

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of the operating and financial results of Criterium Energy Ltd. ("Criterium" or the "Company") for the three months ended March 31, 2025 and 2024. This information is provided as of May 30, 2025. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements ("consolidated financial statements") for the three months ended March 31, 2025 and audited year end 2024 statements. This document provides additional information about Criterium and is accessible on the SEDAR+ website at www.sedarplus.ca. All amounts are in Canadian dollars ("CAD"), unless otherwise stated.

ABOUT CRITERIUM ENERGY LTD.

Criterium is a corporation engaged in the production, development and exploration for the sale of oil and natural gas in Southeast Asia. The Company is currently developing two core PSCs in Indonesia – a light oil and potential gas play in the Tungkai PSC, located in South Sumatra and an oil play in the West Salawati PSC, located in the West Papua province of Indonesia. The Company also holds a 42.5% non-operated working interest in the Bulu PSC, offshore Central Java. Criterium is actively engaged in seeking out new opportunities that fit its strategy of acquiring and developing undercapitalized and underutilized assets across the broader Southeast Asia region.

As of the date of this filing, Criterium has 5 employees at the corporate head office in Calgary, Alberta and 54 employees in Indonesia at the Jakarta office and field level operations. The Company is incorporated and domiciled in Alberta, Canada with the head office located at Suite 1120, 202 – 6th Avenue S.W., Calgary, Alberta, T2P 2R9. Criterium is a publicly traded company on the Toronto Stock Exchange – Venture ("TSX-V") and is traded under the symbol "CEQ".

CORPORATE REVIEW

During the three months ended March 31, 2025 Criterium focused on executing its stated annual work program as outlined in its 2025 Guidance press release on February 13, 2025. The key activity of the work program is the execution of the Company's gas development program, and during Q1 the Company defined the project and mobilized a project team to assemble all necessary permits, right of ways and regulatory approvals. Currently the Company is moving towards its first key milestone in gas development, a long-term production test which is expected to occur in Q3 2025. Results from this test will underpin a Gas Sales Agreement ("GSA") which is anticipated to be signed in Q3/Q4 of this year.

During the three months ended March 31, 2025, the Company continued its program of low cost, high return workovers in the Mengoepeh ("MGH") field. These workovers continue to assist in maintaining field production and continue to generate near-term paybacks despite lower oil prices.

Financial flexibility and discipline continues to be paramount as the Company navigates the extreme volatility seen in global crude oil prices and financial markets. During the three months ended March 31, 2025, the Company was able to negotiate lower payments to lenders, resulting in an additional US\$1.9 million in liquidity which will be realized during 2025. Total debt payments in Q1 2025 were \$1.403 million which included \$0.719 million of interest, resulting in a decrease in total principle of \$0.684 million.

OUTLOOK

The Company released its Guidance prior to the April 2, 2025 “Liberation Day” US tariff announcements. At that time financial and commodity markets were relatively stable. Since that time, markets have seen extreme volatility as the result of global tariff proposals, instability in the global bond markets and increased supply from OPEC+ in the crude oil markets. The Company has been mindful of these headwinds and has continued to manage operating costs diligently and to work with its lenders to ensure that it has adequate financial flexibility. The Company continues to move forward with the execution of its gas development program. Going forward, the Company will be better positioned to weather market volatility as it diversifies its revenue stream.

