CRITERIUM ENERGY

CRITERIUM ENERGY LTD.

Consolidated Financial Statements

As at June 30, 2026

and for the six months ended

June 30, 2026 and 2025

CONSOLIDATED FINANCIAL STATEMENTS

Criterium Energy Ltd.
Consolidated Statement of Financial Position
(unaudited)
(in $000's of Canadian dollars)

	Note	**As at June 30, 2026**	As at December 31, 2025
Assets			
Cash and cash equivalents		**$2,353**	$1,986
Accounts receivable		**1,920**	545
Prepaids and deposits		**185**	418
Inventories	4	**209**	910
Total current assets		**4,667**	3,859
Property, plant and equipment	6	**43,981**	43,076
Exploration and evaluation assets	5	**2,373**	2,256
Right of use assets	7	**746**	51
VAT receivable - non-current portion	8	**5,400**	5,526
Decommissioning and reclamation deposits	3	**4,049**	3,882
Deposits		**674**	615
Total non-current assets		**57,223**	55,406
Total assets		**$61,890**	$59,265
Liabilities			
Accounts payable and accrued liabilities	9	**$4,656**	$4,939
Current portion of debt	10	**35,186**	8,620
Taxes payable	11	**24,568**	21,880
Lease liabilities	12	**324**	46
Contingent consideration	19	**4,754**	-
Decommissioning obligations	13	**31**	31
Total current liabilities		**69,519**	35,516
Long-term debt	10	**4,462**	26,668
Deferred tax liabilities		**1,956**	2,081
Contingent consideration	19	**1,961**	6,076
Decommissioning obligations	13	**2,523**	2,122
Provision for employee benefits		**762**	735
Lease liabilities	12	**388**	26
Total non-current liabilities		**12,052**	37,708
Total liabilities		**$81,571**	$73,224
Shareholder's Equity			
Share capital	15	**$18,618**	$18,284
Contributed surplus		**753**	900
Deficit		**(38,395)**	(33,062)
Accumulated other comprehensive loss		**(657)**	(81)
Total shareholder's equity		**(19,681)**	(13,959)
Total liabilities and equity		**$61,890**	$59,265

Going concern (note 2)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board

David Dunlop
Director

Matthew Klukas
Director

CONSOLIDATED FINANCIAL STATEMENTS

Criterium Energy Ltd.

Consolidated Statement of Loss and Comprehensive Loss
(unaudited)
(in $000's of Canadian dollars, except per share amounts)

	Note	**Three months ended June 30, 2026**	Three months ended June 30, 2025	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Revenues					
Oil sales		**$8,776**	$7,542	**$16,703**	$22,178
Royalty expense		**(2,804)**	(1,393)	**(4,821)**	(5,054)
Revenue		**5,972**	6,149	**11,882**	17,124
Royalty revenue		**-**	$5	**-**	33
Other income		**2**	285	**9**	569
Total revenues		**5,974**	6,439	**11,891**	17,726
Expenses					
Operating		**3,417**	2,856	**6,679**	8,642
General and administrative		**1,328**	1,497	**2,664**	2,603
Unrealized loss on financial derivatives		**3**	-	**-**	-
Depreciation and depletion	6, 7	**611**	1,231	**1,314**	3,145
Finance costs	16	**1,929**	1,723	**3,709**	3,922
Loss (gain) on debt modification	10	**-**	(598)	**69**	(1,251)
Other tax expense		**477**	457	**902**	820
Foreign exchange (gain) loss		**231**	(65)	**255**	(147)
Share-based compensation	15	**72**	74	**187**	155
Total expenses		**8,068**	7,174	**15,779**	17,888
Loss before income taxes		**(2,094)**	(735)	**(3,888)**	(162)
Current income tax expense		**792**	434	**1,641**	2,835
Deferred income tax expense (recovery)		**(189)**	68	**(196)**	(589)
Net loss		**(2,697)**	(1,237)	**(5,333)**	(2,409)
Other comprehensive income (loss), net of income tax					
Items that recycle through net loss:					
Pension actuarial gains (losses)		**-**	-	**-**	-
Foreign currency translation adjustment		**(424)**	(418)	**(576)**	583
Other comprehensive income (loss)		**(424)**	(418)	**(576)**	583
Comprehensive loss		**($3,121)**	($1,655)	**($5,909)**	($1,826)
Net loss per share:					
Basic	14	**($0.02)**	($0.01)	**($0.04)**	($0.02)
Basic and diluted	14	**($0.02)**	($0.01)	**($0.04)**	($0.02)

See accompanying notes to the consolidated financial statements.

Criterium Energy Ltd.

Consolidated Statement of Changes in Equity
(unaudited)
(in $000's of Canadian dollars, unless otherwise noted)

	Number of common shares (000's)	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance at December 31, 2024	135,306	$18,107	$687	$287	($18,245)	$836
Stock-based compensation	-	-	390	-	-	390
Issued from treasury on vesting of:						
Share Awards	1,069	177	(177)	-	-	-
Other comprehensive loss	-	-	-	(368)	-	(368)
Net loss	-	-	-	-	(14,817)	(14,817)
Balance at December 31, 2025	**136,375**	**$18,284**	**$900**	**($81)**	**($33,062)**	**($13,959)**
Stock-based compensation	-	-	187	-	-	187
Issued from treasury on vesting of:						
Share Awards	3,876	334	(334)	-	-	-
Other comprehensive loss	-	-	-	(576)	-	(576)
Net loss	-	-	-	-	(5,333)	(5,333)
Balance at June 30, 2026	**140,251**	**$18,618**	**$753**	**($657)**	**($38,395)**	**($19,681)**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Criterium Energy Ltd.

