



CRITERIUM
ENERGY

CRITERIUM ENERGY LTD.

Interim Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024
(Expressed in thousands of Canadian Dollars, unless otherwise stated)

CRITERIUM ENERGY LTD.
Interim Consolidated Financial Statements

(amounts in thousands of Canadian dollars, except share or per share amounts)

Interim Condensed Consolidated Statement of Financial Position

	As at September 30, 2025 \$	As at December 31, 2024 \$
Assets		
Current		
Cash and cash equivalents	1,806	2,307
Accounts receivable	1,637	637
Prepays and deposits	1,029	914
Inventories	207	2,841
Total current assets	4,679	6,699
Non-current		
Property, plant and equipment	52,175	56,924
Evaluation and exploration assets	4,592	2,366
Right of use assets	282	401
VAT receivable – non-current portion (Note 12)	6,737	6,211
Decommissioning and reclamation deposits (Note 4)	3,599	3,612
Deposits	211	218
Total non-current assets	67,596	69,732
Total Assets	72,275	76,431
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities (Note 12)	6,143	9,442
Current portion of debt (Note 6)	5,801	9,113
Current portion of taxes payable (Note 5)	23,112	19,343
Current portion of lease liabilities	70	231
Decommissioning liabilities (Note 4)	31	31
Total current liabilities	35,157	38,160
Non-current		
Long-term debt (Note 6)	28,055	24,299
Deferred tax liabilities	2,158	2,749
Contingent consideration (Note 14)	9,268	8,384
Decommissioning obligations (Note 4)	1,996	1,735
Provision for employee benefits	224	231
Lease liabilities	50	37
Total non-current liabilities	41,751	37,435
Total liabilities	76,908	75,595
Shareholders' equity		
Share capital (Note 8)	18,107	18,107
Contributed surplus (Note 9)	928	687
Deficit	(24,413)	(18,245)
Accumulated other comprehensive income (loss)	745	287
Total shareholders' equity	(4,633)	836
	72,275	76,431

See accompanying notes

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

(amounts in thousands of Canadian dollars, except share or per share amounts)

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
	\$	\$	\$	\$
Revenue				
Oil Sales	6,898	8,240	29,076	24,357
Royalty expense	(1,854)	(2,046)	(6,908)	(6,329)
Royalty revenue	16	32	49	41
Other income (Note 11)	297	2	866	45
	<u>5,357</u>	<u>6,228</u>	<u>23,083</u>	<u>18,114</u>
Expenses and other items				
Operating	3,033	2,639	11,675	9,919
General and administrative	1,084	1,843	3,687	4,966
Restructuring costs	—	712	—	712
Depreciation and depletion	1,037	1,667	4,182	5,112
Financing costs (Note 10)	3,494	1,300	7,416	3,210
Gain on Modification (Note 10)	—	—	(1,251)	—
Other tax expense	273	360	1,093	1,083
Foreign exchange gain (loss)	101	(257)	(46)	(493)
Share-based compensation	86	42	241	127
Transaction costs	—	—	—	41
	<u>9,108</u>	<u>8,306</u>	<u>26,997</u>	<u>24,677</u>
Net income (loss) for the period before income taxes	<u>(3,751)</u>	<u>(2,078)</u>	<u>(3,914)</u>	<u>(6,563)</u>
Current income taxes	(57)	(16)	2,778	749
Deferred income taxes (recovery)	66	(756)	(523)	(2,109)
Income taxes	<u>9</u>	<u>(772)</u>	<u>2,255</u>	<u>(1,360)</u>
Net income (loss)	<u>(3,760)</u>	<u>(1,306)</u>	<u>(6,169)</u>	<u>(5,203)</u>
Other comprehensive income (loss), net of income tax				
Items that recycle through net income				
Foreign currency translation adjustment	(125)	(8)	458	70
Other comprehensive income (loss)	<u>(125)</u>	<u>(8)</u>	<u>458</u>	<u>70</u>
Total comprehensive income (loss)	<u>(3,885)</u>	<u>(1,314)</u>	<u>(5,711)</u>	<u>(5,133)</u>
Net loss per share				
Basic and diluted	(0.03)	(0.01)	(0.05)	(0.04)
Weighted average number of shares outstanding (in thousands)	<u>136,375</u>	<u>132,356</u>	<u>136,285</u>	<u>130,984</u>

See accompanying notes

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

(amounts in thousands of Canadian dollars, except share or per share amounts)