SELECT OPERATIONAL AND FINANCIAL HIGHLIGHTS

| | Three months ended March 31, | | |
|--|---------------------------------|-----------|----------|
| (\$ thousands, except per share) | 2025 | 2024 | % Change |
| FINANCIAL PERFORMANCE | | | |
| Oil revenue | 14,636 | 8,165 | 79% |
| Royalty expense | (3,361) | (2,154) | 56% |
| Royalty revenue | 28 | 13 | 115% |
| Other Income | 284 | 41 | 593% |
| Cash flow from (used in) operating activities | 231 | (2,078) | - |
| Per share – basic | \$ 0.00 | \$ (0.02) | - |
| Net loss | (1,171) | (2,413) | (52%) |
| Per share – basic | \$ (0.01) | \$ (0.02) | (55%) |
| Capital Expenditures | 168 | - | - |
| Acquisition Expenditures | - | 5,654 | (100%) |
| OPERATIONS | | | |
| Average daily production | | | |
| Light oil (boe/d) | 988 | 802 | 23% |
| Operating Netback (\$/boe)¹ | | | |
| Realized sales price | 114.08 | 111.87 | 2% |
| Royalty expense | (28.54) | (29.51) | (3%) |
| Net production expense | (42.50) | (52.64) | (19%) |
| Operating field netback | 43.04 | 28.62 | 50% |
| TRADING INFORMATION | | | |
| Weighted Average Shares outstanding (thousands) | | | |
| Basic | 136,102 | 137,174 | (1%) |
| Diluted | 232,832 | 236,746 | (2%) |
| Share Trading | | | |
| High | \$ 0.075 | \$ 0.140 | (46%) |
| Low | \$ 0.050 | \$ 0.050 | 0% |
| Average daily trading volume | 103,388 | 81,260 | 27% |

¹ Calculated based on Q1 field production and excluding operating costs for production in inventory at year end 2024

During Q1 2025, oil revenue increased as higher field production coupled with revenue from the delays in a large crude oil lifting at the end of December. This delay resulted in revenues for the Q4 2024 being approximately \$3.2 million lower than otherwise would have been expected and resulted in an equivalent increase to Q1 2025 revenues. Unit royalties paid trended lower, aligned with lower US dollar denominated sales, and the mechanism within the Tungkal Gross Split PSC which reduces government take with lower oil prices.

Net loss decreased for the three months ended March 31, 2025, as the Company completed a large lifting on January 3, 2025 and saw continued production growth and reduced costs when compared to previous quarters.

BENCHMARK PRICES AND FOREIGN EXCHANGE

| Three months ended March 31, | | | |
|--|----------|----------|----------|
| Prices | 2025 | 2024 | % Change |
| Brent (US\$/bbl) | \$ 77.23 | \$ 84.96 | (9%) |
| Indonesia Crude Price ("ICP") (US\$/bbl) | \$ 78.05 | \$ 83.78 | (7%) |
| Foreign Exchange | | | |
| USD to CAD | 1.4309 | 1.3526 | 6% |
| USD to IDR | 16,466 | 15,880 | 4% |

Brent crude oil prices for Q1 2025 fell 9% when compared to the average price in Q1 2024. Crude oil prices fell as concerns of rising US tariffs potentially disrupting global economies and therefore reduce the demand for crude oil. Despite lower year on year benchmark prices, the Company saw its realized price increase by 2% as the Canadian dollar dropped versus the US dollar and the Company realized premiums of up to \$5/bbl on the volumes it was able to export. The Company continues to see supportive pricing fundamentals in Southeast Asia, both for crude oil as well as for longer term contracted natural gas, this supports the Company's 2025 gas development program and expected Gas Sales Agreement ("GSA") signing during the year.

OIL SALES

| Three months ended March 31, | | | |
|---------------------------------|-----------|-----------|----------|
| | 2025 | 2024 | % Change |
| Revenue (\$000s) | | | |
| Light Oil | \$ 14,636 | \$ 8,165 | 79% |
| Average Realized Price | | | |
| Light Oil (\$/bbl) | \$ 114.08 | \$ 111.47 | 2% |

During the three months ended March 31, 2025, oil sales revenues increased significantly as a result of the scheduled December lifting of 40,500 barrels being delayed into Q1 2025. This delay resulted in the deferral of approximately US\$3.2 million in gross (US\$2.35 million net of royalties) revenue into Q1 2025. Excluding this one time event, revenues increased by 35% year over year as the Company increased both production and realized prices.