Consolidated Statement of Cash Flows
(unaudited)
(in $000's of Canadian dollars)

	Note	**Three months ended June 30, 2026**	Three months ended June 30, 2025	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Cash provided by (used in) operating activities:					
Loss for the period		**($2,697)**	($1,237)	**($5,333)**	($2,409)
Non-cash items:					
Depletion and depreciation		**611**	1,205	**1,314**	3,119
Deferred income tax expense (recovery)		**(189)**	68	**(196)**	(589)
Non-cash other income		**-**	(285)	**-**	(569)
Finance costs - non-cash	16	**1,824**	993	**3,604**	1,955
Loss (gain) on debt modification	10	**-**	-	**69**	-
Unrealized foreign exchange		**231**	165	**255**	83
Stock-based compensation		**72**	74	**187**	155
Change in non-cash working capital	18	**1,628**	(819)	**1,110**	(1,351)
Net cash provided by (used in) operating activities		**1,480**	164	**1,010**	395
Cash provided by (used in) investing activities:					
Additions to exploration and evaluation assets	5	**(34)**	-	**(34)**	-
Additions to property, plant and equipment	6	**(87)**	(714)	**(184)**	(882)
Change in non-cash working capital	18	**(50)**	342	**(181)**	510
Net cash provided by (used in) investing activities		**(171)**	(372)	**(399)**	(372)
Cash provided by (used in) financing activities:					
Repayment of debt		**-**	-	**-**	(823)
Principle payments of lease obligations		**(56)**	(2)	**(205)**	6
Change in non-cash working capital	18	**-**	126	**-**	-
Net cash provided by (used in) financing activities		**(56)**	124	**(205)**	(817)
Change in cash and cash equivalents		**1,253**	(84)	**406**	(794)
Cash and cash equivalents, beginning of period		**1,406**	1,597	**1,986**	2,307
Effect of foreign exchange		**(306)**	59	**(39)**	59
Cash and cash equivalents, end of period		**2,353**	$1,572	**$2,353**	$1,572

See accompanying notes to the consolidated financial statements.

Criterium Energy Ltd.

Notes to the Consolidated Financial Statements
As at June 30, 2026 and for the six months ended June 30, 2026 and 2025
(unaudited)
(in $000's of Canadian dollars, unless otherwise noted)

1. Reporting entity

Criterium Energy Ltd. and its subsidiaries, (collectively “Criterium” or the “Company”) are engaged in the exploration, appraisal and development of petroleum and natural gas in Indonesia. Criterium Energy Ltd. was incorporated in Alberta, Canada and has subsidiaries in Bermuda, British Virgin Islands, Cyprus, Singapore and New Zealand. Criterium is a public company with its shares traded on the TSX Venture Exchange.

The registered and head office address of the Company is Suite 1120, 202 – 6th Ave SW, Calgary, Alberta T2P 2R9.

2. Basis of presentation

(a) Statement of compliance

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3)(a) released by the Canadian Securities administrators, the Company discloses that its auditors have not reviewed these interim condensed consolidated financial statements for the six months ended June 30, 2026 and June 30, 2025.

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied for the condensed interim consolidated financial statements as at and for the six months ended June 30, 2026 are consistent with those applied in the consolidated financial statements as at and for the year ended December 31, 2025 which have been prepared on the basis of IFRS Accounting Standards issued by the IASB and interpretations of the IFRIC.

Certain information and disclosure normally included in the notes to the annual consolidated financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements and the notes thereto should be read in conjunction with Criterium's audited consolidated financial statements as at and for the year ended December 31, 2025.

These condensed interim consolidated financial statements were approved by the Company's Board of Directors on August 26, 2026.

(b) Basis of measurement and presentation

The condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical cost except for certain financial and non-financial assets and liabilities, which have been measured at fair value.

(c) Functional and reporting currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is Criterium Energy Ltd.'s functional currency. The functional currency of a subsidiary is the currency of the primary economic environment in which the subsidiary operates. Transactions denominated in a currency other than the functional currency are translated at the prevailing rates on the date of the transaction. Any monetary items held in a currency which is not the functional currency of the subsidiary are translated to the functional currency at the prevailing rate as the date of the statement of financial position.

All exchange differences arising as a result of the translation to the functional currency of the subsidiary are recorded in other comprehensive income (loss). Translation of all assets and liabilities from the respective functional currencies to the reporting currency is performed using the rates prevailing at the statement of financial position date. Revenue and expenses and certain cash flow items for each period are translated at average monthly exchange rates (unless this is not a representative approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenue and expenses are translated at the dates of the transactions).

(continued)

(in $000's of Canadian dollars, unless otherwise noted)

(d) Going concern

The Company's condensed interim consolidated financial statements for the six months ended June 30, 2026, have been prepared on a going concern basis, which assumes that the Company has adequate resources to continue in operational existence for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Management uses judgment to assess the Company's ability to continue as a going concern and the conditions that may cast significant doubt upon the use of the going concern assumption. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As of June 30, 2026, the Company had a working capital deficit of $65 million with cash provided by operating activities of $1.5 million. The Company's ability to pay current liabilities when they become due is in doubt. However, much of the working capital is derived from taxes payable (the Company disputes historical tax amounts owing and continues to demonstrate goodwill with the Indonesian tax authorities by making agreed upon monthly tax instalments on taxes owing) and current debt, which Criterium has demonstrated a track record of managing. A large portion of the debt balance has moved to current, as the two largest facilities will expire in Q1 2027. The Company continues to work with the lenders to find a sustainable, long-term solution. Though the business is sensitive to fluctuations in commodity prices and current market economic challenges, the Company is taking steps to reduce the working capital deficit to a more manageable level through continuing to work with its lenders and business partners to mitigate the impact on executing its business strategy. The Company plans to use additional cash flows from the anticipated commissioning of the gas development and cash flows from higher oil prices in 2026, to reduce the working capital deficit.

