





**NOTICES OF SPECIAL MEETINGS**

- AND -

**NOTICE OF APPLICATION TO THE COURT OF KING'S BENCH OF ALBERTA**

- AND -

**JOINT MANAGEMENT INFORMATION CIRCULAR**
**CONCERNING THE ARRANGEMENT INVOLVING**

TAMARACK VALLEY ENERGY LTD.

– AND –

HEADWATER EXPLORATION INC.

– AND –

TRIBUTARY EXPLORATION INC.

– AND –

TAMARACK VALLEY ENERGY LTD. SHAREHOLDERS

– AND –

HEADWATER EXPLORATION INC. SHAREHOLDERS

OCTOBER 13, 2026

***These materials are important and require your immediate attention. They require shareholders of Tamarack Valley Energy Ltd. ("Tamarack") and Headwater Exploration Inc. ("Headwater") to make important decisions. If you are in doubt as to how to make these decisions or require assistance with voting your shares of Tamarack or Headwater, please contact your financial, legal, tax, or other professional advisors.***

***For Headwater Shareholders: Inquiries concerning the information in this document should be directed to Laurel Hill Advisory Group, the proxy solicitation agent retained by Headwater, by calling 1-877-452-7184 (toll-free in Canada and the United States), or 1-416-304-0211 (outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com.***

***No securities regulatory authority has expressed an opinion about, or passed upon the fairness or merits of, the transaction described in this document, the securities being offered pursuant to such transaction or the adequacy of the information contained in this document and it is an offence to claim otherwise.***

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## LETTER TO HEADWATER SHAREHOLDERS

October 13, 2026

Dear Headwater Shareholders:

You are invited to attend a special meeting (the "**Headwater Meeting**") of the holders ("**Headwater Shareholders**") of common shares ("**Headwater Shares**") of Headwater Exploration Inc. ("**Headwater**", "**we**", "**us**", or "**our**"), to be held on November 18, 2026 at 9:00 a.m. (Calgary time) in a virtual-only format that will be conducted via live webcast accessible at https://meetings.lumiconnect.com/400-740-097-516, password: "HWX2026" (case-sensitive).

At the Headwater Meeting, amongst other things, Headwater Shareholders will be asked to consider and vote on a special resolution (the "**Headwater Arrangement Resolution**") approving a proposed arrangement (the "**Arrangement**") involving Tamarack Valley Energy Ltd. ("**Tamarack**"), Headwater, Tributary Exploration Inc. ("**Tributary**"), Headwater Shareholders and shareholders of Tamarack ("**Tamarack Shareholders**") to be completed by way of a plan of arrangement (the "**Plan of Arrangement**") under section 193 of the *Business Corporations Act* (Alberta), pursuant to which Tamarack will acquire all of the issued and outstanding Headwater Shares in exchange for common shares of Tamarack ("**Tamarack Shares**"). In addition and all as more particularly described in the accompanying joint management information circular of Tamarack and Headwater dated October 13, 2026 (the "**Information Circular**"), pursuant to the Arrangement, Headwater and Tamarack will each transfer certain non-core exploration assets (collectively, the "**Tributary Assets**") to Tributary, and the Headwater Shareholders (other than Dissenting Shareholders (as defined in the Information Circular)) and Tamarack Shareholders will each receive common shares ("**Tributary Shares**") of Tributary. Headwater Shareholders will also receive Tributary Arrangement Warrants (as defined below) pursuant to the Arrangement.

### The Arrangement Agreement and the Effect and Anticipated Timing of Completion of the Arrangement

*Board Approval*

Headwater and Tamarack entered into an arrangement agreement dated September 7, 2026 (the "**Arrangement Agreement**") providing for the Arrangement. The Arrangement and the Arrangement Agreement were unanimously approved by the respective board of directors of each of Headwater (the "**Headwater Board**") and Tamarack (the "**Tamarack Board**"). Prior to the approval of the Arrangement and the Arrangement Agreement by the Headwater Board, the Headwater Corporate Development Committee, comprised of independent members of the Headwater Board (the "**Independent Committee**"), unanimously recommended to the Headwater Board that, among other things, the Headwater Board approve the transaction. The Arrangement Agreement has customary representations, warranties, covenants and conditions as further described in detail in the Information Circular.

*The Consideration*

Pursuant to the Arrangement Agreement and subject to the required approvals and other conditions set forth therein, Tamarack will acquire all of the issued and outstanding Headwater Shares through the Plan of Arrangement. Under the Plan of Arrangement, for each Headwater Share held, Headwater Shareholders (other than Dissenting Shareholders) will receive: (i) one new common share of Tamarack (a "**New Tamarack Share**"); (ii) approximately 0.33 of a Tributary Share; and (iii) approximately 0.20 of a Tributary warrant (each whole warrant being a "**Tributary Arrangement Warrant**"), with each whole Tributary Arrangement Warrant entitling the holder 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 (as defined below)). In exchange for each Tamarack Share held, Tamarack Shareholders will receive: (i) one New Tamarack Share; and (ii) approximately 0.33 of a Tributary Share. The exchange for each Headwater Share and Tamarack Share will be implemented through a series of intervening steps under the Plan of Arrangement involving a reorganization of Tamarack's share capital (including the creation of classes of Tamarack shares that will exist only for the duration of those steps, following which the New Tamarack Shares will be the only class of shares of Tamarack outstanding), which are described in the Information Circular under "*Effect of the Arrangement – Details of the Arrangement*" and "*Certain Canadian Federal Income Tax Considerations*".

As the Tamarack Shares are also being arranged under the Plan of Arrangement, in addition to the other matters to be considered at the special meeting (the "**Tamarack Meeting**") of Tamarack Shareholders to be held on November 18, 2026 at 10:00 a.m. (Calgary time), Tamarack Shareholders will also be asked to consider and vote on a special resolution (the "**Tamarack Arrangement Resolution**") approving the proposed Arrangement.

Under the Arrangement, all Headwater Shareholders (other than Dissenting Shareholders) will receive identical consideration for their Headwater Shares and all Tamarack Shareholders will receive identical consideration for their Tamarack Shares. Immediately following the completion of the Arrangement, former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding shares of the combined company (the "**Combined Company**") and Tamarack Shareholders are expected to own approximately 66.5% of the issued and outstanding shares of the Combined Company.

*Completion*

The Arrangement is currently anticipated to be completed on or about November 19, 2026, subject to satisfaction or waiver of all conditions in the Arrangement Agreement, including the requisite approvals of the Headwater Shareholders and the Tamarack Shareholders and the receipt of all court, regulatory and stock exchange approvals. Upon completion of the Arrangement, the Combined Company will continue to operate as "Tamarack Valley Energy Ltd." and remain headquartered in Calgary, Alberta. See "*Shareholder and Other Approvals Required for the Arrangement*" below.

**Tributary Exploration Inc.**

Pursuant to the Arrangement, the Tributary Assets will be conveyed by Headwater and Tamarack to Tributary, a new exploration company to be led by the existing management team of Headwater. For additional information regarding the existing Headwater management team, please refer to the management information circular of Headwater dated April 2, 2026 in connection with the annual meeting of Headwater Shareholders held on May 20, 2026, which is incorporated by reference in the Information Circular, and Appendix J – "*Information Concerning Tributary Exploration Inc.*" to this Information Circular.

Following completion of the Arrangement (prior to the exercise of any Tributary Arrangement Warrants and prior to closing of the Tributary Private Placement (as defined below)), former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding Tributary Shares and Tamarack Shareholders are expected to own approximately 66.5% of the issued and outstanding Tributary Shares. Former Headwater Shareholders will also receive approximately 0.20 of a Tributary Arrangement Warrant per Headwater Share. Assuming all Tributary Arrangement Warrants are exercised by Headwater Shareholders, Tamarack Shareholders are expected to own approximately 55.4% of the issued and outstanding Tributary Shares and former Headwater Shareholders are expected to own approximately 44.6% of the issued and outstanding Tributary Shares (prior to closing of the Tributary Private Placement).

The Tributary Assets will be primarily comprised of Headwater's New Brunswick McCully gas asset, which has generated average historical annual operating income of approximately $16.7 million during the two most recently completed financial years and $14.8 million of operating income in the six months ended June 30, 2026, and will also include approximately 168,000 acres of undeveloped Mannville conventional and thermal prospects in Alberta and Saskatchewan. The 2025 annual average production associated with the Tributary Assets was approximately 604 boe/d (consisting of 2,964 mcf/d of natural gas, 108 bbl/d of heavy crude oil and 2 bbl/d of natural gas liquids). See Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

The board of directors of Tributary will consist of seven existing members of the Headwater Board. Assuming the closing of the Tributary Private Placement for aggregate proceeds of $30 million and the full exercise of the Tributary Arrangement Warrants, Tributary is expected to be well capitalized with approximately $50 million of cash for organic development of current acreage, strategic land sales and acquisitions. Tributary expects to pursue oil weighted assets in western Canada that are rich in organic opportunity and provide stable free cash flow, backstopping the team's relentless pursuit of shareholder returns. See "*Summary of Agreements in Connection with the Arrangement – Conveyance Agreements*" in the Information Circular and "*Acquisition of the Tributary Assets – Conveyance Agreements*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

Tributary has applied to list the Tributary Shares (including all Tributary Shares issuable upon exercise of Tributary Arrangement Warrants and the Tributary Private Placement Warrants (as defined below)) and the Tributary Arrangement Warrants on the Toronto Stock Exchange (the "**TSX**"). Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. Provided that Tributary meets all of the listing requirements of the TSX, trading in the Tributary Shares and the Tributary Arrangement Warrants is expected to commence concurrently with the delisting of the Headwater Shares from the TSX, or shortly thereafter, which is currently expected to occur two to three days following the Effective Date. It is not a condition to the completion of the Arrangement that the TSX shall have conditionally approved the listing of the Tributary Shares and the Tributary

Arrangement Warrants. See "*Risk Factors – Trading Access*" in the Information Circular and "*Listing of the Tributary Shares and Securities Law Matters*" and "*Risk Factors – No Prior Public Market for Tributary Shares*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

**Tributary Private Placement**

Following closing of the Arrangement, it is expected that Tributary will complete a non-brokered equity private placement financing (the "**Tributary Private Placement**") for up to a total of 14,285,714 units ("**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. The Tributary Private Placement is expected to be offered to directors, officers, employees and consultants of Tributary and certain other investors. Each Tributary Unit will consist of one Tributary Share and one Tributary purchase warrant (each a "**Tributary Private Placement Warrant**"). Each Tributary Private Placement Warrant will entitle 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. The Tributary Private Placement Warrants will vest in three equal tranches when the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $3.25, $3.75 and $4.25 (equivalent to $0.65, $0.75 and $0.85 prior to the Tributary Share Consolidation), respectively.

At the Headwater Meeting, Headwater Shareholders will be asked to consider and vote on an ordinary resolution (the "**Headwater Private Placement Resolution**") approving the Tributary Private Placement. Similarly, at the Tamarack Meeting, Tamarack Shareholders will be asked to consider and vote on an ordinary resolution (the "**Tamarack Private Placement Resolution**") approving the Tributary Private Placement. For the Tributary Private Placement to be adopted: (i) the Headwater Private Placement Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement; and (ii) the Tamarack Private Placement Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement. No Tamarack insiders are participating in the Tributary Private Placement.

No finders' fees or commissions will be paid in connection with the Tributary Private Placement. The Tributary Private Placement will be subject to the approval of the TSX. 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 purpose of the Tributary Private Placement is to provide Tributary with capital for organic development of its current acreage, strategic land sales and acquisitions and general working capital purposes.

The Tributary Private Placement and the Tributary Option Plan form part of the negotiated terms of the Arrangement and are the means by which Tributary, the company that will hold Headwater's non-core exploration assets under the leadership of Headwater's current management team, will be capitalized at the outset and by which that management team will be aligned with all Tributary shareholders. Without the Tributary Private Placement, Tributary will have no available funds immediately following the Effective Date with which to conduct its business. Headwater Shareholders will also receive Tributary Arrangement Warrants entitling them to acquire additional Tributary Shares at the same net asset value price as the Tributary Private Placement. As a result, it is a condition in favour of Headwater to the completion of the Arrangement that the Headwater Private Placement Resolution and the Tamarack Private Placement Resolution be approved at the Headwater Meeting and the Tamarack Meeting, respectively. **If either the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution is not approved, the Arrangement may not be completed.** The Headwater Board, on the unanimous recommendation of the Independent Committee, unanimously recommends that Headwater Shareholders vote FOR the Headwater Private Placement Resolution and the Headwater Option Plan Resolution. See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Reasons for the Tributary Private Placement and Recommendation of the Boards*" and "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Reasons for the Tributary Option Plan and Recommendation of the Boards*" in the Information Circular.

See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" in the Information Circular and "*Tributary Private Placement*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

At the Headwater Meeting, Headwater Shareholders will also be asked to consider and vote on an ordinary resolution (the "**Headwater Option Plan Resolution**") approving the share option plan to be adopted by Tributary providing for the grant of options to purchase Tributary Shares to directors, officers, employees and consultants of Tributary (the "**Tributary Option Plan**"). The Tributary Option Plan is also subject to approval by the Tamarack Shareholders at the Tamarack Meeting. See "*Other Matters of Special Business Relating*

*to Tributary – Tributary Option Plan*" in the Information Circular and "*Tributary Option Plan*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

**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 (the "**Tributary Share Consolidation**").

As a result, the number of Tributary Shares and Tributary Arrangement Warrants to be received by the Headwater Shareholders and Tamarack Shareholders, as applicable, pursuant to the Arrangement will be adjusted to account for the Tributary Share Consolidation.

**Attributes of the Combined Company and Benefits of the Arrangement**[1]

The following are the Combined Company's key attributes and the benefits of the Arrangement to both Headwater Shareholders and Tamarack Shareholders:

- **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.

- **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.

- **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.

- **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.[2] Available funding is expected to include a fully undrawn credit facility of $875 million maturing in May 2030.

- **Meaningful Synergy Capture:** The Combined Company is expected to realize immediate synergies through the integration of operations, 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.

- **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.

- **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.

[1] Refer to "*Supplemental Disclosure – Non-IFRS Measures*", "*Advisory Regarding Oil and Gas Information*" and "*Forward-Looking Statements*" in the Information Circular for the advisory on non-IFRS measures and the advisories and additional disclosure in respect of oil and gas information and forward-looking statements, including the assumptions made in the forecasts and projections for the Combined Company.

[2] The Combined Company's expected net cash at the Effective Time has been estimated by management of Tamarack using forward strip commodity pricing as of September 2, 2026, and assumes that the Arrangement is completed on or about November 19, 2026.

For additional information with respect to these and other anticipated benefits of the Arrangement, see "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*" and Appendix H – "*Pro Forma Information Concerning the Combined Company*" in the Information Circular.

**The Combined Company's Management and Board of Directors**

Pursuant to the terms of the Arrangement Agreement, Tamarack and Headwater agreed that the Combined Company will be led by senior management of Tamarack. It is expected that effective January 1, 2027, following closing of the Arrangement, Steve Buytels, current President of Tamarack, will be promoted to President and Chief Executive Officer and will be appointed as a director of the Combined Company. Brian Schmidt, Tamarack's founding Chief Executive Officer since August 2009, will transition to Executive Chair of the Combined Company Board. For additional information regarding Mr. Buytels and the existing Tamarack management team, please refer to the management information circular of Tamarack dated March 19, 2026 in connection with the annual general and special meeting of Tamarack Shareholders held on May 6, 2026, which is incorporated by reference in the Information Circular.

Immediately following the Effective Time, the board of directors of the Combined Company will consist of nine members, which will include members of the current Tamarack Board plus Jason Jaskela and one additional representative from the current Headwater Board to be determined by the Tamarack Board prior to the Effective Date.

**Shareholder and Other Approvals Required for the Arrangement**

The Headwater Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting after excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, being the votes cast with respect to the Headwater Shares beneficially owned or over which control or direction is exercised by the Participating Insiders (as defined in the Information Circular).

The Tamarack Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting. In addition, pursuant to the rules of the TSX, the issuance of New Tamarack Shares to Headwater Shareholders under the Arrangement must be approved by a simple majority of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting (the "**Share Issuance Resolution**").

Completion of the Arrangement is also subject to, among other conditions: (i) approval of the Headwater Private Placement Resolution by Headwater Shareholders; (ii) approval of the Tamarack Private Placement Resolution by Tamarack Shareholders; (iii) the approval of the Court of King's Bench of Alberta; (iv) the approval of the listing of the New Tamarack Shares to be issued pursuant to the Arrangement on the TSX; and (v) the receipt of approval under the *Competition Act* (Canada) ("**Competition Act Approval**") (which was received on September 21, 2026). If the Headwater Arrangement Resolution is not approved at the Headwater Meeting, the Arrangement will not be completed. Similarly, if the Tamarack Arrangement Resolution or the Share Issuance Resolution is not approved at the Tamarack Meeting, the Arrangement will not be completed.

The conditions relating to approval of the Tamarack Private Placement Resolution and the Headwater Private Placement Resolution by Tamarack and Headwater Shareholders, respectively, are for the exclusive benefit of Headwater and may be waived by Headwater in its sole discretion.

**Support Agreements**

All directors and officers of Headwater, who own approximately 6% of the issued and outstanding Headwater Shares, have entered into support agreements with Tamarack pursuant to which they have agreed to vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution. Similarly, all directors and officers of Tamarack, who own approximately 2% of the issued and outstanding Tamarack Shares, have entered into support agreements with Headwater pursuant to which they have agreed to vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

**Headwater Fairness Opinions**

BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") was retained by the Independent Committee to provide an opinion (the "**BMO Fairness Opinion**") to the effect that, as of September 7, 2026, based on the scope of review and subject to the assumptions made and limitations and qualifications included therein, the consideration to be received by Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Headwater Shareholders. The full text of the BMO Fairness Opinion setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the BMO Fairness Opinion is contained in Appendix F-2 to the Information Circular. BMO Capital Markets provided its opinion solely for the exclusive use of the Independent Committee and the Headwater Board in connection with its consideration of the Arrangement.

Peters & Co. Limited ("**Peters & Co.**") acted as financial advisor to Headwater and provided the Headwater Board with its opinion (the "**Peters & Co. Fairness Opinion**") to the effect that, as of September 7, 2026, subject to the assumptions made and limitations and qualifications included therein, the consideration to be received by Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Headwater Shareholders. The full text of the Peters & Co. Fairness Opinion setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Peters & Co. Fairness Opinion is contained in Appendix F-1 to the Information Circular. Peters & Co. provided its opinion solely for the exclusive use of the Independent Committee and the Headwater Board in connection with its consideration of the Arrangement. Neither the BMO Fairness Opinion nor the Peters & Co. Fairness Opinion is a recommendation as to how any Headwater Shareholder should vote with respect to the Headwater Arrangement Resolution, or any other matter. The BMO Fairness Opinion and the Peters & Co. Fairness Opinion were among a number of factors taken into consideration by the Independent Committee and Headwater Board, respectively, in making their unanimous determinations that the Arrangement is fair to Headwater Shareholders and is in the best interests of Headwater and to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

**Recommendation of the Headwater Board**

The Independent Committee, after consulting with its financial and legal advisors, and after reviewing and considering, among other things, information received from Headwater senior management, the BMO Fairness Opinion, the Peters & Co. Fairness Opinion, all reasonably available alternatives, including the status quo, and the expected impacts of the Arrangement on all relevant stakeholders, unanimously recommended that the Headwater Board: (i) determine that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Headwater; (ii) determine that the Arrangement is fair to Headwater Shareholders; (iii) approve the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolve to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

After consulting with Headwater's senior management and with its financial and legal advisors, and after considering, among other things, the BMO Fairness Opinion, the Peters & Co. Fairness Opinion, and the unanimous recommendation of the Independent Committee, the Headwater Board unanimously: (i) determined that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Headwater; (ii) determined that the Arrangement is fair to Headwater Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

**Accordingly, 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.** See "*The Arrangement – Background to the Arrangement*" and "*The Arrangement – Reasons for the Arrangement – Headwater Board*" in the Information Circular for more details on the background to the Arrangement, and the Headwater Board's reasons for approving it and recommending that Headwater Shareholders vote in favour of it.

The Information Circular contains a detailed description of the Arrangement, as well as detailed information regarding Headwater, Tamarack and Tributary and certain pro forma and other information concerning the Combined Company after giving effect to the Arrangement. It also includes certain risk factors relating to Headwater, Tamarack, Tributary, the Arrangement, the Tributary Private Placement and the Combined Company. Please give this material your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors.