SUMMARY OF EXPENSES

| | Three months ended March 31, | |
|----------------------------|---------------------------------|-----------------|
| (\$) thousands | 2025 | 2024 |
| Operating | 5,786 | 3,894 |
| General and administrative | 1,106 | 1,662 |
| Depreciation and depletion | 1,914 | 1,851 |
| Financing costs | 1,546 | 953 |
| Other tax expense | 363 | - |
| Foreign exchange gain | (82) | (75) |
| Share-based compensation | 81 | 42 |
| Transaction costs | - | 38 |
| Total | \$10,714 | \$ 8,365 |

For the three months ended March 31, 2025, total expenses increased by 28% while oil revenue increased by 79% compared to Q1 2024. This is a result of the Company's success in reducing unit operating costs during the period and the large lifting that occurred in January 2025. At the same time, financing costs increased as the Company recognized accretion on the fair value of existing debt facilities.

Operating expenses for the three months ended March 31, 2025, were \$5.79 million compared to \$3.89 million for Q1 2024. The 49% increase in total operating expense year over year is due the large lifting occurring in January which accounted for ~\$2 million of the total costs in Q1, excluding this, operating costs were flat despite higher year on year production.

Depreciation, depletion and amortization ("DD&A") for the three months ended March 31, 2025, was 1.91 million (March 31, 2024 - \$1.85 million). Quarter over quarter DD&A reflected increased production offset by lower DD&A/bbl. For Q1 2025 the DD&A rate was \$10.33/bbl as the Company booked nearly 1 million barrels of reserves associated with its 2024 workover program and due to a change in the allocation of PP&E acquired as part of the MOPL transaction. Due to PPA ("Purchase Price Allocation") adjustments that were made in Q4 2024 the year on year comparative is not indicative of operational performance.

General and administrative expenses for the three months ended March 31, 2025, totalled \$1.11 million (2024 - \$1.66 million) as the Company established a stable run rate and did not incur any transaction expenses which impacted Q1 2024 expenses.

Financing expense for the three months ended March 31, 2025, was \$1.55 million (March 31, 2024 - \$0.95 million). For the three months ended March 31, 2025, the Company recognized a \$0.96 million accretion expense (March 31, 2024 - \$0.11 million) related to the amortization of the fair value of the debt and income taxes recognized for the MOPL transaction.

Other tax expense for the three months ended March 31, 2025, was \$0.4 million (2024 - \$nil) and is related to land and building taxes incurred within the Tungkal PSC.

CAPITAL EXPENDITURES

| | Three months ended March 31, | |
|--------------------------------------|---------------------------------|----------------|
| (\$) thousands | 2025 | 2024 |
| Drilling, completion and equipment | 168 | - |
| Total Capital Expenditures | 168 | - |
| Acquisitions (dispositions) | - | 5,494 |
| Cash on Acquisition | - | (9,965) |
| Net Cash Capital Expenditures | 168 | (4,471) |

During the three months ended March 31, 2025, the Company spent \$0.17 million on capital expenditures to begin to execute the Company's gas development program (March 31, 2024 - \$nil). Expenditures related to the 2025 workover program will be reclassified from operations costs to capital expenditures as reserve evaluations are completed on these wells.

SHARE CAPITAL

| | Three months ended March 31, | | | |
|--|------------------------------|--------|-------------|---------|
| | 2025 | | 2024 | |
| (\$ thousands, except share counts) | Number | Amount | Number | Amount |
| Balance, opening | 135,306,903 | 18,107 | 38,389,981 | 8,694 |
| Issue of common shares - cash | - | - | 60,910,000 | 6,700 |
| Issue of common shares – acquisitions (1) | - | - | 33,056,922 | 4,207 |
| Issue of common shares – warrant, option, RSU exercise | 1,068,333 | - | - | - |
| Issue of common shares – shares for services | - | - | - | - |
| Share issuance costs | - | - | - | (1,741) |
| Balance, ending | 136,375,236 | 18,107 | 132,356,903 | 17,863 |

1 Net of the 4,817,000 issued shares which were cancelled subsequent to Q1 2024 as announced on April 26, 2024

During Q1 2025, 566,666 previously issued Restricted Share Units ("RSU"s) were converted into common shares, in addition, during the quarter, 286,667 previously issued Performance Share Units ("PSU"s) were converted into 501,667 common shares.