Due to these factors, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that may be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and such adjustments could be material.

3. Decommissioning and reclamation deposits

The Company has decommissioning and reclamation deposits in the total amount of $3.9 million as at June 30, 2026 (December 31, 2025: $3.8 million), which is held with Bank Negara Indonesia ("BNI") and relates to a financial security issued in accordance with Indonesian decommissioning regulations (Note 13). An additional $0.1 million of decommissioning and reclamation deposits relate to a single well located in Canada, to be abandoned at a future date.

4. Inventories

	As at June 30, 2026	As at December 31, 2025
Produced oil	**$209**	$910

At June 30, 2026, the Company was carrying produced oil inventory of $0.2 million (December 31, 2025 - $0.9 million). No inventory write-downs or reversals of prior write-downs were recorded during the periods ended June 30, 2026 or December 31, 2025.

Criterium Energy Ltd.
Notes to the Consolidated Financial Statements
As at June 30, 2026 and for the six months ended June 30, 2026 and 2025
(unaudited)
(in $000's of Canadian dollars, unless otherwise noted)

5. Exploration and evaluation

Balance at December 31, 2024	$2,366
Effect of movements in exchange rates	(110)
Balance at December 31, 2025	2,256
Additions	34
Effect of movements in exchange rates	83
Balance at June 30, 2026	**$2,373**

At December 31, 2025 and June 30, 2026, the exploration and evaluation (E&E) assets were measured at their carrying value of US$1.6 million.

6. Property, plant and equipment

Cost:	
Balance at December 31, 2024	$63,272
Additions	2,632
Change in decommissioning obligations (Note 13)	196
Effects of movements in exchange rates	(2,917)
Balance at December 31, 2025	$63,183
Additions	184
Change in decommissioning obligations (Note 13)	202
Effects of movements in exchange rates	2,286
Balance at June 30, 2026	**$65,855**

Accumulated depletion, depreciation, amortization and impairment:	
Balance at December 31, 2024	$6,348
Depletion and depreciation	4,070
Impairment	10,136
Effects of movements in exchange rates	(447)
Balance at December 31, 2025	$20,107
Depletion and depreciation	1,045
Effects of movements in exchange rates	722
Balance at June 30, 2026	**$21,874**

Net amount:	
As at December 31, 2025	$43,076
As at June 30, 2026	**$43,981**

Future capital costs required to develop proved and probable reserves in the amount of US$22.6 million (December 31, 2025 – US$22.6 million) are included in the depletion calculation for PP&E.

Depreciation and depletion for the six months ended June 30, 2026 included $0.06 million recorded in inventory (year ended December 31, 2025 – $0.1 million).

(continued)

Criterium Energy Ltd.
Notes to the Consolidated Financial Statements
As at June 30, 2026 and for the six months ended June 30, 2026 and 2025
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Impairment

At December 31, 2025, the Company determined there to be indicators of impairment in its West Salawati CGU, due an offer to purchase the asset received from a third party for an amount below the carrying value. While the sale did not close, management's view is that the offer represents the best estimate of a fair value for the CGU. Accordingly, the Company recognized an impairment charge of $10.1 million related to its West Salawati CGU. At December 31, 2025, the recoverable amount of the West Salawati CGU (determined using fair value less cost to sell) was US$5.0 million, which was based on the third party offer to purchase. This fair value was assessed as Level 3. There were no impairment indicators identified in the Company's other CGUs.

At June 30, 2026, the Company identified no indicators of impairment with respect to the Company's property, plant, and equipment.

7. Right of use assets

Balance at December 31, 2024	$401
Depreciation	(341)
Effects of movements in exchange rates	(9)
Balance at December 31, 2025	$51
Additions	833
Depreciation	(157)
Effects of movements in exchange rates	19
Balance at June 30, 2026	**$746**

8. VAT receivable

Balance at December 31, 2024	$6,211
Additions	8
Accretion	1,157
Receipt during the year	(1,291)
Effects of movements in exchange rates	(559)
Balance at December 31, 2025	$5,526
Effects of movements in exchange rates	(126)
Balance at June 30, 2026	**$5,400**

In the year ended December 31, 2025, the Company received reimbursements of VAT in the amount of $1.3 million. Under its engagement with legal counsel, a success fee of 8.75% was paid and will be payable upon future VAT reimbursements received by the Company.

9. Accounts payable and accrued liabilities

	As at June 30, 2026	As at December 31, 2025
Trade accounts payable	**$3,461**	$3,238
Accrued liabilities	**1,195**	1,701
	$4,656	$4,939

Trade and accrued payables, joint operation and other payables are non-interest bearing and are normally settled within 60 days.

Criterium Energy Ltd.