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity

(thousands of shares)	Share Capital		Contributed Surplus	Accumulated Other comprehensive income (loss)	Deficit	Total equity
	# of Shares	\$				
Balance, December 31, 2023	38,391	\$ 8,695	\$ 682	\$ (37)	(8,330)	1,010
Shares issued, net of share issuance costs (Note 8)	62,610	5,107	(149)	-	-	4,959
Shares issued, Acquisition	33,056	4,207	-	-	-	4,207
Exercise of warrants	-	-	-	-	-	-
Stock-based compensation	-	-	154	-	-	154
Shares issued - shares for debt	1,250	98	-	-	-	98
Other comprehensive income	-	-	-	324	-	324
Net loss	-	-	-	-	(9,915)	(9,915)
Balance, December 31, 2024	135,307	18,107	687	287	(18,245)	836
Shares issued, net of share issuance costs (Note 8)	-	-	-	-	-	-
Exercise of warrants	-	-	-	-	-	-
Stock-based compensation	1,068	-	241	-	-	241
Shares issued - shares for debt	-	-	-	-	-	-
Other comprehensive income	-	-	-	458	-	458
Net loss	-	-	-	-	(6,169)	(6,169)
Balance, September 30, 2025	136,375	\$ 18,107	\$ 928	\$ 745	(24,413)	(4,633)

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

(amounts in thousands of Canadian dollars, except share or per share amounts)

Interim Condensed Consolidated Statement of Cash Flows

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine Months ended September 30, 2025	Nine Months ended September 30, 2024
	\$	\$	\$	\$
Operating activities				
Net loss	(3,761)	(1,306)	(6,169)	(5,203)
Depletion and depreciation	1,063	1,667	4,182	5,112
Deferred income taxes (recovery)	66	(756)	(523)	(2,109)
Non-cash other income	(297)	—	(866)	—
Finance cost – non-cash (Note 10)	3,495	505	6,701	1,684
Gain on Modification (Note 10)	—	—	(1,251)	—
Unrealized foreign exchange	(15)	(257)	68	(494)
Share-based compensation	86	42	241	127
Change in non-cash working capital (Note 13)	(304)	1,618	(1,655)	(97)
Cash from (used in) operating activities	333	1,513	728	(980)
Investing activities				
Acquisition	—	—	—	(5,495)
Oil and Gas assets additions	(778)	(2,781)	(1,660)	(2,887)
Cash on acquisition	—	—	—	9,832
Change in non-cash working capital (Note 13)	597	1,483	1,107	1,748
Cash provided by (used in) investing activities	(181)	(1,298)	(553)	3,198
Financing activities				
Issuance of common shares, net of costs (Note 8)	—	—	—	4,964
Principal payments on lease obligations	(167)	16	(161)	(237)
Payments on long term debt	—	(290)	(823)	(2,118)
Change in non-cash working capital (Note 13)	—	—	—	280
Cash provided by financing activities	(167)	(274)	(984)	2,889
Net increase (decrease) in cash during the period	(15)	(59)	(809)	5,107
Effect of foreign exchange	249	197	308	585
Cash and cash equivalents, beginning of period	1,572	5,997	2,307	443
Cash and cash equivalents, end of period	1,806	6,135	1,806	6,135

See accompanying notes

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

1. Reporting Entity and Going Concern

Criterion Energy Ltd. and its subsidiaries, (collectively “Criterion” or the “Company”) are engaged in the exploration, appraisal and development of petroleum and natural gas in Indonesia. Criterion was incorporated in Alberta, Canada and has subsidiaries in Bermuda, British Virgin Islands, Cyprus, Singapore and New Zealand. Criterion 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.

Going Concern

The Company’s interim condensed consolidated financial statements for the three and nine months ended September 30, 2025, 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 bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As of September 30, 2025, the Company had a working capital deficit of \$30.5 million with cash provided by operating activities of \$0.73 million. The Company’s ability to pay current liabilities when they become due is in doubt. 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 executing cash flow generating development programs and continuing to work with its lenders and business partners to mitigate the impact on executing its business strategy.

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 interim condensed 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. In such event it may be required to realize its assets and discharge its liabilities in ways other than the normal course of business and such adjustments could be material.

2. Material accounting policies

These interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2024. Details outlining the Company’s accounting policies are contained in the notes to the audited consolidated financial statements for the year ended December 31, 2024.

3. 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 three and nine months ended September 30, 2025 and September 30, 2024.

These unaudited interim condensed consolidated financial statements (the “financial statements”) have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, under IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). They are condensed as they do not include all of the information required for full annual financial statements, and they should be read in conjunction with the Company’s most recent annual audited consolidated financial statements for the year ended December 31, 2024. These financial statements were prepared using accounting policies and methods of their application are consistent with those used in the preparation of the Company’s audited consolidated annual financial statements for the year ended December 31, 2024.

