

CRITERIUM ENERGY LTD.

Management's Discussion and Analysis

For the six months ended

June 30, 2026 and 2025

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 six months ended June 30, 2026 and 2025. This information is provided as of August 26, 2026. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements ("consolidated financial statements") for the six months ended June 30, 2026 and 2025 and audited annual consolidated financial statements for the six months and years ended December 31, 2025 and 2024, together with the accompanying notes and with its Annual Information Form ("AIF") for the year ended December 31, 2025. These documents and additional information about Criterium are accessible on the SEDAR+ website at www.sedarplus.ca. All amounts are in Canadian dollars ("CAD"), unless otherwise stated.

The financial data presented below has been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), unless otherwise indicated.

ABOUT CRITERIUM ENERGY LTD.

Criterium is a corporation engaged in the exploration, development, production and sale of oil and natural gas in Southeast Asia. The Company is currently developing two core production sharing contracts ("PSCs") in Indonesia – a light oil and potential gas play in the Tungkal 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 East 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".

Q2 2026 REVIEW

During the second quarter of 2026, the Company continued to advance the Southeast Mengoepeh gas development and the related infrastructure and commercialization arrangements. The gas sales agreement has been finalized and is awaiting final regulatory approval, and pipeline construction was approximately 70% complete as at June 30, 2026. First gas is expected shortly, subject to completion of the remaining construction, testing and commissioning activities. The project is expected to diversify the Company's revenue base and support future cash flows from the Tungkal PSC, providing a strong cash flow platform from which Company can both grow and delever.

Average oil production decreased 30% to 626 bbl/d from 890 bbl/d in the corresponding period of 2025, primarily due to the deferral of planned workovers during the preceeding quarters as technical and capital resources were prioritized toward the Southeast Mengoepeh development. The Company expects to resume workovers and additional production-optimization activities upon first gas. These activities are intended to support production from the Company's existing oil wells.

Operating costs increased on a unit basis, primarily reflecting the impact of lower production volumes and the relatively fixed nature of the Company's cost at this time. The Company continues to manage field expenditures and identify cost reductions where possible while prioritizing activities intended to support oil production and complete the gas development.

The Company continues to prioritize available capital and engage with its lenders regarding the timing of payment obligations and its ongoing funding requirements. The Company has continued to defer lender payments and will continue to so until first gas production is achieved. Capital discipline remains a top priority and expenditures will focus on low risk development oil and gas opportunities highlighted in the

OUTLOOK

For the remainder of 2026, the Company's primary operational priorities will be completing and commissioning the Southeast Mengoepeh gas development and executing planned oil-optimization and testing programs. With the gas sales agreement finalized and pipeline construction moving quickly, first gas is expected by the end of Q3, subject to completion of the remaining construction, testing and commissioning activities. Contracted gas sales are expected to diversify the Company's revenue base and reduce its exposure to oil-price volatility. The Company also intends to recommence workovers and additional production-optimization activities to support production from its existing oil wells. The Company will continue to manage costs, prioritize capital expenditures and engage with its lenders to support its ability to execute the planned program.