**Timing of the Arrangement and the Tributary Private Placement**

The Arrangement will become effective at the time the Articles of Arrangement (as defined in the Information Circular) are filed with the Registrar (as defined in the Information Circular), which is expected to occur on or about November 19, 2026, provided that all

required approvals are obtained and other conditions are satisfied or waived prior to or on that date. However, completion of the Arrangement is subject to a number of conditions and it is possible that factors outside the control of Headwater and/or Tamarack could result in the Arrangement being completed at a later time, or not at all. Subject to certain limitations, each Party may terminate the Arrangement Agreement if it is not consummated by the Outside Date, being December 14, 2026, or such later date as mutually agreed to by Headwater and Tamarack in writing.

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 any required regulatory or stock exchange approvals.

See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" in the Information Circular, as well as "*Tributary Private Placement*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

**Meeting and Voting Details and Instructions**

The Headwater Meeting will be held in a virtual-only format conducted via webcast. While Headwater Shareholders and duly appointed proxyholders will not be able to physically attend the Headwater Meeting in person, regardless of geographic location and ownership, Headwater Shareholders will have an equal opportunity to participate at the Headwater Meeting and vote on the matters to be considered at the Headwater Meeting.

Registered Headwater Shareholders may attend the Headwater Meeting in person (virtually) or may be represented by proxy. If a Headwater Shareholder is unable to attend the Headwater Meeting or any adjournment or postponement thereof in person (virtually), such Headwater Shareholder should date, sign and return the enclosed form of proxy for use at the Headwater Meeting or any adjournment or postponement thereof to its transfer agent and registrar, Odyssey Trust Company ("**Odyssey**"), as soon as possible but not later than 9:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Headwater Meeting (the "**Headwater Proxy Deadline**"). All instructions are listed in the enclosed form of proxy. The time limit for the deposit of proxies may be waived or extended by the Chair of the Headwater Meeting at his discretion without notice.

Registered Headwater Shareholders will be able to sign in to the Headwater Meeting using the control number provided with the meeting materials and password "HWX2026" (case-sensitive).

Non-registered (beneficial) Headwater Shareholders can appoint themselves or a proxyholder to participate in the Headwater Meeting. See "*General Proxy Matters – Headwater – Information for Beneficial Holders of Headwater Shares*" in the Information Circular.

Registered Headwater Shareholders who appoint a proxyholder, and non-registered (beneficial) Headwater Shareholders who appoint themselves or a proxyholder to participate in the Headwater Meeting, must also email appointee@odysseytrust.com to register their or their proxyholder's name and email address so that, after the Headwater Proxy Deadline, Odyssey can send via email a Username that will be required (with case-sensitive password "HWX2026") to log into the Headwater Meeting. **If a Headwater Shareholder does not follow both of these steps, such Headwater Shareholder or its proxyholder will only be able to enter the meeting as a guest.**

Only Headwater Shareholders of record at the close of business on October 8, 2026, being the Headwater Record Date (as defined in the Information Circular), will be entitled to receive notice of and vote on the applicable resolution at the Headwater Meeting, or any adjournment or postponement thereof. Headwater Shareholders will be entitled to one vote on each of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution at the Headwater Meeting for each Headwater Share held.

Registered Headwater Shareholders should also complete and return the enclosed Headwater Letter of Transmittal which, when properly completed and returned together with the certificate(s) (if applicable) representing Headwater Shares and all other required documents, will enable each Headwater Shareholder to obtain the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants that the Headwater Shareholder is entitled to receive under the Arrangement. See "*Procedure for the Arrangement to Become Effective – Procedure for Exchange of Share Certificates or DRS Advices*" in the Information Circular.

For additional information on the registration, authentication, voting and participation processes for Headwater Shareholders, as well as reasons for Headwater's use of the virtual meeting format, see "*General Proxy Matters – Headwater*" in the Information Circular.

**Your vote is important to Headwater and we strongly encourage you to participate in the Headwater Meeting and submit the applicable enclosed form of proxy or voting information form. If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor. You may also contact Laurel Hill Advisory Group, the proxy solicitation agent retained by Headwater, by calling 1-877-452-7184 (toll-free in Canada and the United States), or 1-416-**

**304-0211 (outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com.**

On behalf of the Headwater Board, I would like to thank all Headwater Shareholders for their ongoing support as we work towards completion of this important transaction.

We look forward to your participation at the Headwater Meeting.

Yours sincerely,

(signed) "*Jason Jaskela*"

Jason Jaskela
President and Chief Executive Officer
Headwater Exploration Inc.




## LETTER TO TAMARACK SHAREHOLDERS

October 13, 2026

Dear Tamarack Shareholders:

You are invited to attend a special meeting (the "**Tamarack Meeting**") of the holders (the "**Tamarack Shareholders**") of common shares ("**Tamarack Shares**") in the capital of Tamarack Valley Energy Ltd. ("**Tamarack**", "**we**", "**us**", or "**our**") to be held on November 18, 2026 at 10:00 a.m. (Calgary time) in a virtual-only format that will be conducted via live webcast accessible at https://meetings.lumiconnect.com/400-336-899-017, password: "TVE2026" (case-sensitive).

At the Tamarack Meeting, amongst other things, Tamarack Shareholders will be asked to consider and vote on a special resolution (the "**Tamarack Arrangement Resolution**") approving a proposed arrangement (the "**Arrangement**") involving Tamarack, Headwater Exploration Inc. ("**Headwater**"), Tributary Exploration Inc. ("**Tributary**"), Tamarack Shareholders and shareholders of Headwater ("**Headwater Shareholders**") to be completed by way of a plan of arrangement (the "**Plan of Arrangement**") under section 193 of the *Business Corporations Act* (Alberta), pursuant to which Tamarack will acquire all of the issued and outstanding common shares of Headwater ("**Headwater Shares**") in exchange for Tamarack Shares. In addition and all as more particularly described in the accompanying joint management information circular of Tamarack and Headwater dated October 13, 2026 (the "**Information Circular**"), pursuant to the Arrangement, Tamarack and Headwater will each transfer certain non-core exploration assets (collectively, the "**Tributary Assets**") to Tributary, and the Tamarack Shareholders and Headwater Shareholders (other than Dissenting Shareholders (as defined in the Information Circular)) will each receive common shares ("**Tributary Shares**") of Tributary.

In addition, Tamarack Shareholders will be asked to consider and vote on an ordinary resolution (the "**Share Issuance Resolution**"), the full text of which is set forth in Appendix C to the Information Circular, to approve the issuance of the New Tamarack Shares (as defined herein) under the Arrangement, as more particularly described in the Information Circular.

### The Arrangement Agreement and the Effect and Anticipated Timing of Completion of the Arrangement

*Board Approval*

Tamarack and Headwater entered into an arrangement agreement dated September 7, 2026 (the "**Arrangement Agreement**") providing for the Arrangement. The Arrangement and the Arrangement Agreement were unanimously approved by the respective board of directors of each of Tamarack (the "**Tamarack Board**") and Headwater (the "**Headwater Board**"). The Arrangement Agreement has customary representations and warranties, covenants and conditions as further described in detail in the Information Circular.

*The Consideration*

Pursuant to the Arrangement Agreement and subject to the required approvals and other conditions set forth therein, Tamarack will acquire all of the issued and outstanding Headwater Shares through the Plan of Arrangement. Under the Plan of Arrangement, for each Headwater Share held, Headwater Shareholders (other than Dissenting Shareholders) will receive: (i) one new common share of Tamarack (a "**New Tamarack Share**"); (ii) approximately 0.33 of a Tributary Share; and (iii) approximately 0.20 of a Tributary warrant (each whole warrant being a "**Tributary Arrangement Warrant**"), with each whole Tributary Arrangement Warrant entitling the holder 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 (as defined below)). In exchange for each Tamarack Share held, Tamarack Shareholders will receive: (i) one New Tamarack Share; and (ii) approximately 0.33 of a Tributary Share. The exchange for each Headwater Share and Tamarack Share will be implemented through a series of intervening steps under the Plan of Arrangement involving a reorganization of Tamarack's share capital (including the creation of classes of Tamarack shares that will exist only for the duration of those steps, following which the New Tamarack Shares will be the only class of shares of Tamarack outstanding), which are described in the Information Circular under "*Effect of the Arrangement – Details of the Arrangement*" and "*Certain Canadian Federal Income Tax Considerations*".

Headwater Shareholders will also be asked to consider and vote on, among other things, a special resolution (the "**Headwater Arrangement Resolution**") approving the proposed Arrangement at a special meeting (the "**Headwater Meeting**") of Headwater Shareholders to be held on November 18, 2026 at 9:00 a.m. (Calgary time).

Under the Arrangement, all Tamarack Shareholders will receive identical consideration for their Tamarack Shares and all Headwater Shareholders (other than Dissenting Shareholders) will receive identical consideration for their Headwater Shares.

Immediately following the completion of the Arrangement, Tamarack Shareholders are expected to own approximately 66.5% of the issued and outstanding shares of the combined company (the "**Combined Company**") and former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding shares of the Combined Company.

*Completion*

The Arrangement is currently anticipated to be completed on or about November 19, 2026, subject to satisfaction or waiver of all conditions in the Arrangement Agreement, including the requisite approvals of the Tamarack Shareholders and the Headwater Shareholders and the receipt of all court, regulatory and stock exchange approvals. Upon completion of the Arrangement, the Combined Company will continue to operate as "Tamarack Valley Energy Ltd." and remain headquartered in Calgary, Alberta. See "*Shareholder and Other Approvals Required for the Arrangement*" below.

**Tributary Exploration Inc.**

Pursuant to the Arrangement, the Tributary Assets will be conveyed by Tamarack and Headwater to Tributary, a new exploration company to be led by the existing management team of Headwater. For additional information regarding the existing Headwater management team, please refer to the management information circular of Headwater dated April 2, 2026 in connection with the annual meeting of Headwater Shareholders held on May 20, 2026, which is incorporated by reference in the Information Circular, and Appendix J – "*Information Concerning Tributary Exploration Inc.*" to this Information Circular.

Following completion of the Arrangement (prior to the exercise of any Tributary Arrangement Warrants and prior to closing of the Tributary Private Placement (as defined below)), Tamarack Shareholders are expected to own approximately 66.5% of the issued and outstanding Tributary Shares and former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding Tributary Shares. Former Headwater Shareholders will also receive approximately 0.20 of a Tributary Arrangement Warrant per Headwater Share. Assuming all Tributary Arrangement Warrants are exercised by Headwater Shareholders, Tamarack Shareholders are expected to own approximately 55.4% of the issued and outstanding Tributary Shares and former Headwater Shareholders are expected to own approximately 44.6% of the issued and outstanding Tributary Shares (prior to closing of the Tributary Private Placement).

The Tributary Assets will be primarily comprised of Headwater's New Brunswick McCully gas asset, which has generated average historical annual operating income of approximately $16.7 million during the two most recently completed financial years and $14.8 million of operating income in the six months ended June 30, 2026, and will include approximately 168,000 acres of undeveloped Mannville conventional and thermal prospects in Alberta and Saskatchewan. The 2025 annual average production associated with the Tributary Assets was approximately 604 boe/d (consisting of 2,964 mcf/d of natural gas, 108 bbl/d of heavy crude oil and 2 bbl/d of natural gas liquids). See Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

The board of directors of Tributary will consist of seven existing members of the Headwater Board. Assuming the closing of the Tributary Private Placement for aggregate proceeds of $30 million and the full exercise of the Tributary Arrangement Warrants, Tributary is expected to be well capitalized with approximately $50 million of cash for organic development of current acreage, strategic land sales and acquisitions. Tributary expects to pursue oil weighted assets in western Canada that are rich in organic opportunity and provide stable free cash flow, backstopping the team's relentless pursuit of shareholder returns. See "*Summary of Agreements in Connection with the Arrangement – Conveyance Agreements*" in the Information Circular and "*Acquisition of the Tributary Assets – Conveyance Agreements*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

Tributary has applied to list the Tributary Shares (including all Tributary Shares issuable upon exercise of Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the Toronto Stock Exchange (the "**TSX**"). Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. Provided that Tributary meets all of the listing requirements of the TSX, trading in the Tributary Shares and the Tributary Arrangement Warrants is expected to commence concurrently with the delisting of the Headwater Shares from the TSX, or shortly thereafter, which is currently expected to occur two to three days following the Effective Date. It is not a condition to the completion of the Arrangement that the TSX shall have conditionally approved the listing of the Tributary Shares and the Tributary Arrangement Warrants. See "*Risk*

*Factors – Trading Access*" in the Information Circular and "*Listing of the Tributary Shares and Securities Law Matters*" and "*Risk Factors – No Prior Public Market for Tributary Shares*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

**Tributary Private Placement**

Following closing of the Arrangement, it is expected that Tributary will complete a non-brokered equity private placement financing (the "**Tributary Private Placement**") for up to a total of 14,285,714 units ("**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. The Tributary Private Placement is expected to be offered to directors, officers, employees and consultants of Tributary and certain other investors. Each Tributary Unit will consist of one Tributary Share and one Tributary purchase warrant (each a "**Tributary Private Placement Warrant**"). Each Tributary Private Placement Warrant will entitle 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. The Tributary Private Placement Warrants will vest in three equal tranches when the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $3.25, $3.75 and $4.25 (equivalent to $0.65, $0.75 and $0.85 prior to the Tributary Share Consolidation), respectively.

At the Tamarack Meeting, Tamarack Shareholders will be asked to consider and vote on an ordinary resolution (the "**Tamarack Private Placement Resolution**") approving the Tributary Private Placement. Similarly, at the Headwater Meeting, Headwater Shareholders will be asked to consider and vote on an ordinary resolution (the "**Headwater Private Placement Resolution**") approving the Tributary Private Placement. For the Tributary Private Placement to be adopted: (i) the Tamarack Private Placement Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement; and (ii) the Headwater Private Placement Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement. No Tamarack insiders are participating in the Tributary Private Placement.

No finders' fees or commissions will be paid in connection with the Tributary Private Placement. The Tributary Private Placement will be subject to the approval of the TSX. 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 purpose of the Tributary Private Placement is to provide Tributary with capital for organic development of its current acreage, strategic land sales and acquisitions and general working capital purposes.

The Tributary Private Placement and the Tributary Option Plan form part of the negotiated terms of the Arrangement. Tamarack negotiated for Tamarack Shareholders to receive approximately 66.5% of the issued and outstanding Tributary Shares upon completion of the Arrangement (prior to the exercise of any Tributary Arrangement Warrants and prior to closing of the Tributary Private Placement), a participation in the spin-out of Headwater's non-core exploration assets that shareholders of an acquiring company would not ordinarily receive, and the Tributary Private Placement and the Tributary Arrangement Warrants to be received by Headwater Shareholders form part of the overall allocation of value between the two shareholder groups that made the one-for-one exchange ratio possible. The Tributary Private Placement will provide the initial capital for Tributary, the company in which Tamarack Shareholders will hold a majority interest, and will align the Tributary management team with all Tributary shareholders by requiring them to invest up to $30 million in cash at a price equal to the estimated net asset value per Tributary Share. Without the Tributary Private Placement, Tributary will have no available funds immediately following the Effective Date with which to conduct its business. As a result, it is a condition in favour of Headwater to the completion of the Arrangement that the Tamarack Private Placement Resolution and the Headwater Private Placement Resolution be approved at the Tamarack Meeting and the Headwater Meeting, respectively. **If either the Tamarack Private Placement Resolution or the Headwater Private Placement Resolution is not approved, the Arrangement may not be completed.** The Tamarack Board has unanimously determined that the Tributary Private Placement and the Tributary Option Plan are in the best interests of Tamarack and unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution. See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Reasons for the Tributary Private Placement and Recommendation of the Boards*" and "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Reasons for the Tributary Option Plan and Recommendation of the Boards*" in the Information Circular.

See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" in the Information Circular and "*Tributary Private Placement*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

At the Tamarack Meeting, Tamarack Shareholders will also be asked to consider and vote on an ordinary resolution (the "**Tamarack Option Plan Resolution**") approving the share option plan to be adopted by Tributary providing for the grant of options to purchase

Tributary Shares to directors, officers, employees and consultants of Tributary (the "**Tributary Option Plan**"). The Tributary Option Plan is also subject to approval by the Headwater Shareholders at the Headwater Meeting. See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan*" in the Information Circular and "*Tributary Option Plan*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

**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 (the "**Tributary Share Consolidation**").

As a result, the number of Tributary Shares and Tributary Arrangement Warrants to be received by the Headwater Shareholders and Tamarack Shareholders, as applicable, pursuant to the Arrangement will be adjusted to account for the Tributary Share Consolidation.

**Attributes of the Combined Company and Benefits of the Arrangement**[3]

The following are the Combined Company's key attributes and the benefits of the Arrangement to both Headwater Shareholders and Tamarack Shareholders:

- **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.

- **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.

- **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.

- **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.[4] Available funding is expected to include a fully undrawn credit facility of $875 million maturing in May 2030.

- **Meaningful Synergy Capture:** The Combined Company is expected to realize immediate synergies through the integration of operations, 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.

- **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.

- **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.

[3] Refer to "*Supplemental Disclosure – Non-IFRS Measures*", "*Advisory Regarding Oil and Gas Information*" and "*Forward-Looking Statements*" in the Information Circular for the advisory on non-IFRS measures and the advisories and additional disclosure in respect of oil and gas information and forward-looking statements, including the assumptions made in the forecasts and projections for the Combined Company.

[4] The Combined Company's expected net cash at the Effective Time has been estimated by management of Tamarack using forward strip commodity pricing as of September 2, 2026, and assumes that the Arrangement is completed on or about November 19, 2026.

For additional information with respect to these and other anticipated benefits of the Arrangement, see "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*" and Appendix H – "*Pro Forma Information Concerning the Combined Company*" in the Information Circular.

**The Combined Company's Management and Board of Directors**

Pursuant to the terms of the Arrangement Agreement, Tamarack and Headwater agreed that the Combined Company will be led by senior management of Tamarack. It is expected that effective January 1, 2027, following closing of the Arrangement, Steve Buytels, current President of Tamarack, will be promoted to President and Chief Executive Officer and will be appointed as a director of the Combined Company. Brian Schmidt, Tamarack's founding Chief Executive Officer since August 2009, will transition to Executive Chair of the Combined Company Board. For additional information regarding Mr. Buytels and the existing Tamarack management team, please refer to the management information circular of Tamarack dated March 19, 2026 in connection with the annual general and special meeting of Tamarack Shareholders held on May 6, 2026, which is incorporated by reference in the Information Circular.

Immediately following the Effective Time, the board of directors of the Combined Company will consist of nine members, which will include members of the current Tamarack Board plus Jason Jaskela and one additional representative from the current Headwater Board to be determined by the Tamarack Board prior to the Effective Date.

**Shareholder and Other Approvals Required for the Arrangement**

The Tamarack Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting. In addition, the Share Issuance Resolution must be approved by a simple majority of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting.

The Headwater Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting after excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, being the votes cast with respect to the Headwater Shares beneficially owned or over which control or direction is exercised by the Participating Insiders (as defined in the Information Circular).

Completion of the Arrangement is also subject to, among other conditions: (i) approval of the Tamarack Private Placement Resolution by Tamarack Shareholders; (ii) approval of the Headwater Private Placement Resolution by Headwater Shareholders; (iii) the approval of the Court of King's Bench of Alberta; (iv) the approval of the listing of the New Tamarack Shares to be issued pursuant to the Arrangement on the TSX; and (v) the receipt of approval under the *Competition Act* (Canada) ("**Competition Act Approval**") (which was received on September 21, 2026). If the Tamarack Arrangement Resolution or the Share Issuance Resolution is not approved at the Tamarack Meeting, the Arrangement will not be completed. Similarly, if the Headwater Arrangement Resolution is not approved at the Headwater Meeting, the Arrangement will not be completed.

The conditions relating to approval of the Tamarack Private Placement Resolution and the Headwater Private Placement Resolution by Tamarack Shareholders and Headwater Shareholders, respectively, are for the exclusive benefit of Headwater and may be waived by Headwater in its sole discretion.

