# Questions and Answers

*The following is a summary of certain commonly asked questions and answers with respect to the proposed plan of arrangement involving Headwater (as defined below), Tamarack Valley Energy Ltd. ("**Tamarack**"), Tributary Exploration Inc. ("**Tributary**"), Headwater Shareholders (as defined below) and shareholders of Tamarack ("**Tamarack Shareholders**") (the "**Arrangement**") and is not intended to be comprehensive or a substitute for the Information Circular.*

*This document is qualified in its entirety by the full text of the joint management information circular of Headwater and Tamarack dated October 13, 2026 (the "**Information Circular**"), which is available on Headwater's website and on its issuer profile on SEDAR+ at www.sedarplus.ca. Headwater Shareholders should read the Information Circular carefully and in its entirety before making any voting decision. In the event of any inconsistency between this document and the Information Circular, the Information Circular shall govern.*

*Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Information Circular. All dollar amounts are in Canadian dollars unless otherwise indicated.*

*Certain statements in this document constitute forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information is subject to the assumptions, risks and uncertainties described in the Information Circular, which is incorporated by reference herein.*

| Meeting & Voting Logistics | |
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| **1. What are Headwater Shareholders being asked to vote on?** | At the special meeting (the "**Headwater Meeting**") of the holders ("**Headwater Shareholders**") of common shares ("**Headwater Shares**") of Headwater Exploration Inc. ("**Headwater**"), Headwater Shareholders are being asked to approve the following resolutions:<br>(i) Headwater Arrangement Resolution;<br>(ii) Headwater Private Placement Resolution; and<br>(iii) Headwater Option Plan Resolution. |
| **2. When and where is the Headwater Meeting being held?** | November 18, 2026 at 9:00 a.m. (Calgary time)<br><br>The Headwater Meeting will be held in a virtual, audio-only format via live webcast accessible online at https://meetings.lumiconnect.com/400-740-097-516, using the case-sensitive password "HWX2026". |
| **3. What is the Record Date for voting eligibility?** | October 8, 2026 |
| **4. What is the proxy voting deadline?** | November 16, 2026 at 9:00 a.m. (Calgary time) |
| **5. How do I vote?** | Registered Headwater Shareholders may vote in advance by completing and returning the form of proxy in accordance with its instructions or may vote online during the Headwater Meeting.<br><br>Non-registered (beneficial) Headwater Shareholders should follow the instructions in the voting instruction form provided by their broker or other intermediary. A beneficial Headwater Shareholder who wishes to vote online during the Headwater Meeting must appoint itself as proxyholder and complete the additional registration process described in the Information Circular. |

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| | Headwater Shareholders should follow the applicable instructions sufficiently in advance of the deadline stated in their form of proxy or voting instruction form.<br><br>*How to Vote* |
| **6. What are the recommendations of the Headwater Board?** | The Headwater Board unanimously recommends that Headwater Shareholders vote **FOR** the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution. |
| **7. What happens if one of the resolutions is not approved?** | The Arrangement cannot be completed unless the Headwater Arrangement Resolution, the Tamarack Arrangement Resolution and the Share Issuance Resolution are approved.<br><br>Approval of the Headwater Private Placement Resolution and the Tamarack Private Placement Resolution is also a condition to Headwater's obligation to complete the Arrangement, although Headwater may waive that condition in its sole discretion.<br><br>Completion of the Arrangement is not conditional on approval of the Headwater Option Plan Resolution or the Tamarack Option Plan Resolution. |