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 17, 2025.

(b) Functional Currency and Presentation Currency

These consolidated financial statements are presented in Canadian dollars which is the company's functional currency.

4. Decommissioning and reclamation deposits

The Company has decommissioning and reclamation deposits in the total amount of \$3.6 million as at September 30, 2025 (December 31, 2024: \$3.56 million). Of the balance, US\$2.43 million is held with Bank Negara Indonesia ("BNI") and is related to a financial security issued in accordance with Indonesian decommissioning regulations.

5. Taxes payable

The major components of the Company's Taxes Payable are the following:

(thousands of \$, unless otherwise stated)	September 30, 2025	December 31, 2024
Balance	19,343	15,847
Cash tax payments	(1,669)	(2,487)
Current tax expense	2,705	155
Accretion	2,276	2,864
Other Tax expense	1,088	1,453
Effects of movement in exchange rates	(631)	1,511
	23,112	19,343

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.

6. Long term debt

	Facility 1	Facility 2	Facility 3	Total
	\$	\$	\$	\$
Total debt balance, December 31, 2023	-	-	-	-
Fair value of debt acquired [note 5]	19,562	9,167	2,511	31,240
Payments	(3,742)	(2,200)	-	(5,942)
Interest and accretion	3,392	1,671	691	5,754
Effects of movements in exchange rates	1,648	490	223	2,361
Total debt, December 31, 2024	20,860	9,128	3,424	33,412
Less: current portion	(3,501)	(2,188)	(3,424)	(9,113)
Long term debt, December 31, 2024	17,359	6,940	-	24,299

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

Total debt balance, December 31, 2024	20,860	9,128	3,425	33,413
Payments	(835)	(775)	-	(1,611)
Interest and accretion	2,663	1,124	535	4,322
Gain on modification of debt	(782)	(469)	-	(1,251)
Effects of movements in exchange rates	(627)	(249)	(99)	(975)
Total debt, September 30, 2025	21,237	8,759	3,861	33,856
Less: current portion	(1,467)	(473)	(3,861)	(5,801)
Long term debt, September 30, 2025	19,770	8,286	-	28,055

Facility 1 is a debenture agreement between Criterium's subsidiary Mont D'Or Venture Ltd. ("MOVL") and Kendall Court Cambridge Investment Manager Ltd. ("Kendall Court"). This facility is secured by a share charge over all outstanding shares of MOPL. At January 4, 2024 US\$17.046 million was outstanding, consisting of principal and prior capitalized interest. An interest rate of 10% per annum, compounded daily applies. During Q3 2025, the Company negotiated reduced payments, resulting in no payments being made during the quarter and current payments will be made on an 'as able' basis.

As a result of shares issued in the acquisition described in the December 31, 2024 audited condensed consolidated financial statements, Kendall Court holds 16.3% of common shares outstanding and is therefore a related party to the Company.

Facility 2 is a Redeemable Preferred Share ("RPS") agreement between Criterium's subsidiary Mont D'Or Asia Ltd. ("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. The cumulative unpaid dividend portion is added to the outstanding RPS amount. During Q3 2025, the Company negotiated reduced payments, resulting in no payments being made during the quarter and current payments will be made on an 'as able' basis. Under the terms of the agreement, a catch-up payment will be made upon the earlier of a) the commissioning of gas development or b) March 31, 2026.

Facility 3 is an unsecured US\$2.508 million working capital loan facility between Criterium's subsidiary MOPL and Tourmalet Holdings Ltd. The facility is subject to interest at 8% per annum which is capitalized. No payments are due until maturity which is December 31, 2025. The facility contains an option, at the discretion of the lender to convert the outstanding balance plus a US\$0.510 million bonus amount into common shares of Criterium during the period January 1, 2025, until December 31, 2025. The facility also provides for an automatic conversion of the outstanding balance plus a US\$0.510 million bonus amount into common shares of Criterium immediately following maturity if the outstanding balance of the loan has not been paid in full previously. The conversion is subject to no control person being created as a result. A convertible note of US\$3.000 million was issued to Tourmalet in conjunction with closing to facilitate the conversion feature.

7. Decommissioning liabilities

	\$
Balance, December 31, 2023	31
Acquisition	1,552
Additions	31
Accretion	274
Changes in estimates	(212)
Effects of movements in exchange rates	90

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

Balance, December 31, 2024	1,766
Additions	-
Accretion	197
Changes in estimates	-
Effects of movements in exchange rates	64
Balance, September 30, 2025	2,027
Current	31
Non-current	1,996

The Company's decommissioning obligations result primarily from its ownership interest in petroleum and natural gas assets. The Company used a credit adjusted interest rate of 16.12% and an inflation rate of 2.30% when measuring the present value of its decommissioning obligation in Indonesia. 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. At September 30, 2025, the estimated timing of the obligations was 9-12 years.