**Support Agreements**

All directors and officers of Tamarack, who own approximately 2% of the issued and outstanding Tamarack Shares, have entered into support agreements with Headwater pursuant to which they have agreed to vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution. Similarly, all directors and officers of Headwater, who own approximately 6% of the issued and outstanding Headwater Shares, have entered into support agreements with Tamarack pursuant to which they have agreed to vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

**NBF Fairness Opinion**

National Bank Financial Inc. ("**National Bank**") acted as financial advisor to Tamarack and provided the Tamarack Board with its opinion (the "**NBF Fairness Opinion**") to the effect that, as of September 7, 2026, the exchange ratio under the Arrangement is fair, from a financial point of view, to Tamarack, subject to the assumptions made and the limitations and qualifications in the NBF Fairness Opinion. The full text of the NBF Fairness Opinion is contained in Appendix G to the Information Circular. National Bank provided its

opinion solely for the information and assistance of the Tamarack Board in connection with its consideration of the Arrangement. The NBF Fairness Opinion is not a recommendation as to how any Tamarack Shareholder should vote with respect to the Tamarack Arrangement Resolution or the Share Issuance Resolution, or any other matter. The NBF Fairness Opinion was one of a number of factors taken into consideration by the Tamarack Board in making its unanimous determination that the Arrangement is fair to Tamarack Shareholders and is in the best interests of Tamarack and to recommend that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

**Recommendation of the Tamarack Board**

After consulting with Tamarack's senior management and with its financial, legal, tax and other advisors, and after considering, among other things, the NBF Fairness Opinion, the Tamarack Board has unanimously: (i) determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of Tamarack; (ii) determined that the Arrangement is fair to the Tamarack Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

**Accordingly, the Tamarack Board unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution**. See "*The Arrangement – Background to the Arrangement*" and "*The Arrangement – Reasons for the Arrangement – Tamarack Board*" in the Information Circular for more details on the background to the Arrangement, and the Tamarack Board's reasons for approving it and recommending that Tamarack Shareholders vote in favour of it.

The Information Circular contains a detailed description of the Arrangement, as well as detailed information regarding Tamarack and Headwater and certain pro forma and other information concerning the Combined Company after giving effect to the Arrangement, the Tributary Private Placement and the Tributary Share Consolidation. It also includes certain risk factors relating to Tamarack, Headwater, Tributary, the Arrangement, the Tributary Private Placement and the Combined Company. Please give this material your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors.

**Timing of the Arrangement and the Tributary Private Placement**

The Arrangement will become effective at the time the Articles of Arrangement (as defined in the Information Circular) are filed with the Registrar (as defined in the Information Circular), which is expected to occur on or about November 19, 2026, provided that all required approvals are obtained and other conditions are satisfied or waived prior to or on that date. However, completion of the Arrangement is subject to a number of conditions and it is possible that factors outside the control of Tamarack and/or Headwater could result in the Arrangement being completed at a later time, or not at all. Subject to certain limitations, each Party may terminate the Arrangement Agreement if it is not consummated by the Outside Date, being December 14, 2026, or such later date as mutually agreed to by Tamarack and Headwater in writing.

The Tributary Private Placement will be subject to the approval of the TSX. 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.

See "*Tributary Private Placement*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" to the Information Circular.

**Meeting and Voting Details and Instructions**

The Tamarack Meeting will be held in a virtual-only format conducted via webcast. While Tamarack Shareholders and duly appointed proxyholders will not be able to physically attend the Tamarack Meeting in person, regardless of geographic location and ownership, Tamarack Shareholders will have an equal opportunity to participate at the Tamarack Meeting and vote on the matters to be considered at the Tamarack Meeting.

Registered Tamarack Shareholders may attend the Tamarack Meeting in person (virtually) or may be represented by proxy. If a Tamarack Shareholder is unable to attend the Tamarack Meeting or any adjournment or postponement thereof in person (virtually), such Tamarack Shareholder should date, sign and return the enclosed form of proxy for use at the Tamarack Meeting or any adjournment or postponement thereof to its transfer agent and registrar, Odyssey Trust Company ("**Odyssey**"), as soon as possible but not later than 10:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Tamarack Meeting (the "**Tamarack Proxy Deadline**"). All instructions are listed

in the enclosed form of proxy. The time limit for the deposit of proxies may be waived or extended by the Chair of the Tamarack Meeting at his discretion without notice.

Registered Tamarack Shareholders will be able to sign in to the Tamarack Meeting using the control number provided with the meeting materials and password "TVE2026" (case-sensitive).

Non-registered (beneficial) Tamarack Shareholders can appoint themselves or a proxyholder to participate in the Tamarack Meeting. See "*General Proxy Matters – Tamarack – Information for Beneficial Holders of Tamarack Shares*" in the Information Circular.

Registered Tamarack Shareholders who appoint a proxyholder, and non-registered (beneficial) Tamarack Shareholders who appoint themselves or a proxyholder to participate in the Tamarack Meeting, must also email appointee@odysseytrust.com to register their or their proxyholder's name and email address so that, after the Tamarack Proxy Deadline, Odyssey can send via email a Username that will be required (with case-sensitive password "TVE2026") to log into the Tamarack Meeting. **If a Tamarack Shareholder does not follow both of these steps, such Tamarack Shareholder or its proxyholder will only be able to enter the meeting as a guest.**

Only Tamarack Shareholders of record at the close of business on October 8, 2026, being the Tamarack Record Date (as defined in the Information Circular), will be entitled to receive notice of and vote on the applicable resolution at the Tamarack Meeting, or any adjournment or postponement thereof. Tamarack Shareholders will be entitled to one vote on each of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution at the Tamarack Meeting for each Tamarack Share held.

Registered Tamarack Shareholders should also complete and return the enclosed Tamarack Letter of Transmittal which, when properly completed and returned together with the certificate(s) (if applicable) representing Tamarack Shares and all other required documents, will enable each Tamarack Shareholder to obtain the New Tamarack Shares and Tributary Shares that the Tamarack Shareholder is entitled to receive under the Arrangement. See "*Procedure for the Arrangement to Become Effective – Procedure for Exchange of Share Certificates or DRS Advices*" in the Information Circular.

For additional information on the registration, authentication, voting and participation processes for Tamarack Shareholders, as well as reasons for Tamarack's use of the virtual meeting format, see "*General Proxy Matters – Tamarack*" in the Information Circular.

**Your vote is important to Tamarack and we strongly encourage you to participate in the Tamarack Meeting and submit the applicable enclosed form of proxy or voting information form. If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor.**

On behalf of the Tamarack Board, I would like to thank all Tamarack Shareholders for their ongoing support as we work towards completion of this important transaction.

Yours sincerely,

(signed) "*Brian Schmidt*"

Brian Schmidt
Chief Executive Officer and Founder
Tamarack Valley Energy Ltd.

## NOTICE OF SPECIAL MEETING OF HEADWATER SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Headwater Meeting**") of the holders ("**Headwater Shareholders**") of common shares ("**Headwater Shares**") of Headwater Exploration Inc. ("**Headwater**") will be held at 9:00 a.m. (Calgary time) on November 18, 2026 in a virtual-only format that will be conducted via live webcast accessible online at https://meetings.lumiconnect.com/400-740-097-516 for the following purposes:

1. to consider, pursuant to an interim order (the "**Interim Order**") of the Court of King's Bench of Alberta dated October 13, 2026 and, if deemed advisable, to approve, with or without variation, a special resolution of Headwater Shareholders (the "**Headwater Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying joint management information circular of Tamarack and Headwater dated October 13, 2026 (the "**Information Circular**"), to approve an arrangement (the "**Arrangement**") involving Tamarack Valley Energy Ltd. ("**Tamarack**"), Headwater, Tributary Exploration Inc. ("**Tributary**"), Headwater Shareholders and shareholders of Tamarack ("**Tamarack Shareholders**") to be completed by way of a plan of arrangement (the "**Plan of Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") whereby, among other things, Tamarack will acquire all of the issued and outstanding Headwater Shares, as more particularly described in the Information Circular;

2. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the "**Headwater Private Placement Resolution**"), the full text of which is set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Headwater Shareholders*" in the Information Circular, approving a non-brokered equity private placement financing (the "**Tributary Private Placement**") for up to an aggregate of $30 million of units ("**Tributary Units**") at a price of $2.10 per Tributary Unit (on a post-consolidation basis), as more particularly described in the Information Circular;

3. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the "**Headwater Option Plan Resolution**"), the full text of which is set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Headwater Shareholders*" in the Information Circular, approving the share option plan to be adopted by Tributary, as more particularly described in the Information Circular; and

4. to transact such further and other business as may properly be brought before the Headwater Meeting or any adjournment or postponement thereof.

Specific details of the matters to be put before the Headwater Meeting are set forth in the Information Circular. Capitalized terms not otherwise defined in this Notice of Special Meeting have the meanings ascribed to such terms in the Information Circular.

**The board of directors of Headwater unanimously recommends that Headwater Shareholders vote FOR the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.**

**It is a condition to the completion of the Arrangement that the Headwater Arrangement Resolution and the Headwater Private Placement Resolution be approved by Headwater Shareholders at the Headwater Meeting. If the Headwater Arrangement Resolution is not approved by Headwater Shareholders, the Arrangement cannot be completed.**

**The Arrangement is also conditional upon, amongst other things, approval of the Tamarack Arrangement Resolution, the Share Issuance Resolution and the Tamarack Private Placement Resolution by Tamarack Shareholders. If the Tamarack Arrangement Resolution or the Share Issuance Resolution are not approved by Tamarack Shareholders, the Arrangement cannot be completed.**

**Unless otherwise waived by Headwater, if either of the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution is not approved by Headwater Shareholders and Tamarack Shareholders, respectively, the Arrangement cannot be completed.**

The full text of the Plan of Arrangement is attached as Appendix D to the Information Circular. The Interim Order is attached as Appendix E to the Information Circular.

**Headwater Meeting Matters**

Each Headwater Share will entitle the holder thereof to one vote at the Headwater Meeting with respect to each of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution. The Headwater Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting after excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, being the votes cast with respect to the Headwater Shares beneficially owned or over which control or direction is exercised by the Participating Insiders (as defined in the Information Circular). The Headwater Private Placement Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by Participating Insiders and any other Headwater Shareholders who are participating in the Tributary Private Placement. The Headwater Option Plan Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting. The full text of each of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution is set forth in Appendix A to the Information Circular, under the heading "*Other Matters of*

*Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Headwater Shareholders*" in the Information Circular and under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Headwater Shareholders*" in the Information Circular, respectively.

The record date for determination of Headwater Shareholders entitled to receive notice of and to vote at the Headwater Meeting is the close of business on October 8, 2026 (the "**Headwater Record Date**"). Headwater Shareholders whose names have been entered in the register of holders of Headwater Shares at the close of business on the Headwater Record Date will be entitled to receive notice of and to vote at the Headwater Meeting.

**Solicitation of Proxies**

**The Information Circular is being delivered in connection with the solicitation by or on behalf of management of Headwater and Tamarack of proxies for use at the Headwater Meeting and the Tamarack Meeting, as applicable.** The solicitation of proxies for use at the Headwater Meeting will be done primarily by mail and electronic means, but may also be in person or by telephone, email or oral communication by directors, officers, employees or agents of Headwater who may be specifically remunerated therefor. The costs of such solicitation, and of preparing and distributing this Information Circular, the Headwater Meeting materials and the Tamarack Meeting materials will be borne by Headwater and Tamarack, as applicable. In addition, Headwater has engaged Laurel Hill Advisory Group as a proxy solicitation agent to assist management of Headwater with the solicitation of proxies from Headwater Shareholders, among additional advisory services for a fee of $125,000, plus a fee for calls made to Headwater Shareholders and out-of-pocket expenses.

A proxy will not be valid unless it is deposited with Odyssey Trust Company ("**Odyssey**"), Trader's Bank Building, 1100 67 Yonge Street, Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America) or by internet at https://vote.odysseytrust.com no later than 9:00 a.m. (Calgary time) on November 16, 2026 or, if the Headwater Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) before the beginning of any adjourned or postponed Headwater Meeting. All instructions are listed in the enclosed form of proxy.

**Non-registered or beneficial Headwater Shareholders who do not hold Headwater Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the voting instruction form in order to have such Headwater Shares voted at the Headwater Meeting on their behalf.**

**Registered Headwater Shareholders and duly appointed proxyholders (including beneficial Headwater Shareholders who have duly appointed themselves as proxyholders) who attend the Headwater Meeting will be able to listen to the Headwater Meeting, ask questions and vote, all in real-time, provided that they are connected to the internet. Guests, including beneficial Headwater Shareholders who have not duly appointed themselves as proxyholder, can log in to the Headwater Meeting as set out below and can listen to the Headwater Meeting but will not be able to communicate or vote. See "*How to Participate at the Headwater Meeting*" below.**

**If a registered Headwater Shareholder or proxyholder attends and wishes to vote at the Headwater Meeting, it is important that such registered Headwater Shareholder or proxyholder remain connected to the internet at all times during the Headwater Meeting. It is such registered Headwater Shareholder or proxyholder's responsibility to ensure connectivity for the duration of the Headwater Meeting and to allow ample time to check into the Headwater Meeting online and complete the related procedures, as set forth below. For any questions regarding participation or voting at the Headwater Meeting, please contact Odyssey, Headwater's registrar and transfer agent, at 888-290-1175.**

Only Headwater Shareholders of record as of the Headwater Record Date will be entitled to vote at the Headwater Meeting, unless that Headwater Shareholder has transferred any Headwater Shares subsequent to that date and the transferee Headwater Shareholder, not later than ten (10) days before the Headwater Meeting, establishes ownership of such Headwater Shares and demands that the transferee's name be included on the list of Headwater Shareholders entitled to vote at the Headwater Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Headwater Shareholders or such Headwater Shareholder's attorney authorized in writing or, if a Headwater Shareholder is a company, by a duly authorized officer or attorney of the company.

The persons named in the enclosed Headwater Shareholders form of proxy are officers of Headwater. **Headwater Shareholders have the right to appoint a person or company, who need not be a Headwater Shareholder, to represent such Headwater Shareholder at the Headwater Meeting**. To exercise this right, a Headwater Shareholder should insert the name of the desired representative in the blank space provided on its form of proxy.

The following applies to a registered Headwater Shareholder who wishes to appoint a proxyholder other than those named in the form of proxy.

**A Headwater Shareholder who wishes to appoint as its proxyholder an individual other than those named in the form of proxy to attend virtually and participate in the Headwater Meeting, MUST submit the form of proxy appointing such individual as proxyholder AND register such proxyholder online, as described below. Registering a proxyholder is an additional step to be completed AFTER a Headwater Shareholder has submitted its proxy. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Headwater Meeting.**

**Step 1: Submit the form of proxy:** To appoint someone other than the Headwater individuals named in the form of proxy as proxyholder, insert that person's name in the blank space provided in the form of proxy and follow the instructions for submitting such form of proxy. If a Headwater Shareholder votes through the internet, it may also appoint another person to be its proxyholder at https://vote.odysseytrust.com and follow the instructions. This must be completed before registering such proxyholder, which is an additional step to be completed once the form of proxy has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the Headwater Shareholder must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of Headwater Shares appointed and name of the registered Headwater Shareholder) no later than 9:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Headwater Meeting, so that Odyssey may provide the proxyholder with a control number via e-mail. Without a control number, proxyholders will not be able to vote at the Headwater Meeting but will be able to participate as guests.

**Information for Beneficial Holders of Headwater Shares**

The information set forth in this section is of significant importance to Headwater Shareholders who do not hold their Headwater Shares in their own name. Only proxies deposited by Headwater Shareholders whose names appear on the records of Headwater as the registered holders of such Headwater Shares can be recognized and acted upon at the Headwater Meeting. If a Headwater Shareholder's Headwater Shares are listed in an account statement provided by such Headwater Shareholder's broker, then in almost all cases those Headwater Shares will not be registered in the name of the Headwater Shareholder on Headwater's records. Such Headwater Shares will likely be registered under the name of such Headwater Shareholder's broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited ("**CDS**"), which acts as nominee for many Canadian brokerage firms. Headwater Shares held by a Headwater Shareholder's broker or their nominee can only be voted in accordance with the Headwater Shareholder's instructions. Without specific instructions, such Headwater Shareholder's broker or their nominee is prohibited from voting such Headwater Shares. Headwater does not know for whose benefit the Headwater Shares registered in the name of CDS & Co. are held. The majority of shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the United States equivalent of CDS.

Applicable regulatory policy requires brokers to seek voting instructions from Headwater Shareholders in advance of the Headwater Meeting. Every broker has its own mailing procedures and provides its own return instructions, which beneficial Headwater Shareholders should carefully follow in order to ensure that their Headwater Shares are voted at the Headwater Meeting. Often, the form of proxy or voting instruction form supplied by a broker is identical to the form of proxy provided to registered Headwater Shareholders. However, its purpose is limited to instructing the registered Headwater Shareholder how to vote on the beneficial Headwater Shareholder's behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"), which mails a scannable voting instruction form in lieu of the form of proxy. Beneficial Headwater Shareholders are asked to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, beneficial Headwater Shareholders can call their toll-free telephone number provided on the voting instruction form or access the internet to vote their Headwater Shares. Additionally, Headwater Shareholders may utilize the Broadridge QuickVote™ service to allow eligible "non-objecting beneficial owners" to vote with Laurel Hill by telephone or by written confirmation.

Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of such Headwater Shares to be represented at the Headwater Meeting. If a beneficial Headwater Shareholder receives a voting instruction form from Broadridge it cannot be used as a proxy to vote Headwater Shares directly at the Headwater Meeting, as the voting instruction form must be returned to Broadridge well in advance of the Headwater Meeting in order to have the Headwater Shares voted.

Although beneficial Headwater Shareholders may not be recognized directly at the Headwater Meeting for the purposes of voting Headwater Shares registered in the name of their broker, beneficial Headwater Shareholders may attend the Headwater Meeting (virtually) as a proxyholder for the registered holder and vote their Headwater Shares in that capacity. If a beneficial Headwater Shareholder wishes to attend the Headwater Meeting (virtually) and vote their Headwater Shares, such beneficial Headwater Shareholder must do so as proxyholder for the registered holder. To do this, a beneficial Headwater Shareholder should enter their own name in the blank space on the form of proxy or voting instruction form provided by the intermediary and return the document to such beneficial Headwater Shareholder's broker or the agent of such broker in accordance with the instructions provided by such broker well in advance of the Headwater Meeting. Please also see further instructions on accessing and voting at the virtual Headwater Meeting under the heading "*How to Participate at the Headwater Meeting*" below.

If a beneficial Headwater Shareholder located in the United States wishes to vote at the Headwater Meeting or, if permitted, appoint a third party as its proxyholder, then, in addition to the steps described above, it must obtain a valid legal proxy from its intermediary. After obtaining a valid legal proxy from its intermediary, it must then submit such legal proxy to Odyssey. Requests for registration from beneficial Headwater Shareholders located in the United States that wish to vote at the Headwater Meeting or, if permitted, appoint third parties as their proxyholders must be sent by email or by courier to: proxy@odysseytrust.com (if by email), or Odyssey Trust Company, Trader's Bank Building, 1100, 67 Yonge Street, Toronto, Ontario, Canada M5E 1J8, Attention: Proxy Department (if by courier), and in both cases, must be labelled "Legal Proxy" and received no later than the Headwater Proxy Deadline. Headwater's solicitation of proxies for use at the Headwater Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that disclosure requirements under Canadian laws are different from those of the United States applicable to proxy statements under the U.S. Exchange Act.

Registering the beneficial Headwater Shareholder or another individual as proxyholder is an additional step to be completed AFTER the beneficial Headwater Shareholder has submitted the voting instruction form to its intermediary. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Headwater Meeting.

**Step 1: Submit the Voting Instruction Form:** To appoint the beneficial Headwater Shareholder or someone other than the individuals named in the voting instruction form as proxyholder, insert that person's name in the blank space provided in the voting instruction form and follow the instructions for submitting such voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once the voting instruction form has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the beneficial Headwater Shareholder's intermediary must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of Headwater Shares appointed and name of the broker where the Headwater Shares are held) no later than 9:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Headwater Meeting, so that Odyssey may provide the proxyholder with a control number via e-mail. **Without a control number, proxyholders will not be able to vote at the Headwater Meeting but will be able to participate as guests.**

**How to Participate at the Headwater Meeting**

The Headwater Meeting is being held in a virtual, audio only, webcast format. Registered Headwater Shareholders and duly appointed proxyholders may only attend and participate in the Headwater Meeting virtually via live audio webcast, including asking questions during the question and answer session and voting online, provided they follow the instructions herein.

- Registered Headwater Shareholders and duly appointed proxyholders who participate by attending online will be able to listen to the proceedings of the Headwater Meeting, ask questions and vote during the specified times, provided they remain connected to the internet.