SELECT OPERATIONAL AND FINANCIAL HIGHLIGHTS

		three months ended June 30,			six months ended June 30,		
		2026	2025	% Change	**2026**	2025	% Change
Financial Performance	**($ thousands, except per share amounts)**						
	Oil sales	**$8,776**	$7,542	16%	**$16,703**	$22,178	(25%)
	Royalty expense	**(2,804)**	(1,393)	101%	**(4,821)**	(5,054)	(5%)
	Royalty revenue	**-**	5	(100%)	**-**	33	(100%)
	Other income	**2**	285	(99%)	**9**	569	(98%)
	Cash flow from (used in) operating activities	**1,480**	164	802%	**1,010**	395	156%
	Per share - basic	**0.01**	0.00	781%	**0.01**	0.00	151%
	Net loss	**(2,697)**	(1,237)	118%	**(5,333)**	(2,409)	121%
	Per share - basic	**(0.02)**	(0.01)	113%	**(0.04)**	(0.02)	118%
	Capital expenditures	**121**	714	(83%)	**218**	882	(75%)
Operations	**Average daily production**						
	Light oil (bbl/d) [1]	**626**	890	(30%)	**658**	939	(30%)
	NGL (bbl/d) [1] [2]	**-**	-	N/A	**-**	-	N/A
	Natural gas (mcf/d) [3]	**-**	-	N/A	**-**	-	N/A
	Total (boe/d) [1]	**626**	890	(30%)	**658**	939	(30%)
Trading Information	**Weighted average shares outstanding (thousands)**						
	Basic	**139,751**	136,375	2%	**138,613**	136,239	2%
	Share Trading						
	High	**0.14**	0.07	100%	**0.14**	0.08	87%
	Low	**0.09**	0.05	100%	**0.08**	0.05	78%
	Average daily trading volume	**69,269**	46,735	48%	**86,984**	74,835	16%

(1) "bbl" refers to barrels.
(2) "NGL" refers to natural gas liquids.
(3) "mcf" refers to thousand cubic feet.

In the six months ended June 30, 2026, oil revenue decreased primarily due to lower sales volumes. Sales volumes declined year on year as a large volume of inventory was sold in early January 2025 due to a delay in the December 2024 lifting. Royalty expense decreased for the six months ended June 30, 2026, aligned with lower revenue, this was partially offset by a mechanism within the Tungkal PSC that varies royalty rates with oil prices.

Net loss increased to $2.7 million for the quarter and $5.3 million year to date, compared with $1.2 million and $2.4 million, respectively, in the Corresponding Periods. The increase primarily reflected lower H1 oil sales, as the Corresponding Period benefited from the delayed December 2024 lifting recognized in January 2025, foreign-exchange losses and the absence of prior-year debt-modification gains, partially offset by lower DD&A and operating expenses.

BENCHMARK PRICES AND FOREIGN EXCHANGE

	three months ended June 30,			six months ended June 30,		
Benchmark Prices	**2026**	2025	% Change	**2026**	2025	% Change
Brent (US$/bbl)	**$96.95**	$68.01	43%	**$87.62**	$71.91	22%
Indonesia Crude Price ("ICP") (US$/bbl)	**106.36**	69.86	52%	**90.78**	75.84	20%
Foreign Exchange						
CAD/USD	**1.3843**	1.3837	0%	**1.3781**	1.4094	(2%)
IDR/USD	**17,545**	16,327	7%	**17,211**	16,435	5%

During the three months ended June 30, 2026, Brent and ICP increased 43% and 52%, respectively, primarily reflecting disruptions to Middle East oil flows and related supply uncertainty. For the six-month period, Brent increased 22% and ICP increased 20%. The Indonesian rupiah weakened by 7% during the quarter and 5% year to date amid US dollar strength and increased demand for foreign currency.

OIL AND NATURAL GAS SALES

	three months ended June 30,			six months ended June 30,		
Revenue ($ thousands)	**2026**	2025	% Change	**2026**	2025	% Change
Light oil	**8,776**	7,542	16%	**16,703**	22,178	(25%)
Average Realized Price						
Light oil ($/bbl)	**147.23**	96.66	52%	**125.12**	107.49	16%

During the three months ended June 30, 2026 oil sales increased 16% to $8.8 million, as a 52% increase in the average realized price, primarily reflecting higher ICP, offset lower sales volumes. For the six-month period, oil sales decreased 25% to $16.7 million, as lower production and the absence of the delayed Q4 2024 lifting recognized in January 2025 more than offset a 16% increase in the average realized price.