During Q1 2024, 60,910,000 common shares and 60,910,000 warrants were issued as part of subscription receipts converting to units as part of the MOPL transaction. In addition, 3,177,719 broker warrants were issued to select brokers in conjunction with the subscription receipt offering. During the three months ended March 31, 2025, no warrants, existing or newly issued were exercised (March 31, 2024 – nil).

As at the date of this report, there are 136,375,236 common shares outstanding, an aggregate of 6,681,667 RSUs and PSUs outstanding, 636,667 stock options outstanding and 91,242,751 potential shares issuable under warrants agreements.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities. The Company's financial liabilities consist of accounts payable, taxes payable and amounts due under borrowing facilities. Accounts payable consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period. Accounts payable have contractual maturities of less than one year. 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.

As of March 31, 2025, the Company had a working capital deficit of \$30.3 million (December 31, 2024 – \$31.46) with cash from operations of \$0.232 million for the three months ended March 31, 2025 (March 31, 2024 – (\$2.1) million). There is significant doubt in the Company's ability to pay its current liabilities as they become due. The business is sensitive to fluctuations in commodity prices and current market economic conditions. The Company continues to work with its lenders, business partners and the Indonesian tax office in order to improve the working capital deficit.

The interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company's ability to maintain its current level of operations is dependent on its ability to generate sufficient cash to fund its operations and future business plans. See going concern in Note 1 of the interim condensed consolidated financial statements.

The Company is dependent on its revenue from the sale of crude oil from its Indonesian operations. This revenue stream is highly dependent on global commodity prices and exchange rates which are outside of the control of management. The volatility of commodity prices and capital markets will continue to have a significant impact on the Company's revenue and ability to access capital in the future. While Management believes the Company will have sufficient cash to discharge its obligations in the normal course of operations for the short-term, future operations will be dependent upon the raising of sufficient capital, the development of profitable operations and the corresponding generation of future cash flows.

The Company has successfully obtained sufficient financing to date. However, there is no assurance that it will be able to generate sufficient cash flow or obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

The table below outlines a contractual maturity analysis for Criterium's financial liabilities at March 31, 2025. While all taxes payable are currently classed as current, the Company has historically managed taxes payable on a year-by-year basis with the Indonesian government based on the financial capability of the Company.

| | Within 1 Year | 1 to 5 Years | More than 5 Years | Total |
|--|---------------|---------------|-------------------|---------------|
| | \$ | \$ | \$ | \$ |
| Accounts payable and accrued liabilities | 5,989 | - | - | 5,989 |
| Lease liability | 235 | 37 | - | 272 |
| Contingent consideration | - | 8,727 | - | 8,727 |
| Taxes payable | 22,017 | - | - | 22,017 |
| Debt | 7,791 | 25,301 | - | 32,822 |
| Debt estimated interest ⁽¹⁾ | 2,622 | 1,631 | - | 4,253 |
| Total | 38,654 | 35,696 | - | 74,350 |

(1) Estimated interest for future years related to the debt facilities was calculated using the weighted average interest rate of 8%.

DEBT

As outlined in the interim condensed consolidated financial statements (Note 13), the Company has entered into three debt facilities within MOPL. These facilities are amended versions of pre-existing debt agreements which MOPL had entered into over the course of business prior to being acquired by the Company. By utilizing these existing facilities, the Company was able to secure below market interest rates. In aggregate the MOPL debt facilities carry an average interest rate of just over 8% per year.

During the three months ended March 31, 2025, the Company made scheduled debt payments of \$1.407 million and secured an additional US\$1.9 million in payment deferrals from its two largest lenders, Kendall Court Cambridge Investment Manager Ltd. ("Kendall Court") and Eastspring ASEAN Mezzanine Debt Master Fund ("Eastspring"). These deferrals enhance financial flexibility to support the 2025 capital program, which is focused on bringing natural gas onstream. The Company remains committed to deleveraging while ensuring sufficient capital is allocated to value-generating development within the MOPL assets specifically.