- Beneficial Headwater Shareholders who wish to vote Headwater Shares online during the Headwater Meeting must follow the instructions above under "*Information for Beneficial Holders of Headwater Shares*". Beneficial Headwater Shareholders who have not duly appointed themselves as proxyholders may still attend the Headwater Meeting virtually as guests, but will not be able to vote or ask questions.

- Guests, including beneficial Headwater Shareholders who have not duly appointed themselves as proxyholder, will be able to login and listen to the proceedings of the Headwater Meeting but will not be able to vote or ask questions.

- Attendees can login to the Headwater Meeting by following the instructions below:

    - Login online at https://meetings.lumiconnect.com/400-740-097-516. The latest versions of Chrome, Safari, Microsoft Edge or Firefox will be needed. Headwater recommends that attendees login at least 15 minutes before the Headwater Meeting starts. Attendees should allow ample time to login to the Headwater Meeting to check compatibility and complete the related procedures.

    - For registered Headwater Shareholders and duly appointed proxyholders, select "I have a login" and enter the control number and password. The password to the meeting is "HWX2026" (case-sensitive).

      OR

    - Click "I am a guest" and then complete the required information to access the Headwater Meeting.

For registered Headwater Shareholders: The control number located on the form of proxy or in the e-mail notification delivered for the Headwater Meeting is the control number to login to the Headwater Meeting.

For duly appointed proxyholders: Odyssey will provide the proxyholder with a control number by e-mail after the proxy voting deadline has passed, provided that the proxyholder has been duly appointed and registered as described in the Information Circular.

To attend the Headwater Meeting, it is important to remain connected to the internet at all times in order to vote. It is the responsibility of Headwater Shareholders to ensure internet connectivity is maintained for the duration of the Headwater Meeting. If a Headwater Shareholder loses connectivity once the Headwater Meeting has commenced, there may be insufficient time to resolve the issue before voting is completed. Therefore, even if a Headwater Shareholder's current plan is to access the Headwater Meeting and vote during the live webcast, such Headwater Shareholder should consider voting its Headwater Shares in advance or by proxy so that its vote will be counted in the event the Headwater Shareholder experiences any technical difficulties or is otherwise unable to access the Headwater Meeting. Headwater Shareholders with questions regarding the virtual Headwater Meeting portal or requiring assistance accessing the Headwater Meeting website may visit https://support.lumiglobal.com/knowledge/virtual for common troubleshooting or to speak to a virtual assistant.

**Notice-and-Access**

Headwater has elected to use the "notice-and-access" provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Headwater Meeting in respect of mailings to beneficial Headwater Shareholders but not in respect of mailings to registered Headwater Shareholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

Headwater has also elected to use procedures known as 'stratification' in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular to some shareholders together with a notice of a meeting of its shareholders. In relation to the Headwater Meeting, registered Headwater Shareholders will receive a paper copy of this Notice of Special Meeting, the Information Circular and a form of proxy, whereas beneficial Headwater Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a voting instruction form.

**Revocability of Proxy**

A Headwater Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends the Headwater Meeting virtually at which such proxy is to be voted, voting at the Headwater Meeting will revoke such person's previous proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Headwater Shareholder or the Headwater Shareholder's attorney authorized in writing and deposited either at the registered office of Headwater at any time up to and including the last business day preceding the day of the Headwater Meeting or any adjournment or postponement thereof or in any other manner permitted by law, including pursuant to the provisions of the ABCA.

**Exercise of Discretion by Proxy**

The Headwater Shares represented by proxy in favour of management nominees shall be voted on each item of business at the Headwater Meeting and, where the Headwater Shareholder specifies a choice with respect to any matter to be acted upon, the Headwater Shares shall be voted for or against/withheld from voting on each item of business in accordance with the specification so made.

**In the absence of such specification, the Headwater Shares will be voted in favour of the matters to be acted upon. The persons appointed under the form of proxy furnished by Headwater are conferred with discretionary authority with respect to amendments or variations of those matters specified in the enclosed form of proxy, this Notice of Special Meeting and the Information Circular. At the time of printing the Information Circular, management of Headwater knows of no such amendment, variation or other matter.**

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote FOR each of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.**

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Headwater Shareholder should be delivered to Odyssey by e-mail at proxy@odysseytrust.com.

**If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor. Headwater Shareholders may also contact Laurel Hill Advisory Group, the proxy solicitation agent retained by Headwater, by calling 1-877-452-7184 (toll-free in Canada and the United States), or 1-416-304-0211 (outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com.**

**Dissent Rights**

Pursuant to the Interim Order, registered Headwater Shareholders have the right to dissent with respect to the Headwater Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Headwater Shares in accordance with the provisions of section 191 of the ABCA, as modified by the Interim Order and as set out in the Plan of Arrangement. A registered Headwater Shareholder wishing to exercise rights of dissent with respect to the Arrangement must send to Headwater a written objection to the Headwater Arrangement Resolution, which written objection must be received by Headwater c/o its counsel Burnet, Duckworth & Palmer LLP, 2400, 525-8th Avenue SW, Calgary, Alberta, T2P 1G1, Attention: Ryan Algar, by 5:00 p.m. (Calgary time) on November 10, 2026 (or 5:00 p.m. (Calgary time) on the Business Day (as defined in the Information Circular) that is five (5) Business Days prior to the date of the Headwater Meeting if it is not held on November 18, 2026). A Headwater Shareholder's right to dissent is more particularly described in the Information Circular and a copy of the Interim Order and the text of section 191 of the ABCA are set forth in Appendices E and L, respectively, to the Information Circular.

Failure to strictly comply with the requirements set forth in section 191 of the ABCA, as modified by the Interim Order and as set out in the Plan of Arrangement, may result in the loss of any right of dissent. Persons who are beneficial owners of Headwater Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered Headwater Shareholders are entitled to dissent. Accordingly, a beneficial owner of Headwater Shares desiring to exercise this right must make arrangements for the Headwater Shares beneficially owned by such Headwater Shareholder to be registered in the Headwater Shareholder's name prior to the time the written objection to the Headwater Arrangement Resolution is required to be received by Headwater or, alternatively, make arrangements for the registered holder of such Headwater

Shares to dissent on the Headwater Shareholder's behalf. It is strongly suggested that any Headwater Shareholder wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions of the ABCA, as modified by the Interim Order, may prejudice such Headwater Shareholder's right to dissent.

Dated at Calgary, Alberta, this 13th day of October, 2026.

**BY ORDER OF THE BOARD OF DIRECTORS OF HEADWATER EXPLORATION INC.**

(signed) "*Jason Jaskela*"
Jason Jaskela
President and Chief Executive Officer
Headwater Exploration Inc.

## NOTICE OF SPECIAL MEETING OF TAMARACK SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Tamarack Meeting**") of the holders ("**Tamarack Shareholders**") of common shares ("**Tamarack Shares**") of Tamarack Valley Energy Ltd. ("**Tamarack**") will be held at 10:00 a.m. (Calgary time) on November 18, 2026 in a virtual-only format that will be conducted via live webcast accessible online at https://meetings.lumiconnect.com/400-336-899-017 for the following purposes:

1. to consider, pursuant to an interim order (the "**Interim Order**") of the Court of King's Bench of Alberta dated October 13, 2026 and, if deemed advisable, to approve, with or without variation, a special resolution of Tamarack Shareholders (the "**Tamarack Arrangement Resolution**"), the full text of which is set forth in Appendix B to the accompanying joint management information circular of Tamarack and Headwater dated October 13, 2026 (the "**Information Circular**"), to approve an arrangement (the "**Arrangement**") involving Tamarack, Headwater Exploration Inc. ("**Headwater**"), Tributary Exploration Inc. ("**Tributary**"), Tamarack Shareholders and shareholders of Headwater ("**Headwater Shareholders**") to be completed by way of a plan of arrangement (the "**Plan of Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") whereby, among other things, Tamarack will acquire all of the issued and outstanding shares of Headwater (the "**Headwater Shares**"), as more particularly described in the Information Circular;

2. to consider and, if thought advisable, to approve, with or without variation, an ordinary resolution (the "**Share Issuance Resolution**"), the full text of which is set forth in Appendix C to the Information Circular, to approve and authorize the issuance of such number of Tamarack Shares to allow Tamarack to meet its obligations under the arrangement agreement dated September 7, 2026 between Tamarack and Headwater to effect the Arrangement by way of the Plan of Arrangement, all as more particularly described in the Information Circular;

3. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the "**Tamarack Private Placement Resolution**"), the full text of which is set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Tamarack Shareholders*" in the Information Circular, approving a non-brokered equity private placement financing (the "**Tributary Private Placement**") for up to an aggregate of $30 million of units ("**Tributary Units**") at a price of $2.10 per Tributary Unit (on a post-consolidation basis), as more particularly described in the Information Circular;

4. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the "**Tamarack Option Plan Resolution**"), the full text of which is set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Tamarack Shareholders*" in the Information Circular, approving the share option plan to be adopted by Tributary, as more particularly described in the Information Circular; and

5. to transact such further and other business as may properly be brought before the Tamarack Meeting or any adjournment or postponement thereof.

Specific details of the matters to be put before the Tamarack Meeting are set forth in the Information Circular. Capitalized terms not otherwise defined in this Notice of Special Meeting have the meanings ascribed to such terms in the Information Circular.

**The board of directors of Tamarack unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution. It is a condition to the completion of the Arrangement that the Tamarack Arrangement Resolution, the Share Issuance Resolution and the Tamarack Private Placement Resolution be approved at the Tamarack Meeting. If the Tamarack Arrangement Resolution or the Share Issuance Resolution are not approved by Tamarack Shareholders, the Arrangement cannot be completed.**

**The Arrangement is also conditional upon, amongst other things, approval of the Headwater Arrangement Resolution and the Headwater Private Placement Resolution by Headwater Shareholders. If the Headwater Arrangement Resolution is not approved by Headwater Shareholders, the Arrangement cannot be completed.**

**Unless otherwise waived by Headwater, if either of the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution is not approved by Headwater Shareholders and Tamarack Shareholders, respectively, the Arrangement cannot be completed.**

The full text of the Plan of Arrangement is attached as Appendix D to the Information Circular. The Interim Order is attached as Appendix E to the Information Circular.

### Tamarack Meeting Matters

Each Tamarack Share will entitle the holder thereof to one vote at the Tamarack Meeting with respect to each of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution. The Tamarack Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting. The Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution must each be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting. The full text of each of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution is set forth in Appendix B to the Information Circular, Appendix C to the Information Circular, under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Tamarack Shareholders*" in the Information Circular and under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Tamarack Shareholders*" in the Information Circular, respectively.

The record date for determination of Tamarack Shareholders entitled to receive notice of and to vote at the Tamarack Meeting is the close of business on October 8, 2026 (the "**Tamarack Record Date**"). Tamarack Shareholders whose names have been entered in the register of holders of Tamarack Shares at the close of business on the Tamarack Record Date will be entitled to receive notice of and to vote at the Tamarack Meeting.

**Solicitation of Proxies**

**The Information Circular is being delivered in connection with the solicitation by or on behalf of management of Headwater and Tamarack of proxies for use at the Headwater Meeting and the Tamarack Meeting, as applicable.** The solicitation of proxies for use at the Tamarack Meeting will be done primarily by mail and electronic means, but may also be in person or by telephone, email or oral communication by directors, officers, employees or agents of Tamarack who may be specifically remunerated therefor. The costs of such solicitation, and of preparing and distributing this Information Circular, the Headwater Meeting materials and the Tamarack Meeting materials will be borne by Headwater and Tamarack, as applicable. In addition, Headwater has engaged Laurel Hill Advisory Group as a proxy solicitation agent to assist management of Headwater with the solicitation of proxies from Headwater Shareholders, among additional advisory services for a fee of $125,000, plus a fee for calls made to Headwater Shareholders and out-of-pocket expenses.

A proxy will not be valid unless it is deposited with Odyssey Trust Company ("**Odyssey**"), Trader's Bank Building, 1100 67 Yonge Street, Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America) or by internet at https://vote.odysseytrust.com no later than 10:00 a.m. (Calgary time) on November 16, 2026 or, if the Tamarack Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) before the beginning of any adjourned or postponed Tamarack Meeting. All instructions are listed in the enclosed form of proxy.

**Non-registered or beneficial Tamarack Shareholders who do not hold Tamarack Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the voting instruction form in order to have such Tamarack Shares voted at the Tamarack Meeting on their behalf.**

**Registered Tamarack Shareholders and duly appointed proxyholders (including beneficial Tamarack Shareholders who have duly appointed themselves as proxyholders) who attend the Tamarack Meeting will be able to listen to the Tamarack Meeting, ask questions and vote, all in real-time, provided that they are connected to the internet. Guests, including beneficial Tamarack Shareholders who have not duly appointed themselves as proxyholder, can log in to the Tamarack Meeting as set out below and can listen to the Tamarack Meeting but will not be able to communicate or vote. See "*How to Participate at the Tamarack Meeting*" below.**

**If a registered Tamarack Shareholder or proxyholder attends and wishes to vote at the Tamarack Meeting, it is important that such registered Tamarack Shareholder or proxyholder remain connected to the internet at all times during the Tamarack Meeting. It is such registered Tamarack Shareholder or proxyholder's responsibility to ensure connectivity for the duration of the Tamarack Meeting and to allow ample time to check into the Tamarack Meeting online and complete the related procedures, as set forth below. For any questions regarding participation or voting at the Tamarack Meeting, please contact Odyssey, Tamarack's registrar and transfer agent, at 888-290-1175.**

Only Tamarack Shareholders of record as of the Tamarack Record Date will be entitled to vote at the Tamarack Meeting, unless that Tamarack Shareholder has transferred any Tamarack Shares subsequent to that date and the transferee Tamarack Shareholder, not later than ten (10) days before the Tamarack Meeting, establishes ownership of such Tamarack Shares and demands that the transferee's name be included on the list of Tamarack Shareholders entitled to vote at the Tamarack Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Tamarack Shareholders or such Tamarack Shareholder's attorney authorized in writing or, if a Tamarack Shareholder is a company, by a duly authorized officer or attorney of the company.

The persons named in the enclosed Tamarack Shareholders form of proxy are officers of Tamarack. **Tamarack Shareholders have the right to appoint a person or company, who need not be a Tamarack Shareholder, to represent such Tamarack Shareholder at the Tamarack Meeting**. To exercise this right, a Tamarack Shareholder should insert the name of the desired representative in the blank space provided on its form of proxy.

The following applies to a registered Tamarack Shareholder who wishes to appoint a proxyholder other than those named in the form of proxy.

**A Tamarack Shareholder who wishes to appoint as its proxyholder an individual other than those named in the form of proxy to attend virtually and participate in the Tamarack Meeting, MUST submit the form of proxy appointing such individual as proxyholder AND register such proxyholder online, as described below. Registering a proxyholder is an additional step to be completed AFTER a Tamarack Shareholder has submitted its proxy. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Tamarack Meeting.**

**Step 1: Submit the form of proxy:** To appoint someone other than the Tamarack individuals named in the form of proxy as proxyholder, insert that person's name in the blank space provided in the form of proxy and follow the instructions for submitting such form of proxy. If a Tamarack Shareholder votes through the internet, it may also appoint another person to be its proxyholder at https://vote.odysseytrust.com and follow the instructions. This must be completed before registering such proxyholder, which is an additional step to be completed once the form of proxy has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the Tamarack Shareholder must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of Tamarack Shares appointed and name of the registered Tamarack Shareholder) no later than 10:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Tamarack Meeting, so that Odyssey may provide the proxyholder with a control number via e-mail. Without a control number, proxyholders will not be able to vote at the Tamarack Meeting but will be able to participate as guests.

**Information for Beneficial Holders of Tamarack Shares**

The information set forth in this section is of significant importance to Tamarack Shareholders who do not hold their Tamarack Shares in their own name. Only proxies deposited by Tamarack Shareholders whose names appear on the records of Tamarack as the registered holders of such Tamarack Shares can be recognized and acted upon at the Tamarack Meeting. If a Tamarack Shareholder's Tamarack Shares are listed in an account statement provided by such Tamarack Shareholder's broker, then in almost all cases those Tamarack Shares will not be registered in the name of the Tamarack Shareholder on Tamarack's records. Such Tamarack Shares will likely be registered under the name of such Tamarack Shareholder's broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited ("**CDS**"), which acts as nominee for many Canadian brokerage firms. Tamarack Shares held by a Tamarack Shareholder's broker or their nominee can only be voted in accordance with the Tamarack Shareholder's instructions. Without specific instructions, such Tamarack Shareholder's broker or their nominee is prohibited from voting such Tamarack Shares. Tamarack does not know for whose benefit the Tamarack Shares registered in the name of CDS & Co. are held. The majority of shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the United States equivalent of CDS.

Applicable regulatory policy requires brokers to seek voting instructions from Tamarack Shareholders in advance of the Tamarack Meeting. Every broker has its own mailing procedures and provides its own return instructions, which beneficial Tamarack Shareholders should carefully follow in order to ensure that their Tamarack Shares are voted at the Tamarack Meeting. Often, the form of proxy or voting instruction form supplied by a broker is identical to the form of proxy provided to registered Tamarack Shareholders. However, its purpose is limited to instructing the registered Tamarack Shareholder how to vote on the beneficial Tamarack Shareholder's behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications, Canada ("**Broadridge**"), which mails a scannable voting instruction form in lieu of the form of proxy. Beneficial Tamarack Shareholders are asked to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, beneficial Tamarack Shareholders can call their toll-free telephone number provided on the voting instruction form or access the internet to vote their Tamarack Shares.

Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of such Tamarack Shares to be represented at the Tamarack Meeting. If a beneficial Tamarack Shareholder receives a voting instruction form from Broadridge it cannot be used as a proxy to vote Tamarack Shares directly at the Tamarack Meeting, as the voting instruction form must be returned to Broadridge well in advance of the Tamarack Meeting in order to have the Tamarack Shares voted.

Although beneficial Tamarack Shareholders may not be recognized directly at the Tamarack Meeting for the purposes of voting Tamarack Shares registered in the name of their broker, beneficial Tamarack Shareholders may attend the Tamarack Meeting (virtually) as a proxyholder for the registered holder and vote their Tamarack Shares in that capacity. If a beneficial Tamarack Shareholder wishes to attend the Tamarack Meeting (virtually) and vote their Tamarack Shares, such beneficial Tamarack Shareholder must do so as proxyholder for the registered holder. To do this, a beneficial Tamarack Shareholder should enter their own name in the blank space on the form of proxy or voting instruction form provided by the intermediary and return the document to such beneficial Tamarack Shareholder's broker or the agent of such broker in accordance with the instructions provided by such broker well in advance of the Tamarack Meeting. Please also see further instructions on accessing and voting at the virtual Tamarack Meeting under the heading "*How to Participate at the Tamarack Meeting*" below.

If a beneficial Tamarack Shareholder located in the United States wishes to vote at the Tamarack Meeting or, if permitted, appoint a third party as its proxyholder, then, in addition to the steps described above, it must obtain a valid legal proxy from its intermediary. After obtaining a valid legal proxy from its intermediary, it must then submit such legal proxy to Odyssey. Requests for registration from beneficial Tamarack Shareholders located in the United States that wish to vote at the Tamarack Meeting or, if permitted, appoint third parties as their proxyholders must be sent by email or by courier to: proxy@odysseytrust.com (if by email), or Odyssey Trust Company, Trader's Bank Building, 1100, 67 Yonge Street, Toronto, Ontario, Canada M5E 1J8, Attention: Proxy Department (if by courier), and in both cases, must be labelled "Legal Proxy" and received no later than the Tamarack Proxy Deadline. Tamarack's solicitation of proxies for use at the Tamarack Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that disclosure requirements under Canadian laws are different from those of the United States applicable to proxy statements under the U.S. Exchange Act.

Registering the beneficial Tamarack Shareholder or another individual as proxyholder is an additional step to be completed AFTER the beneficial Tamarack Shareholder has submitted the voting instruction form to its intermediary. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Tamarack Meeting.