SUMMARY OF EXPENSES

	three months ended June 30,			six months ended June 30,		
($ thousands)	**2026**	2025	% Change	**2026**	2025	% Change
Operating expense	**$3,417**	$2,856	20%	**$6,679**	$8,642	(23%)
General and administrative	**1,328**	1,497	(11%)	**2,664**	2,603	2%
Unrealized loss on financial derivative	**3**	-	N/A	**-**	-	N/A
Depreciation and depletion	**611**	1,231	(50%)	**1,314**	3,145	(58%)
Financing costs	**1,929**	1,723	12%	**3,709**	3,922	(5%)
Other tax expense	**477**	457	4%	**902**	820	10%
Foreign exchange (gain) loss	**231**	(65)	(453%)	**255**	(147)	(273%)
Share-based compensation expense	**72**	74	(3%)	**187**	155	21%
Loss on debt modification	**-**	(598)	(100%)	**69**	(1,251)	(106%)
Total expenses	**$8,068**	**$7,174**	**12%**	**$15,779**	**$17,888**	**(12%)**

Operating expenses for the six months ended June 30, 2026 were $6.7 million (Corresponding Period: $8.6 million). The decrease in the six months ended June 30, 2026 is primarily due to the delay in oil lifting of significant volumes experienced in the fourth quarter of 2024 resulting in an abnormally large lifting in January 2025, which accounted for approximately $2.0 million of operating expenses in the Corresponding Period, combined with a reduction in sales volumes in the current period.

General and administrative expenses for the six months ended June 30, 2026 totalled $2.7 million, a modest increase compared to $2.6 million in the Corresponding Period.

Depreciation, depletion and amortization (“DD&A”) expense was $1.3 million for the six months ended June 30, 2026, compared with $3.1 million in the Corresponding Period. The decrease primarily reflected lower sales volumes and a lower depletion rate following the addition of reserve volumes at December 31, 2025.

Financing costs were $1.9 million for the three months ended June 30, 2026, compared with $1.7 million in the Corresponding Period, primarily due to higher debt interest, partially offset by lower accretion expense. For the six-month period, financing costs decreased to $3.7 million from $3.9 million, with the majority of these costs being non-cash.

Other tax expense totaled $0.9 million for the six months ended June 30, 2026, consistent with the amount recognized in the Corresponding Period. These expenses primarily comprised land and building taxes incurred in connection with the Company’s operations under the Tungkal PSC.

Share-based compensation expense totaled $0.2 million for the six months ended June 30, 2026, representing a slight increase compared with the Corresponding Period. The increase primarily reflected a higher number of share-based awards granted by the Company during the period.

A loss on debt modification of $0.1 million was recognized for the six months ended June 30, 2026, compared with a gain of $1.3 million in the Corresponding Period. The loss resulted from the remeasurement of the Company’s debt following amendments to the repayment terms, primarily the deferral of scheduled principal and interest payments.

CAPITAL EXPENDITURES

	three months ended June 30,			six months ended June 30,		
($ thousands)	**2026**	2025	% Change	**2026**	2025	% Change
Drilling, completions and equipment	**$25**	$714	(96%)	**$38**	$882	(96%)
Facilities	**47**	-	N/A	**101**	-	N/A
Land, seismic and other	**15**	-	N/A	**45**	-	N/A
Exploration and evaluation	**34**	-	N/A	**34**	-	N/A
Total Capital Expenditures	**121**	714	(83%)	**218**	882	(75%)

During the six months ended June 30, 2026, the Company recorded capital additions of $0.2 million, comprising $0.2 million related to the Southeast Mengoepeh gas development and a nominal amount for studies on gas potenial of the Gumai formation. This represents a 75% decrease from the corresponding period of 2025.

SHARE CAPITAL

	six months ended June 30, 2026		six months ended June 30, 2025	
($ thousands, except share counts)	**Number**	Amount	**Number**	Amount
Balance, opening	**136,375,234**	$18,284	**135,306,903**	$18,107
Issue of common shares - PSU and RSU exercise	**3,876,000**	334	**1,068,331**	177
Balance, ending	**140,251,234**	**$18,618**	**136,375,234**	**$18,284**

In the six months ended June 30, 2026, 3.9 million common shares were issued upon vesting of restricted share units ("RSUs") and performance share units ("PSUs"). In the six months ended June 30, 2025, 1.1 million common shares were issued upon vesting of RSUs.