Notes to the Consolidated Financial Statements
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10. Long term debt

	Facility 1	Facility 2	Facility 3	Total
Balance at December 31, 2024	20,860	9,128	3,424	33,412
Payments	(861)	(663)	-	(1,524)
Interest and accretion	3,664	1,507	891	6,062
Modification gain	(559)	(448)	(39)	(1,046)
Effects of movements in exchange rates	(1,005)	(433)	(178)	(1,616)
Balance at December 31, 2025	$22,099	$9,091	$4,098	$35,288
Payments	(73)	(32)	-	(105)
Interest and accretion	2,019	817	169	3,005
Modification (gain) loss	89	(58)	38	69
Effects of movements in exchange rates	878	356	157	1,391
Balance at June 30, 2026	**$25,012**	**$10,174**	**$4,462**	**$39,648**
Less: current portion	($25,012)	($10,174)	-	($35,186)
Balance at June 30, 2026 - Long-term	**-**	**-**	**$4,462**	**$4,462**
Principal owed, June 30, 2026	$25,857	$10,994	$4,462	$41,313

Facility 1

During 2024, the Company entered into a securities for debt transaction with Kendall Court Cambridge Investment Manager Ltd. (“Kendall Court”) in connection with the acquisition of Mont D’Or Petroleum Limited (“MOPL”). Pursuant to an agreement dated January 3, 2024, Kendall Court agreed to extinguish USD $2.25 million of outstanding indebtedness in exchange for equity securities of the Company. As a result, the Company issued 22,235,055 common shares and an equal number of contingent payment rights (“CPRs”).

The common shares were measured at fair value based on quoted market prices at the transaction date. The CPRs represent a right to a potential future cash payment at maturity on January 3, 2027, and are classified as a financial liability measured at fair value through profit or loss. Following the transaction, the remaining principal balance under the amended and restated loan facility was approximately US$17.0 million.

During 2025, the Company entered into several amendments to the loan facility that temporarily reduced or deferred required principal payments until the earlier of the Indonesian Crude Price exceeding US$72 per barrel or December 31, 2025. Reduced or deferred principal payments continue to incur interest, with such amounts due on maturity. As of August 26, 2026, the Company has made one payment of $0.1 million this year and continues to negotiate with the lender on a payment schedule moving forward.

Management assessed the amendments in accordance with IFRS 9 and determined that they did not constitute substantial modifications, as the changes primarily affected the timing of cash flows. The debt continues to be recognized at amortized cost, with any modification loss (gain) recognized in profit or loss.

This facility is secured by a share charge over all outstanding shares of MOPL. An interest rate of 10% per annum, compounded daily applies.

(continued)

Facility 2

Facility 2 is a Redeemable Preferred Share (“RPS”) agreement between Criterium Energy Ltd.'s subsidiary MOAL and Eastspring ASEAN Mezzanine Debt Master Fund. This facility is secured by a share charge over all outstanding preferred shares of MOAL. Under this agreement, MOAL has issued 7,000,000 RPSs at a par value of US$1.00 per share with a 5% annual non-discretionary dividend entitlement. The Company treats the annual dividend entitlement as financing expense in the consolidated statement of loss and the facility as a liability as it will be settled in cash, rather than common shares. The cumulative unpaid dividend portion is added to the outstanding RPS amount. In the second quarter, the Company negotiated a continued suspension of any and all payments until the commissioning of gas production. As of August 26, 2026, the Company made one payment of $0.03 million in the current year and continues to negotiate with the lender on a payment schedule moving forward once gas production has commenced.

Facility 3

The Company has a working capital loan facility originally entered into on August 5, 2020, and subsequently amended, with Tourmalet Holdings Ltd. (the “Lender”). Following the acquisition of Mont D’Or Petroleum Limited, the facility was amended on January 3, 2024 to extend the maturity date to December 31, 2025 and to forgive US$0.5 million of capitalized interest.

Under the amendment, the Lender was granted the right to convert the outstanding principal balance, together with a bonus amount equal to the forgiven interest, into common shares of the Company during 2025, with automatic conversion at maturity if not previously exercised, subject to applicable regulatory approvals.

On December 31, 2025, the Company entered into an amendment to extend the maturity date to January 14, 2026 to allow additional time to negotiate revised terms. On January 14, 2026, a further amendment was executed extending the maturity date to December 31, 2028. Under the amended terms, the loan remains convertible at the Lender’s option, subject to restrictions that would prevent the Lender from holding more than 20% of the Company’s outstanding voting shares. Interest accrues at rates ranging from 8% to 16% depending on the form and timing of settlement. Interest is deferred and payable at maturity.

The Company assessed the amendments in accordance with IFRS 9 and determined that they do not constitute substantial modifications. Accordingly, the debt continues to be recognized at amortized cost.

The modification losses in the six months ended June 30, 2026, are due to the pause in payments of interest and principal amounts made by the Company as a result of the amendments to the debt agreements.

Criterium Energy Ltd.
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(unaudited)
(in $000's of Canadian dollars, unless otherwise noted)

11. Taxes payable

Balance at December 31, 2024	$19,343
Cash tax payments	(2,086)
Current tax expense	2,519
Accretion	3,096
Other tax expense	1,407
Change in provision for prior year taxes	(1,333)
Effects of movements in exchange rates	(1,066)
Balance at December 31, 2025	$21,880
Cash tax payments	(1,029)
Current tax expense	1,641
Other tax expense	884
Estimated penalties on late filings	331
Effects of movements in exchange rates	861
Balance at June 30, 2026	**$24,568**

Taxes payable relate to taxes, and penalties, owed for land and building tax and corporate income tax in Indonesia. Current tax expense is corporate income tax in Indonesia. The Company expects to renegotiate its current taxes payable, as this is customary with Indonesian tax authorities and the Company has previously been successful in negotiating installment payments below the full current taxes payable amount. Historically these taxes payable have been negotiable with the Indonesian government and management's expectation is this would continue in the future. However, at present there is no assurance that the Company will continue to be able to negotiate for an installment plan that aligns to the Company's financial position, as such all taxes are classified as current.