**Step 1: Submit the Voting Instruction Form:** To appoint the beneficial Tamarack Shareholder or someone other than the individuals named in the voting instruction form as proxyholder, insert that person's name in the blank space provided in the voting instruction form and follow the instructions for submitting such voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once the voting instruction form has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the beneficial Tamarack Shareholder's intermediary must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of Tamarack Shares appointed and name of the broker where the Tamarack Shares are held) no later than 10:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Tamarack Meeting, so that Odyssey may provide the proxyholder with a control number via e-mail. **Without a control number, proxyholders will not be able to vote at the Tamarack Meeting but will be able to participate as guests.**

**How to Participate at the Tamarack Meeting**

The Tamarack Meeting is being held in a virtual, audio only, webcast format. Registered Tamarack Shareholders and duly appointed proxyholders may only attend and participate in the Tamarack Meeting virtually via live audio webcast, including asking questions during the question and answer session and voting online, provided they follow the instructions herein.

- Registered Tamarack Shareholders and duly appointed proxyholders who participate by attending online will be able to listen to the proceedings of the Tamarack Meeting, ask questions and vote during the specified times, provided they remain connected to the internet.

- Beneficial Tamarack Shareholders who wish to vote Tamarack Shares online during the Tamarack Meeting must follow the instructions above under "*Information for Beneficial Holders of Tamarack Shares*". Beneficial Tamarack Shareholders who have not duly appointed themselves as proxyholders may still attend the Tamarack Meeting virtually as guests, but will not be able to vote or ask questions.

- Guests, including beneficial Tamarack Shareholders who have not duly appointed themselves as proxyholder, will be able to login and listen to the proceedings of the Tamarack Meeting but will not be able to vote or ask questions.

- Attendees can login to the Tamarack Meeting by following the instructions below:

    - Login online at https://meetings.lumiconnect.com/400-336-899-017. The latest versions of Chrome, Safari, Microsoft Edge or Firefox will be needed. Tamarack recommends that attendees login at least 15 minutes before the Tamarack Meeting starts. Attendees should allow ample time to login to the Tamarack Meeting to check compatibility and complete the related procedures.

    - For registered Tamarack Shareholders and duly appointed proxyholders, select "I have a login" and enter the control number and password. The password to the meeting is "TVE2026" (case-sensitive).

      OR

    - Click "I am a guest" and then complete the required information to access the Tamarack Meeting.

For registered Tamarack Shareholders: The control number located on the form of proxy or in the e-mail notification delivered for the Tamarack Meeting is the control number to login to the Tamarack Meeting.

For duly appointed proxyholders: Odyssey will provide the proxyholder with a control number by e-mail after the proxy voting deadline has passed, provided that the proxyholder has been duly appointed and registered as described in the Information Circular.

To attend the Tamarack Meeting, it is important to remain connected to the internet at all times in order to vote. It is the responsibility of Tamarack Shareholders to ensure internet connectivity is maintained for the duration of the Tamarack Meeting. If a Tamarack Shareholder loses connectivity once the Tamarack Meeting has commenced, there may be insufficient time to resolve the issue before voting is completed. Therefore, even if a Tamarack Shareholder's current plan is to access the Tamarack Meeting and vote during the live webcast, such Tamarack Shareholder should consider voting its Tamarack Shares in advance or by proxy so that its vote will be counted in the event the Tamarack Shareholder experiences any technical difficulties or is otherwise unable to access the Tamarack Meeting. Tamarack Shareholders with questions regarding the virtual Tamarack Meeting portal or requiring assistance accessing the Tamarack Meeting website may visit https://support.lumiglobal.com/knowledge/virtual for common troubleshooting or to speak to a virtual assistant.

**Notice-and-Access**

Tamarack has elected to use the "notice-and-access" provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Tamarack Meeting in respect of mailings to beneficial Tamarack Shareholders but not in respect of mailings to registered Tamarack Shareholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

Tamarack has also elected to use procedures known as 'stratification' in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular to some shareholders together with a notice of a meeting of its shareholders. In relation to the Tamarack Meeting, registered Tamarack Shareholders will receive a paper copy of this Notice of Special Meeting, the Information Circular and a form of proxy, whereas beneficial Tamarack Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a voting instruction form.

**Revocability of Proxy**

A Tamarack Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends the Tamarack Meeting virtually at which such proxy is to be voted, voting at the Tamarack Meeting will revoke such person's previous proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Tamarack Shareholder or the Tamarack Shareholder's attorney authorized in writing and deposited either at the registered office of Tamarack at any time up to and including the last business day preceding the day of the Tamarack Meeting or any adjournment or postponement thereof or in any other manner permitted by law, including pursuant to the provisions of the ABCA.

**Exercise of Discretion by Proxy**

The Tamarack Shares represented by proxy in favour of management nominees shall be voted on each item of business at the Tamarack Meeting and, where the Tamarack Shareholder specifies a choice with respect to any matter to be acted upon, the Tamarack Shares shall be voted for or against/withheld from voting on each item of business in accordance with the specification so made.

**In the absence of such specification, the Tamarack Shares will be voted in favour of the matters to be acted upon. The persons appointed under the form of proxy furnished by Tamarack are conferred with discretionary authority with respect to amendments or variations of those matters specified in the enclosed form of proxy, this Notice of Special Meeting and the Information Circular. At the time of printing the Information Circular, management of Tamarack knows of no such amendment, variation or other matter.**

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote FOR each of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.**

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Tamarack Shareholder should be delivered to Odyssey by e-mail at proxy@odysseytrust.com.

**If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor.**

Dated at Calgary, Alberta, this 13th day of October, 2026.

**BY ORDER OF THE BOARD OF DIRECTORS OF TAMARACK VALLEY ENERGY LTD.**

(signed) "*Brian Schmidt*"
Chief Executive Officer and Founder
Tamarack Valley Energy Ltd.

Court File No. 2601 – 18339

**IN THE COURT OF KING'S BENCH OF ALBERTA JUDICIAL CENTRE OF CALGARY**

**IN THE MATTER OF SECTION 193 OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, C. B-9, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING HEADWATER EXPLORATION INC., TAMARACK VALLEY ENERGY LTD., TRIBUTARY EXPLORATION INC., THE SHAREHOLDERS OF HEADWATER EXPLORATION INC. AND THE SHAREHOLDERS OF TAMARACK VALLEY ENERGY LTD.**

**NOTICE OF JOINT APPLICATION**

**NOTICE IS HEREBY GIVEN** that a joint originating application (the "**Joint Application**") has been filed with the Court of King's Bench of Alberta, Judicial Centre of Calgary (the "**Court**") on behalf of Headwater Exploration Inc. ("**Headwater**") and Tamarack Valley Energy Ltd. ("**Tamarack**") with respect to a proposed arrangement (the "**Arrangement**") involving Headwater, Tamarack, Tributary Exploration Inc. ("**Tributary**"), shareholders of Headwater ("**Headwater Shareholders**") and shareholders of Tamarack ("**Tamarack Shareholders**") to be completed by way of a plan of arrangement (the "**Plan of Arrangement**") under section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "**ABCA**"), which Arrangement is described in greater detail in the joint management information circular (the "**Information Circular**") of Headwater and Tamarack dated October 13, 2026 accompanying this Notice of Joint Application. At the hearing of the Joint Application, Headwater and Tamarack intend to seek:

1. a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to Headwater Shareholders and Tamarack Shareholders, both from a substantive and procedural perspective;

2. an order approving the Arrangement pursuant to the provisions of section 193 of the ABCA and pursuant to the terms and conditions of the arrangement agreement between Headwater and Tamarack dated September 7, 2026;

3. a declaration that registered Headwater Shareholders shall have the right to dissent in respect of the Arrangement pursuant to section 191 of the ABCA, as modified by the interim order of the Court dated October 13, 2026 (the "**Interim Order**") and as set out in the Plan of Arrangement (a copy of which is attached as Appendix D to the Information Circular);

4. a declaration that the Arrangement will, upon the filing of articles of arrangement in respect of the Plan of Arrangement (the "**Articles of Arrangement**") under the ABCA and the issuance of the proof of filing of Articles of Arrangement under the ABCA, be effective under the ABCA in accordance with the terms of the Plan of Arrangement and will be binding on and after the Effective Date, as defined in the Plan of Arrangement; and

5. such other and further orders, declarations or directions as the Court may deem just (collectively, the "**Final Order**").

**AND NOTICE IS FURTHER GIVEN** that the said Joint Application is directed to be heard before a Justice of the Court, at the Alberta Court of King's Bench, Calgary Courts Centre, 601 5 St SW, Calgary, Alberta, Canada, or via videoconference, on November 18, 2026 at 2:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. **Any Headwater Shareholder, Tamarack Shareholder or other interested party desiring to support or oppose the Joint Application may appear at the time of the hearing in person or by counsel for that purpose provided such Headwater Shareholder, Tamarack Shareholder or other interested party files with the Court and serves upon Headwater or Tamarack, as applicable, on or before 5:00 p.m. (Calgary time) on November 12, 2026, a notice of intention to appear (the "Notice of Intention to Appear") setting out such interested party's address for service and indicating whether such interested party intends to support or oppose the Joint Application or make submissions, together with a summary of the position such person intends to advocate before the Court, and any evidence or materials which are to be presented to the Court.** Service on Headwater or Tamarack, as applicable, is to be effected by delivery to its solicitors at the addresses set forth below.

**AND NOTICE IS FURTHER GIVEN** that, at the hearing and subject to the foregoing, Headwater Shareholders, Tamarack Shareholders and any other interested persons will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the terms and conditions of the Arrangement. If any such Headwater Shareholder or Tamarack Shareholder does not attend, either in person or by counsel, at that time, the Court may approve or refuse to approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court may deem fit, without any further notice.

**AND NOTICE IS FURTHER GIVEN** that the Court, by the Interim Order, has given directions as to the calling and holding of a special meeting of Headwater Shareholders and a special meeting of Tamarack Shareholders for the purposes of such Headwater Shareholders and Tamarack Shareholders each voting upon, among other things, the special resolutions to approve the Arrangement and, in particular, has directed that registered Headwater Shareholders have the right to dissent under the provisions of section 191 of the ABCA, as modified by the terms of the Interim Order, in respect of the Arrangement.

**AND NOTICE IS FURTHER GIVEN** that the Final Order approving the Arrangement will, if granted, serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the *United States Securities Act of 1933*, as amended, from the registration requirement otherwise

imposed by such legislation, regarding the issuance of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants (each as defined in the Information Circular), pursuant to the Plan of Arrangement.

**AND NOTICE IS FURTHER GIVEN** that further notice in respect of these proceedings will only be given to those persons who have filed a Notice of Intention to Appear.

**AND NOTICE IS FURTHER GIVEN** that a copy of the said Joint Application and other documents in the proceedings will be furnished to any Headwater Shareholder, Tamarack Shareholder or other interested party requesting the same by the under-mentioned solicitors for Headwater and Tamarack, as applicable, upon written request delivered to such solicitors as follows:

**Solicitors for Headwater:**

Burnet, Duckworth & Palmer LLP
2400, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Ryan Algar
Email: ralgar@bdplaw.com

**Solicitors for Tamarack:**

Stikeman Elliott LLP
Suite 4200, 888 – 3rd Street SW
Calgary, Alberta T2P 5C5

Attention: Matti Lemmens
Email: mlemmens@stikeman.com

**DATED** at the City of Calgary, in the Province of Alberta, this 13th day of October, 2026.

BY ORDER OF THE BOARD OF DIRECTORS OF HEADWATER EXPLORATION INC.

(signed) "*Jason Jaskela*"
Jason Jaskela
President and Chief Executive Officer
Headwater Exploration Inc.

BY ORDER OF THE BOARD OF DIRECTORS OF TAMARACK VALLEY ENERGY LTD.

(signed) "*Brian Schmidt*"
Brian Schmidt
Chief Executive Officer and Founder
Tamarack Valley Energy Ltd.

## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular including the Summary and Appendices H, I, J and K. Terms and abbreviations used in the Appendices to this Information Circular other than Appendices H, I, J and K are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

"**2025 Tributary Reserves Report**" means the report prepared by McDaniel and dated September 30, 2026 evaluating the natural gas liquids, conventional natural gas, shale gas and heavy crude oil reserves attributable to the Tributary Headwater Assets as at December 31, 2025;

"**2026 Tributary Reserves Report**" means the report prepared by McDaniel and dated September 4, 2026 evaluating the natural gas liquids, conventional natural gas, shale gas and heavy crude oil reserves attributable to the Tributary Headwater Assets as at September 1, 2026;

"**5-Day VWAP**" has the meaning given to it under the heading "*Interests of Certain Persons or Companies in the Arrangement – Headwater – Headwater Incentives*";

"**ABCA**" means the *Business Corporations Act*, RSA 2000, c B-9;

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only a Party and one or more of its wholly-owned subsidiaries, any proposal, expression of interest, inquiry or offer from, or public announcement of an intention by, any Person, or group of Persons "acting jointly or in concert" within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, whether or not in writing and whether or not delivered to a Party's shareholders and whether or not subject to due diligence or other conditions, or whether in one transaction or a series of transactions, that relates to, or may reasonably be expected to relate to:

(a) any direct or indirect sale, issuance or acquisition of shares or other securities (or securities convertible or exercisable for shares or other securities) of a Party that, when taken together with the shares and other securities of such Party held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of any class of equity or voting securities of such Party or rights or interests therein and thereto;

(b) any direct or indirect acquisition or purchase of 20% or more of the assets (or any joint venture, lease, long- term supply agreement or other arrangement having the same economic effect as an acquisition or purchase) of a Party and its subsidiaries taken as a whole (and, for greater certainty, assets shall include shares of subsidiaries owned, directly or indirectly, by a Party);

(c) an amalgamation, arrangement, share exchange, merger, Arrangement, joint venture, consolidation, recapitalization, liquidation, dissolution, winding-up, reorganization or other similar transaction involving a Party or its subsidiaries that collectively own assets to which 20% or more of such Party's revenues or earnings on a consolidated basis are attributable;

(d) any take-over bid, issuer bid, exchange offer or similar transaction involving a Party or its subsidiaries that, if consummated, would result in a Person or group of Persons acting jointly or in concert with such Person acquiring beneficial ownership of 20% or more of any class of equity or voting securities of such Party; or

(e) any transaction that would reasonably be expected to materially reduce the benefits to the other Party of the Arrangement or impede, interfere with, prevent or delay the transactions contemplated by the Arrangement Agreement or the Arrangement;

"**Adjustment Ratio**" shall have the meaning ascribed to such term in the Headwater Award Plan or Headwater DSU Plan, as applicable;

"**Advance Ruling Certificate**" means an advance ruling certificate issued by the Commissioner under section 102 of the Competition Act;

"**affiliate**" means any Person that is affiliated with another Person in accordance with the meaning of the *Securities Act*;

"**Agreement Date**" means September 7, 2026;

"**allowable capital loss**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Losses*";

"**Applicable Canadian Securities Laws**" means, collectively, the Securities Act or similar statutes of each of the provinces and territories of Canada and the respective rules and regulations under such laws, together with applicable published national, multilateral and local policy statements, instruments, notices and blanket orders of the provinces and territories of Canada and all rules, by-laws and regulations governing any applicable Recognized Exchange;

"**Applicable Laws**" means, in any context that refers to one or more Persons or its or their respective businesses, activities, properties, assets, undertakings or securities, the Laws that apply to such Person or Persons or its or their respective businesses, activities, properties, assets, undertakings or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their respective businesses, activities, properties, assets, undertakings or securities and, for greater certainty, includes Applicable Canadian Securities Laws and Applicable U.S. Securities Laws;

"**Applicable U.S. Securities Laws**" means federal and state securities legislation of the United States (including the U.S. Securities Act and the U.S. Exchange Act) and all rules, regulations and orders promulgated thereunder;

"**Area of Exclusion Agreements**" means the area of exclusion and confidentiality agreements to be entered into between Tamarack and each of the officers of Headwater on the Effective Date and the area of exclusion and confidentiality agreement to be entered into between Tamarack and Tributary on the Effective Date, in the applicable forms attached as Schedule "H" to the Arrangement Agreement, pursuant to which such officers and Tributary will agree for a one-year term commencing on the Effective Date, to certain area of exclusion and confidentiality restrictions in favour of Tamarack, on the terms and subject to the conditions set out therein;

"**Arrangement**" means the arrangement involving Tamarack, Headwater, Tributary, Tamarack Shareholders and Headwater Shareholders to be completed by way of a plan of arrangement pursuant to section 193 of the ABCA, on the terms set out in the Plan of Arrangement, as supplemented, modified or amended in accordance with the Plan of Arrangement or made at the direction of the Court in the Final Order;

"**Arrangement Agreement**" means the arrangement agreement between Tamarack and Headwater dated September 7, 2026 (including the Schedules thereto) as supplemented, modified or amended from time to time and as filed under each of Tamarack and Headwater's issuer profiles on SEDAR+ at www.sedarplus.ca;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Plan of Arrangement required under section 193(4.1) of the ABCA to be filed with the Registrar, after the Final Order has been granted and all other conditions precedent to the Arrangement have been satisfied or waived, to give effect to the Arrangement;

"**associate**" has the meaning ascribed thereto in the Securities Act;

"**BD&P**" means Burnet, Duckworth & Palmer LLP, legal counsel to Headwater;

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc.;

"**BMO Fairness Opinion**" means the opinion prepared by BMO Capital Markets and provided to the Independent Committee as more fully described under "*The Arrangement – Background to the Arrangement*";

"**Broadridge**" means Broadridge Financial Solutions, Inc.;

"**Business Day**" means, with respect to any action to be taken, any day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;

"**Canada–US Tax Treaty**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Holding and Disposing of New Tamarack Shares and Tributary Shares – Dividends Received on New Tamarack Shares and Tributary Shares*";

"**Canadian Securities Regulators**" means the securities commission or similar regulatory authority in each of the provinces and territories of Canada;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Certificate**" means the proof of filing to be issued by the Registrar pursuant to section 193(11) of the ABCA in respect of the Articles of Arrangement;

"**Combined Company**" means Tamarack, and where context requires, Tamarack and its subsidiaries (including Headwater), on a consolidated basis, following the completion of the Arrangement;

"**Combined Company Board**" means the board of directors of the Combined Company;

"**Commissioner**" means the Commissioner of Competition appointed under the Competition Act or any Person authorized to exercise the powers and perform the duties of the Commissioner of Competition and includes the Commissioner's representatives where the context requires;

"**Competition Act**" means the *Competition Act*, RSC 1985, c C-34;

"**Competition Act Approval**" means the occurrence of one or more of the following, in respect of the transactions contemplated by the Arrangement Agreement:

(a) the Commissioner shall have issued an ARC; or

(b) both (i) either the applicable waiting period, including any extensions thereof, has expired or been terminated by the Commissioner under sections 123(1) or 123(2), respectively, of the Competition Act, or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived by the Commissioner under section 113(c) thereof, and (ii) unless waived by the Parties, such

waiver not to be unreasonably withheld or delayed, the Commissioner shall have issued a No Action Letter, on terms and conditions satisfactory to Tamarack and Headwater, each acting reasonably;

"**Confidentiality Obligations**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants of the Parties Regarding Non-Solicitation; Right to Accept a Superior Proposal – Non-Solicitation*";

"**Contract**" means, with respect to a Party, a contract, lease, instrument, note, bond, debenture, mortgage, agreement, arrangement or understanding, written or oral, to which such Party, or any of its subsidiaries, is a Party or under which such Party or any of its subsidiaries is bound, has unfulfilled obligations or contingent liabilities or is owed unfulfilled obligations, whether known or unknown, and whether asserted or not;

"**Conveyance Agreements**" means, together, the Headwater Conveyance Agreement and the Tamarack Conveyance Agreement;

"**Court**" means the Court of King's Bench of Alberta;

"**Depositary**" means Odyssey Trust Company, or such other Person that may be appointed by the Parties in connection with the Arrangement for the purpose of receiving deposits of: (i) certificates formerly representing Headwater Shares; and (ii) certificates formerly representing Tamarack Shares;

"**Dissent Rights**" means the dissent rights granted in favour of registered Headwater Shareholders in accordance with Article 4 of the Plan of Arrangement;

"**Dissenting Non-Resident Holder**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders of Headwater Shares*";

"**Dissenting Resident Holder**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders of Headwater Shares*";

"**Dissenting Shareholders**" means any registered Headwater Shareholder who has duly and validly exercised its Dissent Rights with respect to the Headwater Arrangement Resolution pursuant to Article 4 of the Plan of Arrangement and the Interim Order, and has not withdrawn or been deemed to have been withdrawn such exercise of Dissent Rights;

"**DPSP**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**DRS Advice**" means a Direct Registration System (DRS) advice;

"**Effective Date**" means the date the Arrangement becomes effective in accordance with the ABCA;