## The Resolutions

### *The Headwater Arrangement Resolution*

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| **8. What is the Headwater Arrangement Resolution?** | The Headwater Arrangement Resolution, the full text of which is set forth in Appendix A to the Information Circular, is a special resolution approving the Arrangement whereby, among other things and through a series of steps, Tamarack will acquire all of the issued and outstanding Headwater Shares and Headwater and Tamarack will contribute certain assets to Tributary, a new exploration company to be led by the existing management team of Headwater and expected to be listed on the TSX. |
| **9. What will I receive if the Arrangement is approved?** | Under the Plan of Arrangement, for each Headwater Share held, Headwater Shareholders (other than Dissenting Shareholders) will receive:<br><br>(i) one new common share of Tamarack (a "**New Tamarack Share**");<br>(ii) approximately 0.33 of a common share of Tributary (each whole share, a "**Tributary Share**") (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation); and<br>(iii) approximately 0.20 of a Tributary Share purchase warrant (each whole warrant, a "**Tributary Arrangement Warrant**") (approximately 0.04 of a Tributary Arrangement Warrant following the Tributary Share Consolidation), with each whole Tributary Arrangement Warrant entitling the holder thereof to purchase one Tributary Share for a period of 60 days from the closing of the Arrangement at an exercise price of $0.42 per Tributary Share (equivalent to $2.10 per Tributary Share following the Tributary Share Consolidation). |
| **10. What is the Tributary Share Consolidation?** | If the Arrangement is completed, as the last step in the Plan of Arrangement, the Tributary Shares will be consolidated on a five-to-one basis and the Tributary Arrangement Warrants will be adjusted correspondingly. As a result, every five Tributary Shares will be consolidated into one Tributary Share, and |

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| | the number and exercise price of the Tributary Arrangement Warrants will be adjusted accordingly. |
| **11. Will I receive fractional Tributary Shares or Tributary Arrangement Warrants?** | No fractional New Tamarack Shares, Tributary Shares or Tributary Arrangement Warrants will be issued under the Arrangement. If a Headwater Shareholder would otherwise be entitled to a fractional security, the number of securities issued will be rounded to the nearest whole number, with fractional entitlements equal to or greater than 0.50 rounded up and fractional entitlements less than 0.50 rounded down, in each case without additional compensation.<br><br>As a result, a Headwater Shareholder holding fewer than eight (8) Headwater Shares immediately prior to the Effective Time will not receive any Tributary Shares, and a Headwater Shareholder holding fewer than thirteen (13) Headwater Shares immediately prior to the Effective Time will not receive any Tributary Arrangement Warrants. Such Headwater Shareholders will nevertheless receive the New Tamarack Shares to which they are otherwise entitled under the Arrangement. |
| **12. If approved, when will the Arrangement be completed?** | Subject to receipt of the required approvals and satisfaction or waiver of the other conditions to completion of the Arrangement, the Effective Date is currently expected to be on or about November 19, 2026. |
| **13. What are the benefits of the Arrangement?** | • **Differentiated Clearwater focus:** The Combined Company is expected to initially have an enterprise value of approximately $10 billion and will be the largest producer in the high margin Clearwater fairway, with low-decline run-rate pro forma Clearwater production of greater than 80,000 boe/d. The Combined Company will become the only publicly-traded pure-play Clearwater company. The Combined Company will have a highly contiguous core land position at Marten Hills, Nipisi and Marten Hills West bringing together two complementary asset bases with significant depth of quality inventory.<br><br>• **Enhanced Scale and Depth of Quality Inventory:** The Combined Company is expected to have a land position of greater than 1,500 sections across the greater Clearwater fairway, greater than 300 million boe of proved and probable reserves across all formations and greater than 3,000 identified drilling locations, supporting a long runway of high-quality development inventory. The Combined Company will have more than double Tamarack's existing footprint at Pelican and Seal, providing the Combined Company with greater exposure to upside potential on prospective Clearwater and Wabiskaw targets in the Greater Clearwater fairway.<br><br>• **Immediate Accretion:** The Arrangement is expected to be immediately accretive to Tamarack's standalone free funds flow per share, while also improving Tamarack's operating profile through a lower decline rate and a reduced free funds flow breakeven cost.<br><br>• **Leading Financial Strength and Capital Allocation Flexibility:** At the Effective Time, the Combined Company is expected to have net cash of greater than $50 million and available funding of greater than $1.2 billion, providing substantial flexibility to fund development, return capital to shareholders and pursue strategic opportunities while maintaining balance sheet strength. Available funding is expected to include a fully undrawn credit facility of $875 million maturing in May 2030.<br><br>• **Meaningful Synergy Capture:** The Combined Company is expected to realize immediate synergies through the integration of operations, |