CASH FLOW SUMMARY

| | Three months ended March 31, | |
|-------------------------------------|---------------------------------|-----------------|
| (\$ thousands) | 2025 | 2024 |
| Cash at beginning of period | \$ 2,307 | \$ 443 |
| Cash flow from (used in) operations | 231 | (2,078) |
| Cash flow from investing activities | - | 4,736 |
| Cash flow from financing activities | (941) | 5,230 |
| Effect of foreign exchange | - | 198 |
| Cash at end of period | \$ 1,597 | \$ 8,529 |

During the three months ended March 31, 2025, cash from operations were \$0.23 million resulting from revenue received from crude oil sales, less operating expenditures and G&A. This was a significant increase over the three months ended March 31, 2024, due the production growth and operating cost reductions realized since the acquisition of MOPL and the aforementioned lifting that occurred on January 3, 2025.

Cash flows from investing activities for the three months ended March 31, 2025, were \$nil million compared to \$4.7 million for the three months ended March 31, 2024. The cash realized from the MOPL acquisition during the three months ended March 31, 2024 resulted in a cash inflow from investing activities.

Cash flows from financing resulted in an outflow of \$0.94 million for the three months ended March 31, 2025 as the Company made payments on its lease and debt. Cash inflows of \$5.2 million were realized for the three months ended March 31, 2024, as a result of the Company issuing shares in connection with the MOPL acquisition.

WORKING CAPITAL

The Company had working capital deficit of \$30.3 million as at March 31, 2025 (December 31, 2024 – \$31.46 million). It should also be noted that the Company expects to renegotiate its current taxes payable, 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. 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 by executing its business strategy and through continuing to work with its lenders and business partners to mitigate the impact on executing this strategy.

Due to these factors, there is a material uncertainty that may cast significant doubt on the Company's ability to pay its current liabilities as they become due. The condensed interim 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

COMMITMENTS & CONTINGENCIES

CONTINGENCIES

| | Contingent liability 1 \$ | Contingent liability 2 \$ | Contingent liability 3 \$ | Total \$ |
|--|---------------------------------|---------------------------------|---------------------------------|--------------|
| (\$ thousands) | | | | |
| Balance, December 31, 2023 | - | - | - | - |
| Acquisition | 3,376 | 342 | 2,912 | 6,630 |
| Accretion expense | 860 | 90 | 508 | 1,457 |
| Effects of movements in exchange rates | 277 | 2 | - | 279 |
| Balance, December 31, 2024 | 4,533 | 431 | 3,419 | 8,384 |
| Accretion expense | 208 | 29 | 140 | 376 |
| Effects of movements in exchange rates | (4) | (30) | - | (34) |
| Balance, March 31, 2025 | 4,737 | 430 | 3,559 | 8,727 |

Liability #1: MOPL Contingent Payments

The Share and Purchase Agreement ("SPA") the Company entered into in respect of the acquisition of Mont D'Or Petroleum Limited ("MOPL") (see Financial Statement Note 5) provides for future contingent payments to MOPL's prior owners in respect of the Tungkal and West Salawati Production Sharing 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.

The Company estimated the future undiscounted cash flows related to this contingent payment to be approximately US\$6.790 million (\$9.770 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.

Liability #2: West Salawati Discovery

For Contingent liability 2, the Company has assumed a contingent liability as a part of the acquisition of MOPL (Note 5). This is related to a contractual payment of US\$0.500 million upon certain successes within the West Salawati Production Sharing Contract. 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 March 31, 2025, this is valued at \$0.430 million based on a discount rate of 25% and a continued expectation that future payment will occur.

Liability #3: Contingent Payment Rights

As a condition of the Company's acquisition of MOPL and associated restructuring of existing MOPL debt, 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\$2.25 million reduction in amount owing to a MOPL borrowing facility. The CPRs provide that the Company will make a cash payment on January 3, 2027 equal to \$0.2119 per CPR multiplied by the percentage of the issued common shares of the Company still held by Kendall Court at that time. The Company recorded a liability of \$2.9 million for the estimated present value of the contingent payment at the date of the acquisition.