8. Share capital

Authorized share capital

Unlimited number of:

- Common shares without nominal or par value
- 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 September 30, 2025 (December 31, 2024 – nil).

	Shares	Amount
	#	\$
Balance, December 31, 2023	38,390,903	8,695
Shares issued – net of share issuance costs	62,610,000	5,107
Shares issued – Acquisition	33,056,000	4,207
Shares issued – shares for debt	1,250,000	98
Balance, December 31, 2024	135,306,903	18,107
Shares issued – subscription receipts	-	-
Shares issued – business combination	-	-
Shares issued – RSU vesting	1,068,333	-
Shares issued – shares for services	-	-
Share issue costs	-	-
Balance, September 30, 2025	136,375,236	18,107

At September 30, 2025 there were 96,995,434 common shares reserved for issuance under the Company's stock option, RSU and PSU plans and warrants outstanding (December 31, 2024 – 93,786,917).

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

Weighted average number of common shares

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Weighted average number of common shares (000s)				
Basic and diluted	136,375	132,356	136,285	130,984

For the three and nine months ended September 30, 2025 and 2024, all equity instruments are considered to be anti-dilutive as the Company is in a loss position.

9. Contributed Surplus

A summary of the changes in contributed surplus is presented below:

	\$
Balance, December 31, 2023	682
Shares issued – net of share issuance costs	(149)
Stock based compensation	154
Balance, December 31, 2024	687
Stock based compensation	241
Balance, September 30, 2025	928

10. Finance costs

Finance costs are as follows:

	Three months ended September 30, 2025	September 30, 2024	Nine months ended September 30, 2025	September 30, 2024
	\$	\$	\$	\$
Lease Interest	7	5	20	66
Interest Expense	3,125	790	5,123	2,384
Gain on Modification	-	-	(1,251)	-
Accretion Expense	362	505	2,273	760
	3,494	1,300	6,165	3,210
Cash	-	795	715	1,526
Non-cash - Finance cost	3,494	505	6,701	1,684
Non-cash - Gain Modification	-	-	(1,251)	-
	3,494	1,300	6,165	3,210

11. Other Income

For the three and nine months ended September 30, 2025, the interim condensed consolidated statement of loss includes \$0.3 million (2024 - \$0.002 million) and \$0.87 million (2024- 0.045 million) respectively of interest income related to both the accretion of the fair value of the VAT receivable and interest earned on bank balances.

12. Financial Instruments, Risk Management and capital management

The Company's financial instruments include financial assets which include cash, restricted cash, trade and other receivables, which are classified as and measured at amortized cost, which approximates their fair values, as well as

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

financial liabilities which include trade payables, accrued liabilities and contingent considerations, using level 2 inputs, are measured at amortized cost, which approximates their fair values. The fair value measurements of the long-term debt for the three facilities are non-recurring and are assessed as Level 3 as the Company used inputs for the liabilities that are not based on observable market data.

(a) Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss to the Company by failing to discharge an obligation.

During the three months ended September 30, 2025, all oil was sold to 2 companies; 1) an offshore buyer who accounted for 45% of revenue and 2) a subsidiary of the Indonesia state owned oil company Pertamina who accounted for 55% of revenue.

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

	September 30, 2025	December 31, 2024
For the period ended,	\$	\$
Cash and cash equivalents	1,806	2,307
Trade receivables	1,554	553
Other receivable	82	84
Accounts receivable	1,637	637
VAT receivable	6,737	6,211
Total exposure	10,180	9,155

As of September 30, 2025, MOTL has two VAT reimbursement packages approved by SKK Migas totaling IDR 15,466,800,981; however, no reimbursement proceeds have been received. Under its engagement with legal counsel, a success fee of 8.75% would become payable only upon receipt of the VAT reimbursement. Accordingly, no liability has been recognized at period end. If reimbursement cash is received, the success fee on the currently approved packages is estimated at approximately IDR 1,353,345,086 (~USD 82k). The total VAT claims submitted amount to approximately IDR 47.5 billion (10 packages), implying a program-wide potential success fee of ~IDR 4.16 billion (~USD 252k), which remains contingent.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by preparing an annual budget, which outlines the planned operating, investing and financing activities and regularly monitoring the budget against actual costs and revises if necessary.

The table below outlines a contractual maturity analysis for Criterium's financial liabilities as at September 30, 2025.

