawsuits, regulatory actions, audits and assessments. and other risks and uncertainties described elsewhere in Courser's other filings.*

*Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although Courser believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A, and Courser does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.*

## ADDITIONAL INFORMATION

For additional information regarding the Company and its business and operations, please contact the Company at Courser Energy Ltd. 2000, 715 - 5 Avenue SW, Calgary, Alberta, Canada, T2P 2X6 or by e-mailing Rachelle Barnard: info@courser.ca.

## CORPORATE INFORMATION

### Directors

John Zahary, P.Eng., M.Phil.
Calgary, Alberta
Chairman

Evan Hazell, P.Eng., MBA
Calgary, Alberta

Ed Chwyl
Victoria, British Columbia

Dave Pearce, P.Eng.
Calgary, Alberta

Chris McGinnis, P.Eng., MBA
Calgary, Alberta

Spencer Gordon
Calgary, Alberta

Richard Rocha
Calgary, Alberta

**Legal Counsel**
Burnet, Duckworth and Palmer LLP

### Officers

Chris McGinnis, P.Eng., MBA
President

Andy Kramchynski, P.Geol
Vice President, Exploration

James Kidd, LL.B
Corporate Secretary

**Corporate Office**
2000, 715 - 5 Avenue SW
Calgary, Alberta T2P 2X6
Phone: (587) 350-5760

Website: www.courser.ca

Contact: Rachelle Barnard
Email: info@courser.ca