COMMITMENTS

Within the West Salawati PSC the following remaining work commitments are outlined:

| Year | Description | Estimated Cost (US\$ 000s) | Status |
|------|--|-------------------------------|--------------------|
| 2026 | Exploration Well | 6,000 | <i>Outstanding</i> |
| 2027 | Acquisition and processing of 3D Seismic | 1,500 | <i>Outstanding</i> |
| 2028 | Acquisition and processing of 2D Seismic | 1,000 | <i>Outstanding</i> |
| | Exploration Well | 6,000 | <i>Outstanding</i> |

These commitments highlight the prospective nature of the West Salawati PSC. 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.

BUSINESS RISKS

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company's other public disclosures, including the risks described in the "Risk Factors" section of the Company's 2024 Annual Information Form, prior to making any investment in the Company's common shares.

FINANCIAL RISKS & CAPITAL MANAGEMENT

Risk is inherent in all business activities and cannot be eliminated. However, shareholder value can be maintained and enhanced by identifying, mitigating, and where possible, insuring against these risks. The following section addresses some, but not all, risk factors that could affect Criterium's future results, as well as activities used to mitigate such risks. These risks do not occur in isolation but must be considered in conjunction with each other.

The Board of Directors has overall responsibility for the establishment and oversight of Criterium's risk management framework. The Board is responsible for developing and monitoring Criterium's compliance with risk management policies and procedures.

Criterion's risk management policies are established to identify and analyze the risks faced by Criterion, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Criterion's activities.

The Company reports its financial results in Canadian dollars but also undertakes transactions denominated in US dollars ("USD"), Indonesian Rupiah ("IDR"), British Pounds ("GBP") and New Zealand dollars ("NZD"). As the exchange rates between the Canadian dollar and the USD, IDR, GBP and NZD fluctuate, the Company recognizes realized and unrealized foreign exchange gains and losses.

Currently the Company does not enter into any financial instruments to hedge currency risk specifically, but the Company monitors its foreign exchange exposure and considers its exposure to foreign currency risk to be minimal as at the date of this report.

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 (as described above)

See Note 19 of the Financial Statements which 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 large regional producers to jointly market export volumes. The contract is re-tendered each year, with recent premiums to Indonesian Crude Price ("ICP") ranging from US\$0.50-\$5.00/bbl. Credit risk is reduced through letters of credit provided by state backed Indonesian banks. The maximum exposure to credit risk is as follows:

| | March 31, 2025 \$ | December 31, 2024 \$ |
|---------------------------|-------------------------|----------------------------|
| Cash and cash equivalents | 1,597 | 2,307 |
| Trade receivables | 3,145 | 553 |
| Other | 218 | 84 |
| Accounts receivable | 3,363 | 637 |
| VAT receivable | 6,489 | 6,211 |
| Total exposure | 11,490 | 9,155 |

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 United States Dollars. However, payments to governments such as royalties and taxes are paid in local currency in Indonesian Rupiah. While the Company does not specifically mitigate this risk, it did enter into an IDR/USD swap position in Q4, 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 vary 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 borrow facilities have fixed interest rates. However, when these facilities mature, they may be replaced with facilities subject to future market interest rates which may increase or decrease the Company's cost of capital.

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 and debt (see Financial Statement Note 19)

SELECTED QUARTERLY FINANCIAL INFORMATION

| | Mar. 31, 2025 | Dec. 31, 2024 | Sep. 30, 2024 | Jun. 30, 2024 | Mar. 31, 2024 | Dec. 31, 2023 | Sep. 30, 2023 | Jun. 30, 2023 | Mar. 31, 2023 |
|--|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <i>(\$, thousands, except per share amounts)</i> | | | | | | | | | |
| Gross oil sales | 14,636 | 5,526 | 8,240 | 7,952 | 8,162 | - | - | - | - |
| Cash flow from (used in) operations | 231 | 474 | 1,513 | (416) | (2,205) | (805) | (585) | (518) | (789) |
| Net loss | (1,171) | (4,712) | (1,306) | (1,485) | (2,413) | (965) | (1,109) | (1,110) | (625) |
| <i>Per share – basic</i> | \$(0.01) | \$(0.03) | \$(0.01) | \$(0.01) | \$(0.02) | \$(0.03) | \$(0.03) | \$(0.03) | \$(0.02) |