"**Effective Time**" means the time on the Effective Date at which the Articles of Arrangement are filed in accordance with section 193(4.1) of the ABCA;

"**Eligible Institution**" has the meaning given to it in the Headwater Letter of Transmittal or the Tamarack Letter of Transmittal, as applicable;

"**FHSA**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Final Order**" means the order of the Court approving the Arrangement pursuant to section 193(4) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction prior to the Effective Time, provided that any such amendment or modification is acceptable to both Headwater and Tamarack, each acting reasonably;

"**forward-looking statements**" has the meaning given to it under the heading "*Forward-Looking Statements*";

"**Governmental Authority**" means any: (i) domestic or foreign federal, territorial, provincial, state, regional, municipal or local governmental, regulatory or administrative authority, department, court, commission, board or tribunal, arbitral body, bureau, ministry, agency or instrumentality or official, including any political subdivision thereof; (ii) quasi-governmental or private body exercising regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iii) any stock exchange;

"**Headwater**" means Headwater Exploration Inc., a corporation existing under the ABCA;

"**Headwater AGM Information Circular**" means the management information circular of Headwater relating to the 2026 annual meeting of Headwater Shareholders dated April 2, 2026;

"**Headwater AIF**" means the annual information form of Headwater dated March 5, 2026 for the year ended December 31, 2025;

"**Headwater Annual Financial Statements**" means the audited financial statements of Headwater as at and for the years ended December 31, 2024 and December 31, 2025, together with the notes thereto and the auditor's report thereon;

"**Headwater Annual MD&A**" means the management's discussion and analysis of the financial and operating results of Headwater for the year ended December 31, 2025;

"**Headwater Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered and voted on by the Headwater Shareholders at the Headwater Meeting, substantially in the form attached hereto as Appendix A, including any amendments or variations made thereto in accordance with the Arrangement Agreement or at the direction of the Court in the Interim Order, provided any amendments made at the discretion of the Court in the Interim Order are acceptable to Headwater and Tamarack, each acting reasonably;

"**Headwater Award Plan**" means the performance and restricted share award plan of Headwater dated effective April 1, 2022, as amended and restated November 7, 2024 and March 25, 2025, as further amended in accordance with its terms from time to time;

"**Headwater Board**" means the board of directors of Headwater;

"**Headwater Board Recommendation**" has the meaning given to it under the heading "*The Arrangement – Recommendation of the Headwater Board*";

"**Headwater Conveyance Agreement**" means the conveyance agreement to be entered into between Headwater and Tributary to be dated the Effective Date in the form attached as Schedule "F" to the Arrangement Agreement;

"**Headwater Disclosure Letter**" means the disclosure letter dated the Agreement Date from Headwater to Tamarack;

"**Headwater Disposition Event**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Amounts – Headwater Termination Amount*";

"**Headwater DSU Plan**" means the directors' deferred share unit plan effective March 10, 2022, as amended in accordance with its terms from time to time;

"**Headwater DSUs**" means the deferred share units granted pursuant to the Headwater DSU Plan;

"**Headwater Employee Obligations**" means the obligations of Headwater to pay any amount to its officers, directors, employees or consultants, other than salary, employee share purchase plan contributions and vacation pay in the ordinary course and in each case in amounts consistent with historic practices, pursuant to all employment, consulting services and change of control agreements, termination, severance and retention plans or policies for severance, termination or bonus payments and any payments or compensation pursuant to any other incentive plans, resolutions of the Headwater Board or otherwise in accordance with Applicable Laws, including for greater certainty, the Headwater Severance Amounts but excluding any payments made on exercise, surrender, settlement or redemption of Headwater Incentives as contemplated in Section 2.11 of the Arrangement Agreement;

"**Headwater Employees**" means individuals employed by Headwater or the Headwater Subsidiary on a full-time, part-time or temporary basis, and for greater certainty includes officers of Headwater;

"**Headwater Fairness Opinions**" means the Peters & Co. Fairness Opinion and the BMO Fairness Opinion;

"**Headwater Financial Statements**" means, collectively, the Headwater Annual Financial Statements and the unaudited condensed consolidated interim financial statements of Headwater as at and for the three and six months ended June 30, 2026, together with the notes thereto;

"**Headwater Fundamental Representations and Warranties**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties*";

"**Headwater Incentives**" means, collectively, the Headwater Restricted Awards, the Headwater Performance Awards and the Headwater DSUs;

"**Headwater Letter of Transmittal**" means the letter of transmittal to be used by registered Headwater Shareholders to surrender their certificate(s) (if applicable) which, immediately prior to the Effective Time, represented outstanding Headwater Shares to the Depositary and to provide instructions regarding the delivery of certificates and DRS Advices representing New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants;

"**Headwater Meeting**" means the special meeting of Headwater Shareholders to be called and held in accordance with the Arrangement Agreement and the Interim Order to permit the Headwater Shareholders to consider the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution and related matters, and any adjournment or postponement thereof;

"**Headwater October Dividend**" means the dividend to be paid on October 15, 2026 to Headwater Shareholders of record on September 30, 2026;

"**Headwater Option Plan Resolution**" means the ordinary resolution to approve the Tributary Option Plan, to be considered by the Headwater Shareholders at the Headwater Meeting in the form set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Headwater Shareholders*";

"**Headwater Performance Awards**" means the performance share awards, whether vested or unvested, granted pursuant to the Headwater Award Plan and includes any fractional performance share unit;

"**Headwater Private Placement Resolution**" means the ordinary resolution to approve the Tributary Private Placement, to be considered by the Headwater Shareholders at the Headwater Meeting in the form set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Headwater Shareholders*";

"**Headwater Proxy Deadline**" has the meaning given to it under the heading "*General Proxy Matters – Headwater – Meeting and Voting Details and Instructions*";

"**Headwater Record Date**" means the date for determination of Headwater Shareholders entitled to receive notice of and to vote at the Headwater Meeting and being the close of business on October 8, 2026;

"**Headwater Reserves Report**" means the report prepared by McDaniel and dated January 15, 2026 evaluating the oil and gas properties of Headwater as at December 31, 2025;

"**Headwater Restricted Awards**" means the restricted share awards, whether vested or unvested, granted pursuant to the Headwater Award Plan;

"**Headwater Section 86 Exchange**" has the meaning given to it under the heading "*Effect of the Arrangement – Details of the Arrangement*";

"**Headwater Severance Amounts**" means the severance and change of control payments, together with all other Headwater Employee Obligations, to be paid to Headwater Employees in accordance with Section 2.10 of the Arrangement Agreement with such amounts estimated by Headwater and disclosed in the Headwater Disclosure Letter;

"**Headwater Shareholders**" means the holders of Headwater Shares;

"**Headwater Shares**" means the common shares of Headwater;

"**Headwater Subsidiary**" means 2143289 Alberta Ltd.;

"**Headwater Support Agreements**" means the support agreements entered into between the Supporting Headwater Shareholders and Tamarack, dated as of September 7, 2026 and in the form attached as Schedule "D" to the Arrangement Agreement;

"**Headwater Termination Amount**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Amounts – Headwater Termination Amount*";

"**Hold Period Agreements**" means the hold period agreements to be entered into between Tamarack and certain of the directors and officers of Headwater on the Effective Date in substantially the form attached as Schedule "I" to the Arrangement Agreement;

"**Holder**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations*";

"**IFRS**" means accounting principles generally accepted in Canada applicable to public companies at the relevant time and which incorporates International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board;

"**Independent Committee**" means the Corporate Development Committee of the Headwater Board, comprised of independent members of the Headwater Board;

"**Information Circular**" means this joint management information circular of Headwater and Tamarack to be sent by Headwater to the Headwater Shareholders (and any other Persons required by the Interim Order) in connection with the Headwater Meeting and to be sent by Tamarack to the Tamarack Shareholders (and any other Persons required by the ABCA) in connection with the Tamarack Meeting, together with any amendments thereto or supplements thereof;

"**Interim Order**" means the interim order of the Court concerning the Arrangement under section 193(4) of the ABCA, containing declarations and directions with respect to the Arrangement and the holding of the Headwater Meeting and the Tamarack Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction prior to the Effective Time, provided that any such amendment or modification is acceptable to both Headwater and Tamarack, each acting reasonably, a copy of which order is attached as Appendix E to this Information Circular;

"**Laurel Hill**" means Laurel Hill Advisory Group, the proxy solicitation agent retained by Headwater;

"**Laws**" means all laws (including, for greater certainty, common law), statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, directives, notices and directions enacted by a Governmental Authority (including all Applicable Canadian Securities Laws and all Applicable U.S. Securities Laws) and the terms and conditions of any grant of approval, permission, judgment, decision, ruling, award, authority, permit or license of any Governmental Authority or self-regulatory authority;

"**Letters of Transmittal**" mean, collectively, the Headwater Letter of Transmittal and the Tamarack Letter of Transmittal;

"**Matching Period**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants of the Parties Regarding Non-Solicitation; Right to Accept a Superior Proposal – Right to Accept a Superior Proposal*";

"**Material Adverse Change**" or "**Material Adverse Effect**" has the meaning given to it in the Arrangement Agreement, a copy of which is available on each of Tamarack's and Headwater's respective issuer profiles on SEDAR+ at www.sedarplus.ca. In summary, it means, with respect to either Party, any fact or state of facts, circumstance, change, effect, occurrence or event that individually is or in the aggregate are, or would individually or in the aggregate reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, properties, capitalization, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of the Party and its subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with, among other things:

(a) any change, development or condition generally affecting the industries, businesses or segments thereof in which such Party and its respective subsidiaries operate;

(b) any change, development or condition in or relating to global, international, national or regional political conditions (including strikes, lockouts, riots, blockades, facility takeover for emergency purposes or imposition of tariffs or other measures impacting national or international trade) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in national or global financial, credit or capital markets;

(c) any change, development or condition resulting from any act of terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of terrorism, hostilities or war;

(d) any adoption, proposal, implementation or change in Law or in any interpretation, application or non- application of any Laws by any Governmental Authority (including, for greater certainty, any change to the Tax Act or other applicable taxing legislation or to tax rates);

(e) any change in applicable generally accepted accounting principles, including IFRS, or changes in regulatory accounting requirements applicable to the oil and gas exploration, development and production businesses;

(f) any climatic, earthquake or other natural event or condition (including weather conditions and any natural disaster);

(g) any epidemic, pandemic, disease outbreak, other health crisis or public health event;

(h) any decline in the market price for crude oil, natural gas or related hydrocarbons on a current or forward basis;

(i) any actions taken (or omitted to be taken) at the written request of the Other Party;

(j) any action taken by the Party or any of its subsidiaries that is required pursuant to the Arrangement Agreement (excluding any obligation to act in the ordinary course of business, but, for greater certainty, including any steps taken pursuant to Sections 3.3 of the Arrangement Agreement);

(k) any matter which has been disclosed in the Tamarack Disclosure Letter or the Headwater Disclosure Letter, as applicable, or in a document filed by the Party since January 1, 2024 until two (2) Business Days prior to the Agreement Date with any securities commission or similar regulatory authority in compliance, or intended compliance, with Applicable Canadian Securities Laws, which is available for public viewing on the Party's issuer profile on SEDAR+ at www.sedarplus.ca;

(l) the execution, announcement, pendency or performance of the Arrangement Agreement or the consummation of the Arrangement;

(m) the failure of the Party to meet any internal, published, public or analyst projections, forecasts, guidance or estimates, including without limitation of revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

(n) any change in the market price, credit rating or trading volume of any securities of the Party or the Party's corporate credit rating (it being understood that the causes underlying such change in market price, credit rating or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred); or

(o) any change to any existing, or the imposition of any new, import or export restriction, prohibition, tariff, duty, charge or tax imposed by:

(i) the federal or a state or other government of the United States of America on goods (including petroleum products) imported from or exported to Canada; or

(ii) the federal or a provincial or other government of Canada on goods (including petroleum products) imported from or exported to the United States of America;

provided, however, that: (i) with respect to clauses (a) through and including (h) above, such matter does not have a materially disproportionate effect on the business, operations, results of operations, assets, properties, capitalization, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of such Party and its subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the oil and gas industry (in which case the incremental disproportionate effect may be taken into account in determining whether there has been, or is reasonably expected to be, a Material Adverse Effect); and (ii) unless expressly provided in any particular section of the Arrangement Agreement, references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Effect" has occurred;

"**McDaniel**" means McDaniel & Associates Consultants Ltd.;

"**Meetings**" means, collectively, the Headwater Meeting and the Tamarack Meeting;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**misrepresentation**" has the meaning ascribed thereto in the Securities Act;

"**MLI**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Headwater Shareholders – Exchange of Headwater Shares for Tamarack C Shares*";

"**National Bank**" means National Bank Financial Inc.;

"**NBF Fairness Opinion**" means the opinion of National Bank, as financial advisor to Tamarack, to the effect that, as of the date of such opinion, and subject to the assumptions made and limitations and qualifications included therein, the exchange ratio under the Arrangement is fair, from a financial point of view, to Tamarack;

"**New Tamarack Shares**" means the common shares of Tamarack held by Tamarack Shareholders and former Headwater Shareholders upon completion of the Arrangement;

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"**No Action Letter**" means a written confirmation from the Commissioner that he does not, at that time, intend to make an application under section 92 of the Competition Act;

"**Non-Resident Holder**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*";

"**Non-Solicitation Obligations**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Covenants of the Parties Regarding Non-Solicitation; Right to Accept a Superior Proposal – Non-Solicitation*";

"**Notice-and-Access Provisions**" means the notice-and-access provisions under NI 54-101 and NI 51-102;

"**Odyssey**" means Odyssey Trust Company, in its capacity as registrar and transfer agent of each of Headwater and Tamarack, as applicable;

"**Other Party**" means: (i) with respect to Tamarack, Headwater; and (ii) with respect to Headwater, Tamarack;

"**Outside Date**" means December 14, 2026;

"**Participating Insiders**" has the meaning given to it under the heading "*Procedure for the Arrangement to Become Effective – Securities Law Matters – Canada – MI 61-101*";

"**Parties**" means Tamarack and Headwater, and "Party" means either of them;

"**Payout Multiplier**" shall have the meaning ascribed to such term in the Headwater Award Plan;

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

"**Peters & Co.**" means Peters & Co. Limited;

"**Peters & Co. Fairness Opinion**" means the opinion prepared by Peters & Co. as financial advisor to Headwater and more fully described under "*The Arrangement – Background to the Arrangement*";

"**Plan of Arrangement**" means the plan of arrangement in the form attached hereto as Appendix D, as the same may be amended or supplemented from time to time in accordance with the terms hereof, thereof or at the direction of the Court in the Final Order;

"**Pro Forma Financial Statements**" has the meaning given to it under the heading "*Summary – Selected Unaudited Pro Forma Financial and Operational Information of the Combined Company*" and in Schedule A to Appendix H – "*Pro Forma Information Concerning the Combined Company*";

"**Proposed Amendments**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations*";

"**RDSP**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Recognized Exchange**" means the TSX or TSX Venture Exchange;

"**Registered Plans**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under Section 263 of the ABCA;

"**Resident Holder**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*";

"**RESP**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Restricted Securities**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Hold Period Agreements*";

"**RRIF**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**RRSP**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**SE**" means Stikeman Elliott LLP, legal counsel to Tamarack;

"**Securities**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations*";

"**Securities Act**" means the *Securities Act*, RSA 2000, c S-4;

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval+;

"**Settlement Price**" means an amount in cash equal to the 5-Day VWAP immediately prior to the Effective Date;

"**Share Issuance Resolution**" means the ordinary resolution in respect of the issuance of Tamarack Shares to be considered by the Tamarack Shareholders at the Tamarack Meeting;

"**Superior Proposal**" means an unsolicited bona fide written Acquisition Proposal:

(a) that complies with all Applicable Canadian Securities Laws and Applicable U.S. Securities Laws;

(b) that is not subject to a financing condition;

(c) that is not subject to any due diligence condition and/or access condition;

(d) to acquire not less than all of the applicable Party's outstanding common shares or not less than substantially all of the assets, properties, permits, rights or other privileges (whether contractual or otherwise) of the applicable Party and its subsidiaries and partnership interests;

(e) that the applicable Party's board of directors and any relevant committee thereof has determined in good faith (after receipt of advice from its professional financial advisors and external legal counsel) is reasonably capable of being consummated without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal; and

(f) that the applicable Party's board of directors and any relevant committee thereof determines in good faith, after consultation with its professional financial advisors, would be, if consummated in accordance with its terms, more favourable, from a financial point of view, to the holders of its common shares than the Arrangement;

"**Support Agreements**" means collectively, the Headwater Support Agreements and the Tamarack Support Agreements;

"**Supporting Headwater Shareholders**" means each of the directors and officers of Headwater;

"**Supporting Tamarack Shareholders**" means each of the directors and executive officers of Tamarack;

"**Tamarack**" means Tamarack Valley Energy Ltd., a corporation existing under the ABCA;

"**Tamarack A Shares**" has the meaning given to it under the heading "*Effect of the Arrangement – Details of the Arrangement*";

"**Tamarack AGM Information Circular**" means the management information circular of Tamarack relating to the 2026 annual and special meeting of Tamarack Shareholders dated March 19, 2026;

"**Tamarack AIF**" means the annual information form of Tamarack dated February 24, 2026 for the year ended December 31, 2025;

"**Tamarack Annual Financial Statements**" means the audited consolidated financial statements of Tamarack as at and for the years ended December 31, 2024 and December 31, 2025, together with the notes thereto and the auditor's report thereon;

"**Tamarack Annual MD&A**" means the management's discussion and analysis of the financial and operating results of Tamarack for the year ended December 31, 2025;

"**Tamarack Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered and voted on by the Tamarack Shareholders at the Tamarack Meeting, substantially in the form attached hereto as Appendix B, including any amendments or variations made thereto in accordance with the Arrangement Agreement or at the direction of the Court in the Interim Order, provided any amendments made at the discretion of the Court in the Interim Order are acceptable to Headwater and Tamarack, each acting reasonably;

"**Tamarack B Shares**" has the meaning given to it under the heading "*Effect of the Arrangement – Details of the Arrangement*";

"**Tamarack Board**" means the board of directors of Tamarack;

"**Tamarack Board Recommendation**" has the meaning given to it under the heading "*The Arrangement – Recommendation of the Tamarack Board*";

"**Tamarack C Shares**" has the meaning given to it under the heading "*Effect of the Arrangement – Details of the Arrangement*";

"**Tamarack Cash Award Plan**" means Tamarack's Cash Award Incentive Plan dated effective March 9, 2022, as amended in accordance with its terms from time to time;

"**Tamarack Conveyance Agreement**" means the conveyance agreement to be entered into between Tamarack and Tributary to be dated the Effective Date in the form attached as Schedule "G" to the Arrangement Agreement;

"**Tamarack Disclosure Letter**" means the disclosure letter dated the Agreement Date from Tamarack to Headwater;

"**Tamarack Disposition Event**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Tamarack Termination Amount*";

"**Tamarack Fundamental Representations and Warranties**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties*";

"**Tamarack Incentive Plans**" means the Tamarack Cash Award Plan and the Tamarack PRSU Plan;

"**Tamarack Incentives**" means, collectively, the Tamarack RSUs, Tamarack PSUs, Tamarack RIAs and Tamarack PIAs;

"**Tamarack Interim Financial Statements**" means the interim consolidated financial statements of Tamarack as at and for the three and six months ended June 30, 2026;

"**Tamarack Interim MD&A**" means the management's discussion and analysis of the financial and operating results of Tamarack for the three and six months ended June 30, 2026;

"**Tamarack Letter of Transmittal**" means the letter of transmittal to be used by registered Tamarack Shareholders to surrender their certificate(s) (if applicable) which, immediately prior to the Effective Time, represented outstanding Tamarack Shares to the Depositary and to provide instructions regarding the delivery of certificates and DRS Advices representing New Tamarack Shares and Tributary Shares;

"**Tamarack Meeting**" means the special meeting of Tamarack Shareholders to be called and held in accordance with the Arrangement Agreement and the Interim Order to permit the Tamarack Shareholders to consider the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution and related matters, and any adjournment or postponement thereof;

"**Tamarack Option Plan Resolution**" means the ordinary resolution to approve the Tributary Option Plan, to be considered by the Tamarack Shareholders at the Tamarack Meeting in the form set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Tamarack Shareholders*";

"**Tamarack PIAs**" means the cash-settled performance share awards of Tamarack issued pursuant to the Tamarack Cash Award Plan;