12. Lease liabilities

The Company has lease liabilities in respect of office space and furniture, which have been recognized at the discounted value of the remaining fixed lease payments. Lease obligations are as follows:

Balance at December 31, 2024	$268
Accretion	23
Lease payments	(214)
Effects of movements in exchange rates	(5)
Balance at December 31, 2025	$72
Additions	833
Accretion	34
Lease payments	(205)
Effects of movements in exchange rates	(22)
Balance at June 30, 2026	**$712**
Current	$324
Non-current	$388

At June 30, 2026, the undiscounted minimum lease payments payable by the Company under lease arrangements are as follows:

Within one year	$328
After one year but not more than five years	448
More than five years	-
Total undiscounted lease liabilities	**$776**

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(unaudited)
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13. Decommissioning obligations

Balance at December 31, 2024	$1,766
Additions	67
Accretion	282
Changes in estimates	129
Effects of movements in exchange rates	(91)
Balance at December 31, 2025	$2,153
Additions	-
Accretion	109
Changes in estimates	202
Effects of movements in exchange rates	90
Balance at June 30, 2026	**$2,554**

The Company's decommissioning obligations result primarily from its ownership interest in petroleum and natural gas assets. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. Undiscounted, uninflated decommissioning costs total $7.6 million (December 31, 2025 - $7.3 million). The Company used a credit adjusted interest rate of 16.3% and an inflation rate of 3.9% when measuring the present value of its decommissioning obligation in Indonesia (December 31, 2025 - 15.0% and 1.9%, respectively). The timing of the decommissioning depends on when the fields cease to produce at economically viable rates, which will also depend on future commodity prices which are inherently uncertain. As at June 30, 2026, the estimated timing of the obligations is 8-11 years.

14. Net loss per common share

Basic earnings per common share amounts are calculated by dividing the net loss for the period attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per common share reflect the maximum possible dilution from other securities, if dilutive.

($ thousands, except share amounts)	**Three months ended June 30, 2026**	Three months ended June 30, 2025	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Net loss	**($2,697)**	($1,237)	**($5,333)**	($2,409)
Basic and diluted weighted average number of common shares	**139,751**	136,375	**138,613**	136,239
Basic and diluted net loss per common share	**($0.02)**	($0.01)	**($0.04)**	($0.02)

In computing diluted earnings for the six months ended June 30, 2026 and 2025, the diluted number of shares is equivalent to the basic number of shares due to antidilutive share awards given that the Company was in a loss position. Therefore, the diluted per share amounts for net loss are equivalent to the basic per share amounts.

(in $000's of Canadian dollars, unless otherwise noted)

15. Share capital

Authorized share capital

At June 30, 2026, the Company was authorized to issue an unlimited number of common shares and an unlimited number of first and second preferred shares issuable in series.

Issued and outstanding common shares

The following table summarizes the change in common shares issued and outstanding. There are no preferred shares issued or outstanding as of June 30, 2026 (December 31, 2025 – nil).

	Number of shares	Amount
Balance at December 31, 2024	135,306,903	$18,107
Shares issued - RSU and PSU vesting	1,068,331	177
Balance at December 31, 2025	136,375,234	$18,284
Shares issued - RSU and PSU vesting	3,876,000	334
Balance at June 30, 2026	**140,251,234**	**$18,618**

At June 30, 2026 there were 14,025,123 common shares reserved for issuance under the Company's stock option, RSU and PSU plans.

Warrants

The share purchase warrants at June 30, 2026, were as follows:

	Number of warrants	**Exercise price**	**Remaining life (years)**
Expiry date			
September 26, 2027 (private placement warrants)	27,155,032	$0.20	1.2
January 4, 2029 (subscription receipt warrants)	60,910,000	0.14	2.5
January 4, 2029 (broker warrants)	3,177,719	0.11	2.5
Balance at June 30, 2026 and December 31, 2025	**91,242,751**	**$0.15**	**2.1**

The September 26, 2027 warrants ("2022 Warrants") entitle the holder to acquire one common share at a price of $0.20, subject to the following conditions which have all been met:

- one-third of the 2022 Warrants may be exercised after the Company's stock price (the "Stock Price") exceeds $0.275;
- one-third of the 2022 Warrants may be exercised after the Company's Stock Price exceeds $0.325;
- one-third of the 2022 Warrants may be exercised after the Company's Stock Price exceeds $0.40; and
- the Stock Price is defined as the weighted average price per share for the 20 consecutive trading days ending immediately before such date on the Toronto Stock Exchange on which the Company's shares are listed.

No value was assigned to any of the 2022 Warrants or the warrants relating to the business combination, upon issuance.

(continued)

(in $000's of Canadian dollars, unless otherwise noted)

Stock option plan

The Company may grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares reserved for issuance under all securities compensation arrangements is limited to 10% of the Company's total number of issued and outstanding shares. The maximum number of shares that may be issued to any officer, director or employee shall not exceed 5% of the total number of issued and outstanding shares. The maximum number of shares that may be issued to technical consultants, including investor relations consultants, shall not exceed 2% of the total number of issued and outstanding shares. Under the plan, options are exercisable upon issuance and an option's maximum term is five years. As the stock option plan does not contain a cash settlement feature it has been treated as an equity settled plan for accounting purposes.