Significant factors and trends that have impacted the Company's results in the above periods include:

- Delays in the December 2024 oil lifting resulting in significantly lower revenues for Q4 2024, including oil produced to inventory and sold January 3, 2025, Q4 revenues would have been approximately \$8.5 million. This caused an increase in Q1 2025 revenues.
- Capital expenditures were related to the drilling of the MGH-43 well in the Tungkal PSC in Q3 and Q4 2024.
- The acquisition of Mont D'Or Petroleum Limited closed in Q1 2024.
- Costs associated with the Mont D'Or Petroleum Limited acquisition included but were not limited to: financing costs, legal costs, filing costs and deposits from Q4 2023 to Q1 2024.
- The recapitalization of Softrock Minerals and the associated change in the Company's strategic direction in Q4 2022.
- The costs associated with screening for and entering into international oil and gas transactions.
- The expenses arising from having acquired the Bulu asset, such as the acquisition payable during 2023 and ongoing cash calls related to work to progress the asset towards FID.
- The volatility in the ICP benchmark, and the resulting effect on royalty revenue, cash flows and net income.

DIVIDEND ADVISORY

Criterion's future shareholder distributions, including but not limited to the payment of dividends, if any, and the level thereof is uncertain. Any decision to pay dividends on the common shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) will be subject to the discretion of the Board of Directors of Criterion and may depend on a variety of factors, including, without limitation, Criterion's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions. There can be no assurance that Criterion will pay dividends in the future. As the Company does not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the stock's price.

FORWARD LOOKING STATEMENTS

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward-looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Readers are also advised to consider such forward-looking statements in light of the risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and the Company's business may be found in the Company's other filings.

CRITICAL ACCOUNTING ESTIMATES

Management makes judgments and assumptions about the future in deriving estimates used in preparation of these consolidated financial statements in accordance with IFRS. Sources of estimation uncertainty include estimates used to determine the economic viability of exploration and evaluation costs, the recoverable amount of long-lived assets or cash generating units ("CGUs"), the fair value of financial instruments, the provision for decommissioning liabilities, the provision for income taxes and the related deferred tax assets and liabilities, and the expenses recorded for stock-based compensation.

The identifiable assets and liabilities associated with the purchase price allocation have been measured at their individual fair values on the date of acquisition. Determinations of fair value often require management to make assumptions and estimates about future events. The preliminary purchase price allocation is based on management's best estimate at the time of the preparation of these financial statements. The purchase price allocation is not final as the Company is continuing to obtain and verify information required, including those from internal and external specialists, to determine the fair value of certain assets and liabilities including property, plant and equipment, decommissioning obligations, income taxes payable, long term debt and the deferred tax liability, as well as the finalization of working capital adjustments. Upon finalizing the value of the net assets acquired, liabilities assumed and total consideration adjustments may be required as values subject to estimate are finalized. As new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, the accounting for the acquisition will be revised.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and CFO, along with participation from other members of the management team, are responsible for establishing and maintaining adequate Internal Control over Financial Reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial statements prepared in accordance with IFRS. The Company's CEO and CFO, with support of management have assessed the design and operating effectiveness of the Company's ICFR as at the date of this report, based on criteria described in "Internal Control - Integrated Framework" issued in 2013 by the Committee of Sponsoring Organization of the Treadway Commission. Based on this assessment, it was concluded that the design and operation of the Company's ICFR are effective. During the three months ended March 31, 2025, there has been no change in the Company's ICFR that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

ADVISORIES

The Company uses the following industry terms in the MD&A and other disclosures: "bbl" refers to barrels, "bbl/d" refers to barrels per day, "mbbl" refers to thousand barrels, "mcf" refers to thousand cubic feet, "mcf/d" refers to thousand cubic feet per day, "mmcf" refers to million cubic feet, "MMbtu" refers to one million British thermal units, "boe" refers to barrel of oil equivalent, "boe/d" refers to barrels of oil equivalent per day, and "mboe" refers to thousand barrels of oil equivalent. Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used in the calculation of the boe amounts in the MD&A. The boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil 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.