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| | marketing and corporate offices. Near-term synergies are also expected through the consolidation and streamlining of the Combined Company's exploration and development programs starting in 2027. Run-rate synergies are expected to be over $50 million per year, or greater than $350 million over the development plan.<br><br>• **Enhanced Shareholder Returns:** In connection with the Arrangement, Tamarack plans to increase its quarterly dividend by 20% from $0.05 per share to $0.06 per share ($0.24 per share annualized), commencing in December 2026, subject to Tamarack Board approval, applicable laws and closing of the Arrangement.<br><br>• **Continued Shared Upside Participation:** Headwater Shareholders and Tamarack Shareholders will retain exposure to emerging exploration and development opportunities through the securities of Tributary they will receive pursuant to the Arrangement. Tributary will be managed by the current Headwater management team, who have successfully founded and sold a number of oil and gas exploration companies.<br><br>See the "*Supplemental Disclosure – Non-IFRS Measures*", "*Advisory Regarding Oil and Gas Information*" and "*Forward-Looking Statements*" in the Information Circular for important additional information, assumptions and cautions regarding these statements. |

## *The Headwater Private Placement Resolution*

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| **14. What is the Headwater Private Placement Resolution?** | The Headwater Private Placement Resolution, the full text of which is under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Headwater Shareholders*" in the Information Circular, is an ordinary resolution approving the Tributary Private Placement. |
| **15. What is the Tributary Private Placement?** | Following closing of the Arrangement, it is expected that Tributary will complete the Tributary Private Placement for up to a total of 14,285,714 Tributary Units at a price of $2.10 per Tributary Unit (equivalent to 71,428,571 Tributary Units at a price of $0.42 per Tributary Unit prior to the Tributary Share Consolidation) for aggregate gross proceeds of up to $30 million.<br><br>The Tributary Private Placement is expected to be offered to directors, officers, employees and consultants of Tributary and certain other investors.<br><br>Each Tributary Unit will consist of one Tributary Share and one Tributary Private Placement Warrant with each Tributary Private Placement Warrant entitling the holder to acquire one Tributary Share at an exercise price of $2.10 per Tributary Share (equivalent to an exercise price of $0.42 per Tributary Share prior to the Tributary Share Consolidation) for a period of four years following the closing of the Tributary Private Placement, subject to customary anti-dilution adjustments and vesting thresholds. |
| **16. What is the purpose of the Tributary Private Placement?** | The Tributary Private Placement forms part of the negotiated terms of the Arrangement and is the means by which Tributary will be capitalized at the outset and by which the Tributary management team will invest its own capital, at a price equal to the estimated net asset value per Tributary Share, alongside the Headwater Shareholders and Tamarack Shareholders who will receive Tributary Shares under the Arrangement.<br><br>Without the Tributary Private Placement, Tributary will have no available funds immediately following the Effective Date with which to conduct its business and, as such, the completion of the Tributary Private Placement is necessary for Tributary to have the necessary funds to conduct its business.<br><br>The purpose of the Tributary Private Placement is to provide capital for use by Tributary in its exploration and development activities and for general working capital purposes. |
| **17. What are the benefits of the Tributary Private Placement?** | The Headwater Board and the Tamarack Board each believe that the Tributary Private Placement is in the interests of all persons who will become holders of Tributary Shares under the Arrangement, for the following reasons:<br><br>• **Capitalization of Tributary:** Together with the proceeds of any exercise of the Tributary Arrangement Warrants, the Tributary Private Placement is expected to provide Tributary with approximately $50 million of cash at the outset. Such capital is expected to fund Tributary's exploration and development program without recourse to debt or a public offering shortly after listing, and supports Tributary's ability to satisfy the original listing requirements of the TSX, including the requirement that a newly listed issuer have adequate funds to carry on its business for at least 12 months. A well-capitalized, listed Tributary is of direct benefit to every holder of Tributary Shares.<br><br>• **Price:** The Tributary Units are being issued at $2.10 per Tributary Unit (equivalent to $0.42 prior to the Tributary Share Consolidation), being the full estimated net asset value per Tributary Share determined by reference to the after-tax net present value of Tributary's proved plus probable reserves, as evaluated by McDaniel, and the value of its |