In the six months ended June 30, 2026 and year ended December 31, 2025, no stock options were granted.

The continuity of stock options at June 30, 2026, was as follows:

	Number of stock options	Weighted average exercise price
Balance at December 31, 2024	636,667	$0.16
Options expired	(120,000)	0.25
Options forfeited	(200,000)	0.10
Balance at June 30, 2026 and December 31, 2025	**316,667**	**$0.17**

Restricted awards

The following table summarizes restricted award activity:

	Number of restricted awards
Balance at December 31, 2024	850,000
Granted	2,550,000
Forfeited	(300,000)
Vested	(566,667)
Balance at December 31, 2025	2,533,333
Granted	1,100,000
Forfeited	(500,000)
Vested	(1,466,666)
Balance at June 30, 2026	**1,666,667**

Restricted awards are earned over various periods, generally up to three years from the date of grant. Upon being earned, a holder of restricted awards is entitled to the equivalent number of common shares. The fair value of restricted awards is deemed to equal the stock price on the date of grant. For the six months ended June 30, 2026, the weighted average fair value of restricted awards granted was $0.09 (year ended December 31, 2025: $0.08) per restricted award. There is no forfeiture rate included in the calculation of fair values of restricted awards granted.

(continued)

(in $000's of Canadian dollars, unless otherwise noted)

Performance awards

The following table summarizes performance award activity:

	Number of performance awards
Balance at December 31, 2024	810,000
Granted	3,825,000
Granted pursuant to performance multiplier [1]	215,000
Forfeited	(501,666)
Balance at December 31, 2025	4,348,334
Granted	1,950,000
Granted pursuant to performance multiplier [1]	556,000
Vested	(2,409,334)
Balance at June 30, 2026	**4,445,000**

[1] Performance awards granted pursuant to performance multipliers are not further increased or decreased by future performance multipliers.

Performance awards are earned over various periods, generally up to three years from the date of grant. Upon being earned, a holder of performance awards is entitled to the equivalent number of common shares, converted using a multiplier between zero and two, dependent on the Company's performance on a set criteria as determined by the Board of Directors. The multiplier, which was determined during the earning period, is considered to have been applied at the grant date. As performance multipliers are known, past grants are adjusted to reflect the multiplier. The fair value of performance awards is deemed to equal the stock price on the date of grant. For the six months ended June 30, 2026, the weighted average fair value of performance awards granted was $0.09 (year ended December 31, 2025: $0.08) per performance award. There is no forfeiture rate included in the calculation of fair values of performance awards granted.

Share-based compensation

The following table summarizes the stock-based compensation:

	Three months ended June 30, 2026	Three months ended June 30, 2025	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Share-based compensation on performance awards	**$45**	$43	**$128**	$92
Share-based compensation on restricted awards	**27**	31	**59**	63
Share-based compensation on stock options	**-**	-	**-**	-
Total stock-based compensation	**$72**	$74	**$187**	$155

In the six months ended June 30, 2026, the Company recorded total share-based compensation of $0.2 million (six months ended June 30, 2025 - $0.2 million).

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16. Finance costs

Finance costs for the six months ended June 30, 2026 are as follows:

	Three months ended June 30, 2026	Three months ended June 30, 2025	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Lease interest	**$17**	$9	**$34**	$13
Long-term debt interest	**1,546**	764	**3,005**	1,997
Accretion expense	**366**	950	**670**	1,911
Total finance costs	**$1,929**	$1,723	**$3,709**	$3,922
Cash	**105**	$132	**105**	$716
Non-cash	**1,824**	1,591	**3,604**	3,206
Total finance costs	**$1,929**	$1,723	**$3,709**	$3,922

17. Financial risk and capital management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as:

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risk, the Company's objectives, policies, and processes for measuring risks, and the Company's management of capital.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from oil marketing. The Company has a one year contract in partnership with several larger producers in the local area to sell their oil to a specific trader at a premium to ICP.

In 2026, all oil sales have been to a subsidiary of the Indonesian state owned oil company, PT Pertamina ("Pertamina"), who accounted for 100% of revenue (six months ended June 30, 2025 - Pertamina accounted for 55% of revenue).

(continued)

(in $000's of Canadian dollars, unless otherwise noted)

The maximum exposure to credit risk was the carrying amount of cash and cash equivalents, accounts receivable, prepaids and deposits and VAT receivable as follows:

	As at June 30, 2026	As at December 31, 2025
Cash and cash equivalents	**$2,353**	$1,986
Trade receivables	**1,833**	476
Other	**87**	69
Accounts receivable	**$1,920**	$545
Prepaids and deposits (including long-term)	**859**	1,033
VAT receivable	**5,400**	5,526
Total exposure	**$10,532**	$9,090

The Company maintains its cash balances at large banking institutions in Canada, Indonesia and Singapore whose deposits are guaranteed by the respective governments and, therefore the credit risk is low.

The Company's amounts receivable are non-interest bearing and generally on a 30-day payment term. These amounts are due from Pertamina. At June 30, 2026, none of the amounts are considered past due or impaired.

The VAT receivable represents amount paid by the Company in relation to purchase of materials, equipment and services involving the PSC operation and is fully reimbursable by the Indonesian state-owned company, SKK Migas. Included in the above VAT receivable is an allowance of $nil which management believes is adequate to cover possible losses.

Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk in changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries and joint ventures. The Company's transactions are principally denominated in the local currency, the Indonesian Rupiah. However, payments to governments such as corporate income taxes, are paid in United States Dollars. While the Company does not specifically mitigate this risk, it does enter into IDR/USD swap positions from month to month, for the purposes of ensuring liquidity for its IDR denominated operating expenses.