	Within 1 Year	1 to 5 Years	More than 5 Years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	5,721	422	-	6,143
Lease liability	70	50	-	120
Contingent consideration	-	9,268	-	9,268
Taxes payable	23,112	-	-	23,112

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

Debt	5,801	28,055	-	33,856
Debt estimated interest ⁽¹⁾	464	2,244	-	2,708
Total	35,168	40,039	-	75,207

(1) Estimated interest for future years related to the debt facilities was calculated using the weighted average interest rate of 8% for the period ended September 30, 2025, applied to the principal balance outstanding as at that date and carried through to the 2027 maturity date.

13. Supplemental cash flow information

Supplemental cash flow information:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Changes in non-cash working capital				
Accounts receivable	1,528	415	(1,000)	(2,592)
VAT receivable	340	-	340	-
Prepays and deposits	264	515	(95)	1,027
Inventories	(104)	(848)	2,634	(915)
Accounts payable and accrued liabilities	119	3,953	(3,299)	3,942
Liabilities – assets held for sale	-	17	-	26
Taxes Payable	(1,963)	(418)	872	1,032
Acquisition Payable	-	-	-	265
Movements in exchange rates	109	(533)	-	(854)
	(293)	3,101	(548)	1,931
The change in non-cash working capital has been allocated to the following activities:				
Operating	(304)	1,618	(1,655)	(97)
Financing	-	-	-	280
Investing	597	1,483	1,107	1,748
Cash paid for taxes	489	584	1,669	1,686
Cash paid for interest	-	795	715	1,526

14. Commitments and contingencies

	Contingent liability 1	Contingent liability 2	Contingent liability 3	Total
	\$	\$	\$	\$
Balance, December 31, 2024	4,533	431	3,419	8,384
Accretion expense	596	28	437	1,061
Effects of movements in exchange rates	(154)	(24)	-	(178)
	4,975	435	3,856	9,268
Less: current portion	-	-	-	-
Balance, September 30, 2025	4,975	435	3,856	9,268

CRITERIUM ENERGY LTD.

Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and September 30, 2024

(amounts in thousands of Canadian dollars, except share or per share amounts)

Contingent liability 1 and 2 - MOPL contingent payments

Contingent liability 1 is for future contingent payments to MOPL's prior owner/operators in respect of the Tungal and West Salawati Production Sharing Contracts for the duration of the contracts. The contingent payment obligations will arise with respect to future production if 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 Company estimated the future undiscounted cash flows related to this contingent payment to be approximately US\$6.296 million (\$8.615 million) at the acquisition date and recorded a contingent liability of US\$2.528 million (\$3.376 million) using discount rates of 23.5%-30%. There is no maximum amount stated in the SPA.

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 September 30, 2025, the Company determined the fair value of the estimated cash flows is \$4.511 million. A 1% change in the discount rate would result in a change in the liability balance of \$0.118 million.

For Contingent liability 2, the Company has assumed a contingent liability as a part of the acquisition of MOPL which is related to a contractual payment of US\$0.500 million upon certain successes within the West Salawati PSC. On a discounted basis this was valued at US\$0.256 million (\$0.341 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 September 30, 2025, this is valued at \$0.431 million based on a discount rate of 25% and a continued expectation that future payment will occur. A 1% change in the discount rate would result in a change in the liability balance of \$0.008 million.

Contingent liability 3 - Contingent payment rights to debt holder

As a condition of the Company's acquisition of MOPL, 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 \$0.1957 per CPR multiplied by the issued common shares of the Company still held by Kendall Court at that time.

At September 30, 2025, the Company estimated the fair value to be \$3.419 million. A 1% change in the discount rate would result in a change in the liability balance of \$0.059 million.

Work Commitments

Within the West Salawati PSC, the following work commitments were outstanding as of September 30, 2025:

Year	Description	Estimated Cost (US\$000s)	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
	Exploration Well	6,000	Outstanding

15. Subsequent Events

The company does not have any subsequent events to report.

Corporate Information

Board of Directors

Brian Anderson
Chair of the Board¹

David Dunlop
Director²

Matthew Klukas
Director

Michèle Stanners
Director

Management Team

Matthew Klukas
President and Chief Executive Officer

Andrew Spitzer
Chief Financial Officer

Dr. Henry Groen
Special Advisor

Hendra Jaya
GM, Indonesia

Jennifer Ottosen
Controller

Robert Thomson
VP, Subsurface

¹ Chair of Reserves Committee

² Chair of Audit Committee

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



Bow Valley Square #1
Suite 1120, 202 6th Ave SW
Calgary, AB T2P 2R9
T – 403-668-1630
www.criteriumenergy.com