"**Tamarack Private Placement Resolution**" means the ordinary resolution to approve the Tributary Private Placement, to be considered by the Tamarack Shareholders at the Tamarack Meeting in the form set forth under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Tamarack Shareholders*";

"**Tamarack Promissory Note**" has the meaning given to it in the Plan of Arrangement;

"**Tamarack PRSU Plan**" means Tamarack's performance and restricted share unit plan dated effective March 6, 2018, as amended in accordance with its terms from time to time;

"**Tamarack PSUs**" means the share-settled performance share awards of Tamarack issued pursuant to the Tamarack PRSU Plan;

"**Tamarack Record Date**" means the date for determination of Tamarack Shareholders entitled to receive notice of and to vote at the Tamarack Meeting and being the close of business on October 8, 2026;

"**Tamarack Reserves Report**" means the report prepared by McDaniel and dated January 21, 2026 evaluating the oil and gas properties of Tamarack as at December 31, 2025;

"**Tamarack RIAs**" means the cash-settled restricted share awards of Tamarack issued pursuant to the Tamarack Cash Award Plan;

"**Tamarack RSUs**" means the share-settled restricted share awards of Tamarack issued pursuant to the Tamarack PRSU Plan;

"**Tamarack Section 86 Exchange**" has the meaning given to it under the heading "*Effect of the Arrangement – Details of the Arrangement*";

"**Tamarack Shareholders**" means the holders of Tamarack Shares;

"**Tamarack Shares**" means the common shares of Tamarack;

"**Tamarack Support Agreements**" means the support agreements entered into between the Supporting Tamarack Shareholders and Headwater, dated as of the Agreement Date and in the form attached as Schedule "E" to the Arrangement Agreement;

"**Tamarack Termination Amount**" has the meaning given to it under the heading "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Tamarack Termination Amount*";

"**Tax**" or "**Taxes**" means all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Applicable Laws and howsoever denominated, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, large corporation, capital gain, minimum, transfer, land transfer, sales, goods and services, harmonized sales, provincial sales, use, value-added, excise, stamp, withholding, business, franchising, property, employer health, payroll, employment, employment insurance, health and health insurance, social services, education and social security taxes, fuel taxes or levies, all surtaxes, all customs duties and import and export taxes, pension plan and workers compensation premiums or contributions, royalties, carbon taxes or levies and other obligations of the same or of a similar nature to any of the foregoing;

"**Tax Act**" means the *Income Tax Act*, RSC 1985, c 1 (5th Supp);

"**taxable capital gain**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Losses*";

"**TCP Proposals**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Taxable Canadian Property*";

"**TFSA**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Tributary**" means Tributary Exploration Inc.;

"**Tributary Arrangement Warrant**" means a share purchase warrant entitling the holder thereof to purchase one Tributary Share at a price of $2.10 (equivalent to $0.42 prior to the Tributary Share Consolidation) until 4:30 p.m. (Calgary time) on the date that is 60 calendar days following the Effective Date in accordance with the terms and conditions of the Tributary Arrangement Warrant Indenture;

"**Tributary Arrangement Warrant Indenture**" means the warrant indenture in respect of the Tributary Arrangement Warrants between Tributary and Odyssey, in its capacity as warrant agent;

"**Tributary Assets**" means, collectively, the Tributary Headwater Assets and the Tributary Tamarack Assets;

"**Tributary Board**" means the board of directors of Tributary;

"**Tributary Headwater Assets**" means, collectively, the assets to be transferred from Headwater to Tributary pursuant to the Headwater Conveyance Agreement;

"**Tributary Option Plan**" means the share option plan to be adopted by Tributary providing for the grant of options to purchase Tributary Shares to directors, officers, employees and consultants of Tributary;

"**Tributary Private Placement**" means a non-brokered private placement by Tributary to directors, officers, employees and consultants of Tributary and certain other investors of Tributary Units at a price of $0.42 per Tributary Unit prior to the Tributary Share Consolidation or $2.10 following the Tributary Share Consolidation for aggregate gross proceeds of up to $30 million;

"**Tributary Private Placement Warrants**" means the share purchase warrants comprising the Tributary Units issued under the Tributary Private Placement entitling the holder thereof to acquire one Tributary Share at an exercise price of $2.10 (on a post-Tributary Share Consolidation basis) until four (4) years from the date of issuance of such warrants (subject to earlier expiry in certain circumstances as to be set out in the certificates evidencing such warrants);

"**Tributary Share Consolidation**" means the consolidation of the Tributary Shares on a five-to-one basis pursuant to the Plan of Arrangement, with the Tributary Arrangement Warrants being adjusted correspondingly in accordance with the Tributary Arrangement Warrant Indenture;

"**Tributary Shareholders**" means the holders of Tributary Shares;

"**Tributary Shares**" means common shares of Tributary;

"**Tributary Tamarack Assets**" means, collectively, the assets to be transferred from Tamarack to Tributary pursuant to the Tamarack Conveyance Agreement;

"**Tributary Units**" means units of Tributary, with each unit consisting of one Tributary Share and one Tributary Private Placement Warrant;

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended;

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended; and

"**U.S. Treaty Holder**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Holding and Disposing of New Tamarack Shares and Tributary Shares – Dividends Received on New Tamarack Shares and Tributary Shares*".

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

## CONVENTIONS

Certain terms used herein are defined in the "*Glossary of Terms*". Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars and references herein to "US$" or "U.S. dollars" are to United States dollars. All financial information in Appendices H, I, J and K to this Information Circular has been presented in Canadian dollars in accordance with IFRS.

## ABBREVIATIONS

The following are abbreviations and definitions used in this Information Circular (including Appendices H, I, J and K, respectively):

| | |
|---|---|
| AECO | Alberta Energy Company natural gas price |
| bbl | barrel |
| bbls | barrels |
| bbls/d | barrels per day |
| Mbbls | thousand barrels |
| boe | barrels of oil equivalent |
| boe/d | barrels of oil equivalent per day |
| GJ | gigajoule |
| mboe | thousand barrels of oil equivalent |
| mcf | thousand cubic feet |
| mcf/d | thousand cubic feet per day |
| mmcf | million cubic feet |
| NGL | natural gas liquids |
| NPV10%AT | net present value discounted at 10% after tax |
| WCS | Western Canada Select |
| WTI | West Texas Intermediate |

## JOINT MANAGEMENT INFORMATION CIRCULAR

### Introduction

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Headwater and Tamarack for use at the Headwater Meeting and the Tamarack Meeting, respectively, and at any adjournment or postponement thereof. No person has been authorized to give any information or make any representation in connection with the Arrangement or the issuance of Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, in connection with the Arrangement, or any other matters to be considered at the Headwater Meeting and the Tamarack Meeting, other than those contained in this Information Circular, and if given or made, any such information or representation must not be relied upon as having been authorized.**

**The information concerning Headwater and Tributary contained and incorporated by reference in this Information Circular, including but not limited to the information in Appendix I – "*Information Concerning Headwater Exploration Inc.*" and Appendix J – "*Information Concerning Tributary Exploration Inc.*" to this Information Circular, has been provided by Headwater. Although Tamarack has no knowledge that would indicate that any of such information is untrue or incomplete, Tamarack does not assume any responsibility for the accuracy or completeness of such information or the failure by Headwater to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Tamarack.**

**The information concerning Tamarack contained and incorporated by reference in this Information Circular, including but not limited to the information in Appendix K – "*Information Concerning Tamarack Valley Energy Ltd.*" to this Information Circular, has been provided by Tamarack. Although Headwater has no knowledge that would indicate that any of such information is untrue or incomplete, Headwater does not assume any responsibility for the accuracy or completeness of such information or the failure by Tamarack to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Headwater.**

This Information Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Information Circular.

Information contained in or otherwise accessed through Headwater's website or Tamarack's website, or any website, other than those documents incorporated by reference herein and filed on SEDAR+, does not constitute part of this Information Circular.

All summaries of, and references to, the Arrangement Agreement, the Arrangement, the Plan of Arrangement, the Support Agreements, the Conveyance Agreements and the Area of Exclusion Agreements in this Information Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement, the Plan of Arrangement, the forms of Support Agreements, the forms of Conveyance Agreements and the forms of Area of Exclusion Agreements. A copy of the Plan of Arrangement is attached as Appendix D to this Information Circular and a copy of the Arrangement Agreement, including the forms of Support Agreements, Conveyance Agreements and Area of Exclusion Agreements as schedules thereto, is available on Tamarack's and Headwater's SEDAR+ issuer profiles. **Tamarack Shareholders and Headwater Shareholders are urged to carefully read the full text of the Arrangement Agreement and the Plan of Arrangement.**

All capitalized terms used in this Information Circular (including in Appendices H, I, J and K hereto) but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". The terms and abbreviations used in the Appendices to this Information Circular, other than in Appendices H, I, J and K, are defined separately therein. Information contained in this Information Circular is given as of October 13, 2026, unless otherwise specifically stated. Details of the Arrangement are set forth under the headings "*The Arrangement*" and "*Effect of the Arrangement*". For details of the matters to be considered by Headwater Shareholders at the Headwater Meeting and Tamarack Shareholders at the Tamarack Meeting, see "*Matters to be Considered at the Headwater Meeting*" and "*Matters to be Considered at the Tamarack Meeting*", respectively and "*Other Matters of Special Business Relating to Tributary*".

### Supplemental Disclosure – Non-IFRS Measures

This Information Circular includes various specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios, capital management measures and supplemental financial measures as further described herein. These measures do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures by other companies. Unless otherwise indicated, the specified financial measures described below are measures used by Tamarack; Headwater may calculate similar measures differently, and readers should refer to Headwater's public disclosure record for a description of any non-IFRS or other specified financial measures used by Headwater.

Adjusted funds flow (capital management measure) is defined as cash provided by operating activities excluding asset retirement obligation expenditures, transaction costs and changes in non-cash working capital. Asset retirement obligation expenditures and transaction costs from business combinations both result from Tamarack's capital budgeting and strategic planning processes, which first considers available adjusted funds flow. Asset retirement obligation expenditures vary from period to period depending on capital programs, government regulations and the maturity of Tamarack's operating areas. By also excluding changes in non-cash working capital from cash provided by operating activities, the adjusted funds flow measure provides a meaningful metric for Tamarack and others by establishing a clear link between Tamarack's cash flows, income statement and operating netbacks by isolating the impact of changes in the timing between accrual and cash settlement dates, which can often be within management's control. Tamarack uses adjusted funds flow to assess Tamarack's financial performance and cash generated from operating activities.

Free funds flow (capital management measure) is defined as adjusted funds flow less investments in oil and natural gas assets (excluding acquisitions and dispositions) and the settlement of asset retirement obligations. Management utilizes free funds flow to assess how much cash was generated in excess of Tamarack's capital investment and asset retirement programs within the same period, which can be utilized to reduce debt, fund acquisitions or return capital. Free funds flow is also expressed on a per share basis by dividing the measures by the weighted average number of common shares outstanding.

Net (cash) debt (capital management measure) is calculated as the sum of Tamarack's debt, government loans and other, cash, accounts receivable, prepaid expenses and deposits, cross-currency swap liability (asset), assets held for sale (net), accounts payable and accrued liabilities. Tamarack and others utilize net (cash) debt to assess liquidity and balance sheet strength by aggregating the select financial assets and financial liabilities on Tamarack's balance sheet.

Available funding is calculated as the sum of undrawn credit capacity under Tamarack's credit facility and cash, accounts receivable, prepaid expenses and deposits, cross-currency swap liability (asset), assets held for sale (net), accounts payable and accrued liabilities. Tamarack and others utilize available funding to assess the amount of funds that could be available to Tamarack in the near term to fund capital management initiatives.

Sustaining capital (supplementary financial measure) represents management's estimate of annual capital investments required to maintain corporate production at prior period levels. This measure allows management and others to assess the approximate composition of Tamarack's annual capital investment programs and its corporate financial sustainability. Sustaining capital is also utilized to calculate Tamarack's free funds flow breakeven cost.

Free funds flow breakeven cost (capital management measure) reflects the average minimum WTI price (US per bbl) received by Tamarack where adjusted funds flow net of the base dividend and sustaining capital requirements is approximately equivalent to zero, with sustained current production levels and all other variables held constant. Management believes that free funds flow breakeven provides a useful measure to establish corporate sustainability. The pro forma free funds flow breakeven cost of US$37 per bbl in this Information Circular was based on the following assumptions: production of >80,000 boe per day, royalty rate of 13%, operating and transportation expenses of $11.22 per boe, general and administrative expenses of $1.11 per boe, sustaining capital requirements of approximately $240 million, WCS basis of (US$12.00 per bbl), AECO price of $2.11 per Mcf, a foreign exchange rate of 1.35 (USD:CAD) and a quarterly dividend of $0.06 per share.

Total return to shareholders provides an estimate of the total return generated for shareholders on a percentage basis by aggregating certain select metrics consisting of production growth, dividends, share buybacks and net debt reduction. The return from production growth is calculated as the year-over-year % change in production, dividend growth is based on the yield during year relative to Tamarack's average market capitalization, share buybacks is calculated as the number of Tamarack shares purchased in the year divided by Tamarack's opening common share count and net debt reduction is based on the year-over-year net debt decline relative to Tamarack's average market capitalization.

Please refer to Tamarack's most recent management's discussion and analysis for additional information relating to specified financial measures including non-IFRS financial measures, non-IFRS financial ratios and capital management measures. The management's discussion and analysis can be accessed either on Tamarack's website at www.tamarackvalley.ca or under Tamarack's profile on www.sedarplus.ca.

In addition to the specified financial measures used by Tamarack in this Information Circular, the non-IFRS measure "operating income" is used with respect to Headwater's Tributary Assets. Operating income is a non-IFRS financial measure used by management to assess the financial performance and profitability of the Tributary Headwater Assets and is calculated as sales less royalties, production expense and transportation expense. Additionally, NAV is a supplementary financial measure used by management of Headwater with respect to the valuation of Tributary. For a description of how NAV is calculated and the reasons why management believes it is useful see "*Advisories – Non-GAAP and Other Financial Measures – Net asset value ("NAV") and NAV per share*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

**Dividends**

The Combined Company'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 Combined Company's 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 Combined Company Board and may depend on a variety of factors, including, without limitation, the Combined Company's business performance, financial condition, financial requirements, growth plans, expected capital requirements, tariffs affecting the export of crude oil and natural gas to the U.S., and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Combined Company under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Combined Company Board. There can be no assurance that the Combined Company will pay dividends in the future.

**Information for United States Securityholders**

**THE PLAN OF ARRANGEMENT AND THE NEW TAMARACK SHARES, TRIBUTARY SHARES AND TRIBUTARY ARRANGEMENT WARRANTS ISSUABLE TO HEADWATER SHAREHOLDERS AND TAMARACK SHAREHOLDERS, AS APPLICABLE, PURSUANT TO THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE WITHIN THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE WITHIN THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

The New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to Headwater Shareholders and Tamarack Shareholders in exchange for their Headwater Shares and Tamarack Shares, as applicable, pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state within the United States, and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and exemptions provided under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any security issued in exchange for one or more bona fide outstanding securities from the registration requirement of the U.S. Securities Act where the terms and conditions of such issuance and exchange of such securities have been approved, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange, at which all Persons to whom it is proposed such securities will be issued shall have the right to appear and receive timely and adequate notice thereof, by a court of competent jurisdiction that is expressly authorized by law to grant such approval. See "*Procedure for the Arrangement to Become Effective – Securities Law Matters*". The Section 3(a)(10) exemption will not apply to the issuance of Tributary Shares upon the subsequent exercise of the Tributary Arrangement Warrants.

The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. See "*Procedure for the Arrangement to Become Effective – Court Approval*". In addition, the solicitation of proxies for the Headwater Meeting and the Tamarack Meeting by means of this Information Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Information Circular are being made in the United States for securities of Canadian issuers in accordance with Canadian corporate and securities laws, and this Information Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Securityholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

The New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to Headwater Shareholders and Tamarack Shareholders in exchange for their Headwater Shares and Tamarack Shares, as applicable, pursuant to the Arrangement in reliance on Section 3(a)(10) of the U.S. Securities Act will be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" (as defined in Rule 144) of Tamarack or Tributary after the Effective Date, or were "affiliates" of Tamarack or Tributary within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers, directors or 10% or greater shareholders of an issuer. Any resale of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants received pursuant to the Arrangement by such an "affiliate" or former "affiliate" may be subject to the registration requirement of the U.S. Securities Act, absent an exemption or exclusion therefrom, such as the exemption contained in Rule 144 or the safe harbor provided by Regulation S under the U.S. Securities Act.

Section 3(a)(10) of the U.S. Securities Act does not exempt the issuance of securities upon the exercise of securities that were previously issued under Section 3(a)(10). Therefore, Tributary Shares issued upon the exercise of Tributary Arrangement Warrants may not be issued in reliance upon the Section 3(a)(10) exemption, and the Tributary Arrangement Warrants may be exercised only if the issuance of the underlying Tributary Shares is made pursuant to another exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of Tributary Shares pursuant to any such exercise of Tributary Arrangement Warrants, Tributary may require the delivery of an opinion of counsel or other evidence reasonably satisfactory to Tributary to the effect that the issuance of such Tributary Shares does not require registration under the U.S. Securities Act or applicable state securities laws.

Subject to satisfying all of the listing requirements of the TSX, it is anticipated that the Tributary Arrangement Warrants will be listed on the TSX and as such residents of the United States and other holders of Tributary Arrangement Warrants subject to Applicable U.S. Securities Laws, who are not able to avail themselves of an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws for the exercise of the Tributary Arrangement Warrants, are expected to be able to sell such Tributary Arrangement Warrants on the TSX prior to the expiry date of such Tributary Arrangement Warrants.

**Holders of Tributary Arrangement Warrants in the United States or that are U.S. persons are urged to consult their own legal advisors regarding the availability of an exemption from such registration requirements and the requirements that may apply to the subsequent exercise of their Tributary Arrangement Warrants.**

Information concerning the assets and operations of Headwater and Tamarack contained or incorporated by reference herein has been prepared in accordance with Canadian standards and is not comparable in all respects to similar information for United States companies. In particular, data on oil and gas reserves included or incorporated by reference in this Information Circular has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The financial statements of Headwater and Tamarack incorporated by reference in this Information Circular have been prepared in accordance with IFRS, which differs from United States generally accepted accounting principles in certain material respects and thus are not directly comparable to financial statements of United States companies.

**Headwater Shareholders and Tamarack Shareholders subject to United States federal income taxation should be aware that the Arrangement and the ownership and disposition of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants acquired pursuant to the Arrangement, as well as the ownership and disposition of any Tributary Shares issued upon the subsequent exercise of Tributary Arrangement Warrants, may have material tax consequences in the United States. This Information Circular does not contain a summary of the United States federal income tax considerations of the Arrangement applicable to Headwater Shareholders and Tamarack Shareholders who are subject to United States federal income tax. Headwater Shareholders and Tamarack Shareholders are advised to consult their own tax advisors to determine the United States tax implications to them of participating in the Arrangement and the ownership and disposition of such securities, including any associated filing requirements.**

The enforcement by Headwater Shareholders and Tamarack Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that Headwater, Tamarack and Tributary are organized under the laws of Alberta, Canada, that some or all of their officers and directors are residents of countries other than the United States, that some of the experts named in this Information Circular and the documents incorporated by reference are residents of countries other than the United States, and that a substantial portion of the assets of Tamarack, Headwater, Tributary and such persons are located outside the United States. As a result, it may be difficult or impossible for Headwater Shareholders and Tamarack Shareholders in the United States to effect service of process within the United States upon Tamarack, Headwater and Tributary, as applicable, and their respective directors or officers, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or the securities laws of any state within the United States. In addition, Headwater Shareholders and Tamarack Shareholders in the United States should not assume that the courts of Canada: (i) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities laws of any state within the United States; or (ii) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities laws of any state within the United States.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Information Circular and, if given or made, such information or representation must not be relied upon as having been authorized by Tamarack, Headwater or Tributary.