Commodity price risk

The Company has exposure to price risk in its exploration, development, and production of petroleum and natural gas business. The Company has not used derivative financial instruments to hedge exposure to petroleum and natural gas price fluctuations. The results of operations and cash flows of petroleum and natural gas production can very significantly with the fluctuations in the market prices of hydrocarbons. These are affected by factors outside of the Company's control, including market forces of supply and demand and regulatory and political actions of government. During the year, the Company did not enter into any derivative contracts to mitigate this risk.

Interest rate risk

Interest rate risk is the risk that future cash flows or valuations of assets or liabilities will fluctuate as a result of changes in market interest rates. Currently, the Company's borrowing facilities have fixed interest rates and so it is not exposed to significant or material interest rate risk within its borrowings.

(continued)

(in $000's of Canadian dollars, unless otherwise noted)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's approach to managing liquidity risk is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's operations or reputation. The Company prepares an annual budget, which outlines the planned operating, investing and financing activities and is regularly monitored against actual costs and revised as considered necessary. The Company maintains and monitors a certain level of cash which is used to finance all operating and capital expenditures. Amounts due under borrowing facilities consist of cash advances drawn plus accumulated interest. See going concern in Note 2.

The table below outlines a contractual maturity analysis for Criterium's undiscounted financial liabilities at June 30, 2026.

	Within 1 year	1 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$4,656	-	-	$4,656
Taxes payable	24,568	-	-	24,568
Lease liability	324	388	-	712
Contingent consideration	5,167	2,366	2,504	10,037
Debt	36,851	4,462	-	41,313
Debt estimated interest (1)	2,056	614	-	2,670
Total	**$73,622**	**$7,830**	**$2,504**	**$83,956**

(1) Estimated interest for future years related to the debt facilities was calculated using the weighted average interest rate for the six months ended June 30, 2026, applied to the principal balance as at that date, translated at the June 30, 2026 exchange rate of $1.4210.

Capital management

The Company's capital structure includes working capital, shareholders' equity, and amounts available under borrowing facilities. The Company's objective when managing capital is to maintain a flexible capital structure which allows it to execute its growth strategy through expenditures on property, plant, and equipment and exploration and development activities while maintaining a strong financial position. Currently, total capital resources available include working capital (defined as current assets less current liabilities) and debt. The Company prepares annual budgets, which are updated as necessary including current and forecast commodity prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors.

The properties in which the Company currently has an interest are in the early stage of development and cash flow from operations is not sufficient to fund the Company's activities; as such the Company is currently exploring various options that, if successful, will enable the Company to have access to sufficient funds to execute its business strategy, generate operating cash flows and be able to settle liabilities as and when they fall due. These include but are not limited to issuing common shares or other securities, selling assets, entering into a farm-out arrangement, adjusting its capital spending to manage current and projected cash flows raising funds and refinancing its debt facilities. There is no assurance that the Company will be successful in sufficiently financing the Company's ongoing business activities.

(continued)

(in $000's of Canadian dollars, unless otherwise noted)

Fair value of financial assets and liabilities

The Company's fair value measurement are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Inputs represent unadjusted quoted prices in active markets for identical assets or liabilities. An active market is characterized by a high volume of transactions that provides pricing information on an ongoing basis.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These valuations are based on inputs that can be observed or corroborated in the marketplace, such as market interest rates or forecasted commodity prices.

Level 3 - Inputs for the asset or liability are not based on observable market data.

The Company aims to maximise the use of observable inputs when preparing calculations of fair value. Classification of each measurement into the fair value hierarchy is based on the lowest level of input that is significant to the fair value calculation.

The fair value of cash and cash equivalents, accounts receivable, VAT receivable, deposits, accounts payable, and taxes payable, approximate their carrying amounts due to their short terms to maturity.

MOPL debt facilities (Note 10) are a Level 2 estimate. The fair value of the MOPL contingent payments and contingent payment rights to debt holder (Note 19) are Level 3 and Level 2 estimates, respectively.

There were no transfers between fair value hierarchies during the period.

18. Supplemental cash flow information

Changes in non-cash working capital is comprised of:

	Three months ended June 30, 2026	Three months ended June 30, 2025	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Source/(use) of cash:				
Accounts receivable	**$ 202**	$ 191	**($1,307)**	($2,528)
Prepaids and deposits	**101**	(669)	**180**	(359)
Inventories	**242**	725	**602**	2,738
Accounts payable and accrued liabilities	**(23)**	(186)	**(388)**	(583)
Taxes payable	**1,056**	-	**1,842**	-
Movements in exchange rates	**-**	(412)	**-**	(109)
	$ 1,578	$ (351)	**$929**	($841)
Related to operating activities	**$ 1,628**	$ (819)	**$1,110**	($1,351)
Related to investing activities	**(50)**	342	**(181)**	510
Related to financing activities	**-**	126	**-**	-
	$ 1,578	$ (351)	**$929**	($841)

The following table summarizes interest and taxes paid:

	Three months ended June 30, 2026	Three months ended June 30, 2025	**Six months ended June 30, 2026**	Six months ended June 30, 2025
Interest paid	**105**	$132	**105**	$716
Taxes paid	**542**	565	**1,029**	1,180
	$647	$697	**$1,134**	$1,896

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19. Commitments and contingencies