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| | undeveloped land, as set out above. Participants will pay that price in cash, in an aggregate amount of up to $30 million, rather than receiving equity in Tributary as compensation. The TSX requires shareholder approval of a private placement by a spin-out entity that is priced at net asset value because the market price of the entity's shares is not yet known and the TSX therefore treats the securities as being issued at a discount to market price. The approvals being sought are a requirement of the TSX rules and do not reflect a determination by the TSX, Headwater or Tamarack that the subscription price is inadequate.<br><br>• **Alignment and performance conditions:** The Tributary Private Placement Warrants will vest only if the Tributary Shares trade at 20-day volume weighted average prices of $3.25, $3.75 and $4.25 (equivalent to $0.65, $0.75 and $0.85 prior to the Tributary Share Consolidation), being premiums of approximately 55%, 79% and 102% to the subscription price. The additional upside available to participants through the Tributary Private Placement Warrants will therefore be earned only after all holders of Tributary Shares have first realized a substantial increase in the value of their Tributary Shares.<br><br>• **Management commitment:** The Tributary Private Placement is the principal mechanism by which the Tributary management team, led by Neil Roszell as Executive Chair and Jason Jaskela as President and Chief Executive Officer, will invest its own capital alongside Tributary Shareholders. The Headwater Board and the Tamarack Board each considered the track record of that team in founding, building and selling oil and gas companies to be a significant contributor to the value of the Tributary Shares that Headwater Shareholders and Tamarack Shareholders will receive under the Arrangement. |
| **18. When is the Tributary Private Placement going to be completed?** | The Tributary Private Placement is expected to close promptly following completion of the Arrangement and may be completed in one or more closings, subject to the receipt of all required approvals. |

## *The Headwater Option Plan Resolution*

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| **19. What is the Headwater Option Plan Resolution?** | The Headwater Option Plan Resolution, the full text of which is under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Headwater Shareholders*" in the Information Circular, is an ordinary resolution approving the Tributary Option Plan, which will be adopted as the option plan of Tributary go-forward. A copy of the Tributary Option Plan was filed on October 19, 2026 on Headwater's SEDAR+ issuer profile at www.sedarplus.ca under the category "*Other*". |
| **20. What is the Tributary Option Plan?** | The Tributary Option Plan is a "rolling" plan under which the number of Tributary Shares reserved for issuance is not fixed but is limited to 10% of the issued and outstanding Tributary Shares from time to time. In accordance with the rules of the TSX, all unallocated options under a rolling plan must be approved by shareholders every three years. Accordingly, the Headwater Option Plan Resolution and the Tamarack Option Plan Resolution also approve all unallocated options under the Tributary Option Plan and authorize Tributary to grant options under the Tributary Option Plan until November 18, 2029, being the date that is three years from the date of the Meetings.<br><br>No options have been granted under the Tributary Option Plan and none will be granted until after the listing of Tributary Shares on a Canadian stock exchange. |
| **21. What is the purpose of the Tributary Option Plan?** | The purpose of the Tributary Option Plan is to provide directors, officers, employees, consultants and other service providers of Tributary with an incentive to achieve the longer-term objectives of Tributary; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Tributary; and to attract and retain in the employ of Tributary or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in Tributary. |
| **22. What are the benefits of the Tributary Option Plan?** | The Headwater Board and the Tamarack Board each believe that the Tributary Option Plan is in the interests of all future holders of Tributary Shares because:<br><br>• equity-based compensation is the principal means by which a newly listed exploration company can attract and retain experienced personnel while preserving its cash for exploration and development;<br><br>• the continued involvement of the Tributary management team is central to Tributary's business plan and to the value of the Tributary Shares to be received under the Arrangement;<br><br>• options align the interests of Tributary's directors, officers, employees and consultants with those of Tributary Shareholders, since options have value only if the market price of the Tributary Shares increases after the date of grant; and<br><br>• the Tributary Option Plan contains the limits customary for TSX-listed issuers, including a maximum of 10% of the outstanding Tributary Shares issuable under the plan, limits on participation by insiders and a maximum option term of six (6) years. |