As at August 26, 2026, there were 140.3 million common shares issued and outstanding, 4.4 million performance share units outstanding, 1.7 million restricted share units outstanding, 0.3 million stock options outstanding and 91.2 million warrants outstanding.

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 supplies 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 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.

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.

(continued)

The Company is dependent on its revenue from the sale of petroleum and natural gas 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 or the development of profitable operations and the corresponding generation of future cash flows.

The Company has been successful to date in obtaining financing. 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 June 30, 2026. 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.

($, thousands)	*< 1 Year*	*1 - 5 Years*	*> 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.*

DEBT

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

(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.

CASH FLOW SUMMARY

	three months ended June 30,		six months ended June 30,	
($ thousands)	**2026**	2025	**2026**	2025
Cash at the beginning of the period	**$1,406**	$1,597	**$1,986**	$2,307
Cash flow from (used in) operations	**1,480**	164	**1,010**	395
Cash flow from (used in) investing activities	**(171)**	(372)	**(399)**	(372)
Cash flow from (used in) financing activities	**(56)**	124	**(205)**	(817)
Effect of foreign exchange	**(306)**	59	**(39)**	59
Cash at the end of the period	**$2,353**	$1,572	**$2,353**	$1,572

During the six months ended June 30, 2026, cash provided by operating activities was $1.0 million, compared with $0.4 million in the corresponding period of 2025. The increase was supported by stronger oil sales and cash receipts during the second quarter as ICP rose amid supply concerns arising from disruptions in the Middle East, together with a favourable movement in non-cash working capital. These factors were partially offset by lower production volumes and a higher net loss.

Cash used in investing activities was $0.4 million, comprising $0.2 million, primarily related to the gas development and the gas potential study, together with settling payables related to capital from late 2025.

Cash used in financing activities was $0.2 million, relating to principal payments on lease obligations, compared with $0.8 million used primarily for debt repayment in the corresponding period of 2025.

COMMITMENTS & CONTINGENCIES

CONTINGENCIES

($, thousands)	Contingent liability 1	Contingent liability 2	Contingent liability 3	Total
Balance, December 31, 2025	$2,061	$0	$4,015	**$6,076**
Accretion	226	-	335	**561**
Effects of movements in exchange rates	78	-	-	**78**
Total Contingency Balance, June 30, 2026	2,365	-	4,350	**6,715**
Less: current portion	(405)	-	(4,350)	**(4,754)**
Long-term balance, June 30, 2026	**$1,961**	**-**	**$0**	**$1,961**

Contingent Liabilities 1 & 2 - Mont D'Or Petroleum Limited ("MOPL") Contingent Payments

The Share and Purchase Agreement ("SPA") the Company entered into in respect of the acquisition of MOPL 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.

Contingent 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 be 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 acquisition. At June 30, 2026, the present value of the contingent liability was $4.3 million.

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.

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 2025 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.

Criterium's risk management policies are established to identify and analyze the risks faced by Criterium, 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 Criterium'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.

The Company on occasion, enters into any financial instruments to hedge currency risk, specifically IDR to USD. The Company monitors its foreign exchange exposure and considers its exposure to foreign currency risk to be minimal as at June 30, 2026.

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 17 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:

($ thousands)	As at June 30, 2026	As at December 31, 2025
Cash and cash equivalents	**$2,353**	$1,986
Trade receivables	**1,833**	476
Other receivables	**87**	69
Total 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

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.

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 Note 17 of the consolidated financial statements).

DIVIDEND ADVISORY

Criterium'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 Criterium and may depend on a variety of factors, including, without limitation, Criterium'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 Criterium 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 Accounting Standards. 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 purchase price allocation is based on management's best estimate at the time of the preparation of the consolidated financial statements.

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 Accounting Standards. 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 six months ended June 30, 2026, 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.