Contingencies

	Contingent liability 1	Contingent liability 2	Contingent liability 3	Total
Balance at December 31, 2024	4,533	432	3,420	8,385
Accretion expense	874	112	595	1,581
Gain on revaluation	(3,141)	(558)	-	(3,699)
Effects of movements in exchange rates	(205)	14	-	(191)
Balance at December 31, 2025	2,061	-	4,015	6,076
Accretion expense	226	-	335	561
Effects of movements in exchange rates	78	-	-	78
Balance at June 30, 2026	**$2,365**	**-**	**$4,350**	**$6,715**

Contingent liabilities 1 and 2 - MOPL contingent payments

Contingent liability 1 is related to the acquisition of MOPL ("MOPL Acquisition") and provides for future contingent payments to MOPL's prior owners in respect of the Tungkal and West Salawati Production Sharing Contracts for the duration of the contracts. The contingent payment obligations will arise with respect to future production in the event that oil prices, gas prices, and/or production volumes exceed minimum thresholds. Contingent payments may also arise in the event of a future disposition of these Production Sharing Contracts and/or discovery of additional commercial oil fields within the West Salawati Production Sharing Contract.

The future contingent payments to MOPL's prior owners are revalued at each reporting period using a discounted cash flow based on internally estimated future production and forward oil and gas pricing forecasts (considered level 3 inputs within the fair value hierarchy). At June 30, 2026, the Company determined the fair value of the estimated cash flows is $2.3 million. A 1% change in the discount rate would result in a change in the liability balance of $0.1 million.

For Contingent liability 2, the Company has assumed a contingent liability as a part of the MOPL Acquisition. This is related to a contractual payment of US$0.5 million ($0.7 million) upon certain successes within the West Salawati Production Sharing Contract. On a discounted basis this was valued at US$0.3 million ($0.3 million) at the date of the PPA using a discounted cash flow based on a discount rate of 25% and assumption of future payment occurring. At June 30, 2026 and December 31, 2025, as a result of the Company having no intention to achieve the required success in West Salawati, this was valued at $nil.

Contingent liability 3 - Contingent payment rights to debt holder

As a condition of the MOPL Acquisition, the Company issued Kendall Court Cambridge Investment Manager Ltd. ("Kendall Court") 22,235,055 common shares of the Company and 22,235,055 Contingent Payment Rights ("CPR") in consideration for a US$2,250,000 reduction in a MOPL borrowing facility. The CPR's provide that the Company will make a cash payment on January 3, 2027 equal to $0.2119 per CPR multiplied by the issued common shares of the Company still held be Kendall Court at that time. As part of the purchase price allocation for the MOPL Acquisition, the Company recorded a liability of $2.9 million for the estimated present value of the contingent payment using a discounted cash flow based on a discount rate of 17.4% and an assumption that there will not be significant dispositions of shares. The expected undiscounted cash flows related to this payment are approximately $4.7 million.

At June 30, 2026, the Company estimated the fair value on contingent liability 3 to be $4.3 million. A 1% change in the discount rate would result in a nominal change in the liability balance.

(continued)

(in $000's of Canadian dollars, unless otherwise noted)

Work commitments

Within the West Salawati PSC, the following work commitments were outstanding as at June 30, 2026:

Year	Description	Estimated Cost (US$, thousands)	Status
2026	Exploration well	$6,000	Outstanding
2027	Acquisition and processing of 3D seismic	1,500	Outstanding
2028	Acquisition and processing of 2D seismic	1,000	Outstanding
2028	Exploration well	6,000	Outstanding
		$14,500	

To the extent that the Company is able to, it will use external capital to help fund these work commitments or development on the block. Similarly, if the Company is unable to meet these requirements it will work with the Indonesian oil and gas regulator “SKK Migas” to either defer or substitute activity.

In the six months ended June 30, 2026, the Company entered into an agreement with PT Dredolf Indonesia ("Dredolf"), for the construction of a pipeline from Southeast Mengoepeh gas into the neighboring processing facility. Per the agreement, Dredolf will fund the cost of construction of the pipeline and the Company will make monthly payments to Dredolf totalling approximately $28.8 million (US$21.0 million) over the 10 year expected operating life of the pipeline. During the quarter, due to financial concerns with Dredolf, the contract was novated to PT Olindo Nusa Surya, with no material changes to the contract terms.

20. Geographic segmented information

As at June 30, 2026, all oil sales revenue from external customers is attributable to Indonesia. The amounts relating to non-current assets attributable to Indonesia is as follows:

Non-current asset	Amount attributable to Indonesia
Property, plant and equipment	$43,981
Exploration and evaluation assets	2,373
Right of use assets	713
VAT receivable - non-current portion	5,400
Decommissioning and reclamation deposits	3,911
Deposits	674
Total non-current assets attributed to Indonesia	$57,052

All remaining non-current asset amounts related to Canada.

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Corporate Information

Board of Directors

Brian Anderson
Chair of the Board [1]

David Dunlop
Director [2]

Matthew Klukas
Director

Michéle Stanners
Director

Ben Arnott
Director

[1] Chair of the Reserves Committee
[2] Chair of the Audit Committee

Management Team

Matthew Klukas
President and Chief Executive Officer

Andrew Spitzer
Chief Financial Officer

Hendra Jaya
GM, Indonesia

Adrian Guthrie
Controller

Robert Thomson
VP, Subsurface

Stock Exchange
Toronto Stock Exchange Venture - Symbol: CEQ

Reserves Evaluator
ERCE Australia Pty Ltd ("ERCE")

Transfer Agent
Odyssey Trust Company

Legal Counsel
Burnet, Duckworth & Palmer, LLP

Auditor
Ernst & Young LLP

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