**Exchange Rate Information**

The following table sets forth: (i) the rates of exchange for Canadian dollars, expressed in United States dollars, in effect at the end of each of the periods indicated; and (ii) the high, low and average exchange rates during each such period, based on the daily average exchange rate, published on the Bank of Canada's website as being in effect on each trading day.

| | Year Ended December 31 | |
|---|---|---|
| | 2025 | 2024 |
| Rate at end of Period | US$0.7296 | US$0.6950 |
| Average rate during Period | US$0.7157 | US$0.7302 |
| High | US$0.7376 | US$0.7510 |
| Low | US$0.6848 | US$0.6937 |

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Information Circular (including in Appendices H, I, J and K, respectively, to this Information Circular) and in the documents incorporated by reference herein constitute forward-looking information and forward-looking statements (collectively referred to as "**forward-looking statements**") within the meaning of Applicable Canadian Securities Laws about Tamarack's and Headwater's current expectations, estimates and projections about the future, based on certain assumptions made in light of experiences and perceptions of historical trends. Although Tamarack and Headwater believe that expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "can", "shall", "would", "could", "might", "should", "believe" and similar expressions or the negative thereof.

This Information Circular (including Appendices H, I, J and K, respectively, to this Information Circular) contains forward-looking statements pertaining to the following:

- the expectations regarding whether the Arrangement will be completed, the principal steps of the Arrangement, including whether the conditions to completion of the Arrangement will be satisfied, and the anticipated timing for the Effective Date;
- the perceived benefits of the Arrangement and the expected attributes of the Combined Company resulting from the Arrangement, including its differentiated Clearwater focus, enhanced scale and depth of quality inventory, expected immediate accretion, leading financial strength and capital allocation flexibility, anticipated synergies, enhanced shareholder returns and the continued upside participation of Headwater Shareholders and Tamarack Shareholders in exploration and development opportunities through Tributary;
- the exploration and development programs of the Combined Company, including the consolidation and streamlining thereof;
- the Combined Company's five-year plan, including its targeted Clearwater production growth rate and its execution of a disciplined capital management strategy;
- the run-rate production, net cash and available funding of the Combined Company, and its expected balance sheet strength;
- the anticipated terms and availability of the Combined Company's credit facility;
- the expected improvement to Tamarack's operating profile through a lower corporate decline rate and a reduced free funds flow breakeven cost, and the Combined Company's expected ability to maximize total shareholder returns across commodity price cycles;
- the amount of the Combined Company's proved and probable reserves, and the depth and quality of its drilling inventory;
- the Combined Company's expected transportation egress, including the amount, anticipated timing and availability of long-term egress capacity out of Alberta, and the expected benefits thereof, including access to diversified oil markets;
- the focus and business strategies of each of Tamarack, Headwater, Tributary and the Combined Company;
- the anticipated capital markets profile of the Combined Company, including enhanced trading liquidity, a broader investor base, increased institutional ownership and greater potential for index inclusion;

- the expected enterprise value and anticipated size and scale of the Combined Company, as well as its anticipated position relative to comparable peer companies;
- the ability to successfully integrate the businesses, assets, operations, personnel and offices of Tamarack and Headwater;
- the structure and effect of the Arrangement on Headwater, Tamarack, Headwater Shareholders and Tamarack Shareholders;
- the expected exchange and issuance, terms of, and listing of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to Headwater Shareholders and Tamarack Shareholders, as applicable;
- the expected headquarters of the Combined Company;
- the anticipated production (including the location thereof), land, and inventory of development opportunities of the Combined Company;
- anticipated cost savings and other synergies as a result of the Arrangement, including the anticipated timing of achieving such cost savings and other synergies;
- the Combined Company's anticipated financial position, including its balance sheet, credit rating, costs, debt profile, annual sustaining capital requirements, and expected liquidity;
- the expected management team of the Combined Company, their positions, and qualifications;
- the appointment of Steve Buytels as President and Chief Executive Officer and a director of the Combined Company Board and of Brian Schmidt as Executive Chair of the Combined Company Board, in each case effective January 1, 2027;
- the composition of the Combined Company Board following the Effective Time;
- the planned increase to Tamarack's quarterly dividend commencing in December 2026, subject to approval of the Combined Company Board, applicable Laws and completion of the Arrangement, and the anticipated return of capital to shareholders of the Combined Company through dividends and share buybacks;
- the timing, administration and conduct of the Meetings and the timing of the Final Order;
- Tamarack's and Headwater's anticipated abilities to obtain the required approvals, including securityholder, stock exchange, Court, regulatory and third-party approvals, for the Arrangement and the timing of such approvals;
- the satisfaction of conditions for listing of the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued pursuant to the Arrangement on the TSX, and the timing thereof;
- the ability of holders of Tributary Arrangement Warrants in the United States to exercise or sell such warrants;
- the ability to enforce civil liabilities under Applicable U.S. Securities Laws against Tamarack, Headwater, Tributary or their respective officers or directors and the ability to effect service of process or realize judgments against Tamarack, Headwater or Tributary;
- the expectations regarding receipt of required approvals of the Headwater Arrangement Resolution, the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Headwater Private Placement Resolution, the Tamarack Private Placement Resolution, the Headwater Option Plan Resolution and the Tamarack Option Plan Resolution and the results of obtaining such approvals;
- the anticipated application for and filing of the Final Order and Articles of Arrangement with the Registrar under the ABCA, the content and timing of such application, the considerations of the Court in granting the Final Order, and the effect of the Final Order;
- the expectation that there will be no significant events occurring outside of the normal course of business of Tamarack, Headwater, Tributary and the Combined Company, as applicable;
- the expected expenses associated with the Arrangement;
- the effect of the Arrangement on Tamarack's share capital, including the total issued and outstanding New Tamarack Shares and anticipated percentages of New Tamarack Shares that former Headwater Shareholders and Tamarack Shareholders will hold in the Combined Company, both on a non-diluted and partially-diluted basis;
- the effect of the Arrangement on Tributary's share capital, including the total issued and outstanding Tributary Shares and Tributary Arrangement Warrants and anticipated percentages of Tributary Shares that former Headwater Shareholders and Tamarack Shareholders will hold in Tributary, both on a non-diluted and partially-diluted basis;
- the composition and compensation of the Tributary Board and Tributary management upon the Arrangement becoming effective;
- the delisting of the Headwater Shares from the TSX and the anticipated timing thereof;
- the anticipated treatment and entitlements of Tamarack Shareholders and Headwater Shareholders under securities and tax Laws;
- the expected treatment of the Headwater Incentives;
- the expected amount of the Headwater Severance Amounts payable by Headwater in connection with the Arrangement;
- the treatment of the Arrangement under government regulatory regimes;
- pro forma information, including pro forma financial and operational information pertaining to the Combined Company after giving effect to the Arrangement, as well as the consolidated capitalization of the Combined Company;
- the completion and terms of the Tributary Private Placement, including the pricing, participants, size, anticipated gross proceeds and timing of closing thereof, and the terms, vesting conditions and potential exercise of the Tributary Private Placement Warrants;
- the anticipated use of proceeds of the Tributary Private Placement;
- the possibility that the TSX imposes certain escrow or contractual restrictions on the Tributary Shares issuable to insiders in the Tributary Private Placement and the anticipated terms and conditions of such restrictions;
- Tributary's expected financial and operational position after giving effect to the Arrangement, the Tributary Private Placement and the exercise of the Tributary Arrangement Warrants;
- the anticipated terms of and benefits to be derived from the Tributary Option Plan;
- the transfer and conveyance of the Tributary Assets to Tributary pursuant to the Conveyance Agreements;
- the business strategy and objectives of Tributary, including Tributary's expected pursuit of oil-weighted assets in western Canada that are rich in organic opportunity and provide stable free cash flow;
- the expectation that Tributary will be able to fund its exploration and development program without recourse to debt or a public offering shortly after listing.

Additionally, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

The reports of KPMG LLP, the independent auditor of each of Headwater and Tamarack, included or incorporated by reference in this Information Circular refer exclusively to the historical financial statements described therein and do not extend to the prospective financial information included in this Information Circular and should not be read to do so.

Developing forward-looking statements involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to Tamarack, Headwater, Tributary and the Combined Company and others that apply to the industry generally. These forward-looking statements are based on certain expectations and assumptions, including expectations and assumptions respecting:

- the perceived benefits of the Arrangement including the transfer and conveyance of the Tributary Assets to Tributary
- the completion of the Arrangement and the anticipated Effective Date of the Arrangement on the terms and within the timing as currently anticipated;
- the listing of the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants on the TSX and the delisting of the Headwater Shares and the timely receipt and fulfillment of all of the requirements of the TSX;
- the treatment of Headwater Shareholders and Tamarack Shareholders under tax Laws;
- the anticipated tax treatment of the Arrangement, including the transfer and conveyance of the Tributary Assets;
- the satisfaction or waiver, where applicable, of the conditions to closing of the Arrangement (including the transfer and conveyance of the Tributary Assets to Tributary) and the Tributary Private Placement in a timely manner and completion of the Arrangement and the Tributary Private Placement on the expected terms;
- the expected adherence to the terms of the Arrangement Agreement and agreements related to the Arrangement Agreement, including the Support Agreements, the Area of Exclusion Agreements and the Hold Period Agreements;
- the ability of management of the Combined Company to successfully integrate the businesses of Headwater and Tamarack;
- the Combined Company's ability to issue securities;
- variation in forecast commodity prices, crude oil, condensate, natural gas, and NGL price differentials;
- the projected capital investment levels, the flexibility of capital spending plans and associated sources of funding;
- the achievement of further cost reductions and sustainability thereof;
- the opportunity for the Combined Company to pay dividends, and the approval and declaration of such dividends by the Combined Company Board;
- estimates of quantities of oil, natural gas, condensate and natural gas liquids from properties and other sources not currently classified as proved;
- accounting estimates and judgments;
- forecast inflation and other assumptions inherent in the current guidance of Tamarack, Headwater and Tributary; and
- other uncertainties and assumptions described from time to time in the filings made by Tamarack and Headwater with securities regulatory authorities, including those incorporated by reference in this Information Circular.

The forward-looking statements in this Information Circular also include financial outlooks and other forward-looking metrics (including production, financial and oil and gas-related metrics) relating to Tamarack, Headwater, the Combined Company, Tributary and the Arrangement, including the expected enterprise value of the Combined Company and the expectations of Tamarack and Headwater regarding the impact of the Arrangement on adjusted funds flow, free funds flow and free funds flow per share, net cash or net debt, available funding, production, capital expenditures, sustaining capital requirements, operating and transportation expenses, general and administrative expenses, corporate decline rate, free funds flow breakeven cost and total returns to shareholders.

Unless otherwise stated, the forecasts and projections for the Combined Company are based on an assumption of US$75/bbl WTI, a WCS differential of US$13.50/bbl, $3.00/GJ AECO and an exchange rate of 1.35 CAD/USD.

Any financial outlook and forward-looking information contained in this Information Circular regarding prospective financial performance or financial position is based on reasonable assumptions about future events, including economic conditions and proposed courses of action based on the assessment by management of each of Tamarack and Headwater of the relevant information that is currently available. Projected operational information contains forward-looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future-oriented financial information or a financial outlook. The actual results will likely vary from the amounts set forth herein and such variations may be material. Readers are cautioned that any such financial outlook and forward-looking information contained herein should not be used for purposes other than those for which it is disclosed herein. Such information was made as of the date of this Information Circular.

The risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include:

- Tamarack and Headwater may fail to realize, or may fail to realize in the expected timeframes, the anticipated benefits and synergies resulting from the Arrangement;
- Tributary may fail to realize, or may fail to realize in the expected timeframes, the anticipated benefits and synergies resulting from the transfer and conveyance of the Tributary Assets to Tributary;
- the failure to integrate Tamarack's and Headwater's respective businesses or the failure to access or implement some or all of the technology necessary to efficiently and effectively operate the assets and achieve expected future results;

- the conditions to completion of the Arrangement, including receiving Court approval, securityholder approvals and TSX approval, for the listing of the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants may not be satisfied or waived and may result in the Arrangement not being completed in a timely manner or at all;
- the timing of the Meetings, the Final Order and the anticipated Effective Date may be changed or delayed or may not occur at all;
- interloper risk, including actions taken by government entities or others seeking to prevent or alter the terms of the Arrangement or competing offers for Tamarack or Headwater which arise as a result of or in connection with the proposed Arrangement;
- the Tributary Private Placement may not be completed on a timely basis, on the terms set out therein, or at all;
- the accuracy of the pro forma financial and operational information of the Combined Company after the Arrangement;
- the potential exposure to political, economic, or social instability in certain jurisdictions in which the Combined Company will operate;
- Tamarack and Headwater will incur significant costs relating to the Arrangement, regardless of whether the Arrangement is completed or not completed;
- the Arrangement Agreement could be terminated by either Party under certain circumstances, including as a result of the occurrence of a change, event, circumstance, or development that would reasonably be likely to have (individually or in the aggregate) a Material Adverse Effect on the Other Party;
- if the Arrangement is not completed, either Party may be required to pay a termination amount to the Other Party in certain circumstances;
- if the Arrangement is not completed, Headwater Shareholders will not realize the anticipated benefits of the Arrangement and Headwater's future business and operations could be adversely affected;
- if the Arrangement is not completed, Tamarack Shareholders will not realize the anticipated benefits of the Arrangement and Tamarack's future business and operations could be adversely affected;
- dilution and share price volatility, including a material decrease in the trading price of the New Tamarack Shares may occur which could result in a failure of the Arrangement on the basis of a Material Adverse Effect or could be sustained following the Effective Date;
- litigation relating to the Arrangement may be commenced which may prevent, delay or give rise to significant costs or liabilities on the part of Tamarack, Headwater or Tributary;
- changes in income or other tax Laws or actions taken by taxing authorities could have adverse implications on Tamarack, Headwater, Tributary or their respective securityholders;
- the Parties may discover previously undisclosed liabilities following the Effective Date;
- the focus of management's time and attention on the Arrangement may detract from other aspects of the respective businesses of Tamarack and Headwater;
- the loss of key employees and the risk that the Combined Company and Tributary may not be able to retain key employees of Tamarack or Headwater, as applicable, following completion of the Arrangement in a timely manner or at all;
- the Combined Company and Tributary being unable to access necessary sources of debt and equity capital on acceptable terms or at all;
- the ability of the Combined Company and Tributary to finance growth and sustaining capital expenditures;
- the ability of the Combined Company and Tributary to utilize and apply, or carry forward (or back), tax losses and other tax attributes in the future;
- the operations of the Combined Company or Tributary near communities may cause such communities to regard its operations as being detrimental to them;
- a lack of adequate and cost-effective product transportation including sufficient pipeline, crude-by-rail, marine or alternate transportation, including to address any gaps caused by constraints in the pipeline system or storage capacity;
- changes in the regulatory framework in any of the locations in which Tamarack or Headwater operate, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon, climate change and other laws or regulations, or changes to the interpretation of such laws and regulations, as adopted or proposed, the negative impact thereof and the costs associated with compliance;
- discrepancies between actual and estimated production for the Combined Company and for Tributary;
- increased costs, delays, suspensions, and technical challenges associated with the construction of capital projects;
- risk of loss and increased cost due to acts of war, terrorism, sabotage, civil disturbances, fires, explosions, blow-outs, equipment failures, transportation incidents, extreme weather events, technological changes and resource shortages, related to climate change or similar events;
- the global economic climate, including with respect to the risk that (i) the U.S. and Canadian governments maintain tariffs, increase the rate or scope of tariffs, or impose new tariffs on the import of goods from one country to the other, including on oil and natural gas, (ii) U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed by the U.S. on other countries and responses thereto could have a Material Adverse Effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Combined Company, and risks related to the renegotiation of the United States-Mexico-Canada Agreement, resulting in changes to trade, tariff or market access terms that may adversely affect the Combined Company or Tributary;
- competition, and the effects of competition and pricing pressures;
- industry overcapacity;
- the speculative nature of the oil and gas industry, including risks and uncertainties involving the geology and geophysics of oil and gas exploration and production; and
- operational risks in exploring for, developing and producing crude oil, natural gas, and natural gas liquids.

In addition, ongoing military actions in Iran and elsewhere in the Middle East and between Russia and Ukraine have the potential to threaten the supply of oil and gas from those regions. The long-term impacts of the actions between these nations remain uncertain. Due to the nature of the oil and natural gas industry, drilling plans and operational activities may be delayed or modified to respond to market conditions, results of past operations, regulatory approvals or availability of services causing results to be delayed.

With regard to the forward-looking statements in Headwater's and Tamarack's documents incorporated by reference herein, please refer to the forward-looking statements advisories in such documents in respect of the forward-looking statements contained therein, the assumptions upon which they are based and the risk factors in respect of such forward-looking statements.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Events or circumstances could cause the actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements. The forward-looking statements contained in this Information Circular and in the documents incorporated by reference herein are expressly qualified by this cautionary statement. Except as required by Law, neither Headwater nor Tamarack undertakes any obligation to publicly update or revise any forward-looking statements.

Readers should also carefully consider the matters discussed under the headings "*Risk Factors*", "*Certain Canadian Federal Income Tax Considerations*" and other risks described elsewhere in this Information Circular and in the documents incorporated by reference herein as they may cause the actual results to differ materially from the forward-looking statements, including Appendices H, I, J and K, the Headwater AIF, the Tamarack AIF, the Headwater Annual MD&A, and the Tamarack Annual MD&A, each of which is incorporated by reference herein. Additional information on these and other factors that could affect the operations or financial results of Headwater, Tamarack, the Combined Company or Tributary are included in documents on file with applicable Canadian Securities Regulators and may be accessed on Headwater's and Tamarack's respective issuer profiles through the SEDAR+ website (www.sedarplus.ca). Such documents, unless expressly incorporated by reference herein, do not form part of this Information Circular.

## ADVISORY REGARDING OIL AND GAS INFORMATION

The reserves information contained in this Information Circular has been prepared in accordance with NI 51-101. Headwater and Tamarack report production and reserve quantities in accordance with Canadian practices and specifically in accordance with NI 51-101.

Certain terms used herein but not defined are defined in NI 51-101, CSA Staff Notice 51-324 – *Revised Glossary to NI 51-101 Standards for Disclosure for Oil and Gas Activities* ("**CSA Staff Notice 51-324**") and/or the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**") and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, CSA Staff Notice 51-324 and the COGE Handbook, as the case may be.

### Disclosure of Oil and Gas Information

Unless otherwise indicated, the disclosures in this section apply to the oil and gas properties and activities of Tamarack and Headwater and, where expressly indicated, the Combined Company on a pro forma basis after giving effect to the Arrangement. Disclosure relating to the Tributary Assets is based on the respective interests of Tamarack and Headwater in the Tributary Assets prior to completion of the Arrangement and the proposed transfer and conveyance of the Tributary Assets to Tributary. Unless otherwise indicated, references to the Combined Company exclude the Tributary Assets.

### Units of Measurement

For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using a conversion ratio of six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent equivalency at the wellhead. This conversion conforms with NI 51-101 but may be misleading, particularly if used in isolation.

### Corporate Decline Rate

"Corporate Decline rate" represents the percentage decline of Tamarack's production base, excluding production from new wells drilled in the year, and, where the *pro forma* Combined Company's corporate decline rate is referenced, represents the percentage decline of the combined production base of Tamarack and Headwater on a *pro forma* basis giving effect to the Arrangement. Corporate decline rate is not a financial measure and does not have a standardized meaning under NI 51-101 or otherwise. This term has been calculated by Tamarack management and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons. Management of Tamarack uses this oil and gas metric for its own performance measurements and to provide Tamarack Shareholders with a measure to compare Tamarack's and, following completion of the Arrangement, the Combined Company's operations over time. Readers are cautioned that the information provided by this metric should not be relied upon for investment or other purposes.

Tamarack's and, on a *pro forma* basis, the Combined Company's corporate decline rate disclosed in this Information Circular is based on primary and waterflood type curves that are internally estimated by Tamarack's and Headwater's respective management teams and represent estimates of the production decline and ultimate volumes expected to be recovered from wells over the life of the well. The type curves represent what management believes an average well will achieve, based on methodology that is analogous to wells with similar geological features, reservoir fluids, and exploitation design. Individual well results may be higher or lower than the type curve but management expects that, across a larger number of wells, results will come out to approximately the type curve. Over time type curves can and will change based on achieving more production history on older wells or more recent completion information on newer wells. Such type curves are useful in understanding management's assumptions of well performance when making development drilling investment decisions in such areas and assessing the success of the performance of development wells. However, internally prepared type curves do not reflect those used by Tamarack's and Headwater's respective independent qualified reserves evaluators in estimating their reserves volumes and no reserves have been assigned to such internal type curves. There is no certainty that the Combined Company will ultimately recover the volumes indicated by the internal type curves from the wells it drills. Actual results may vary materially from both the primary and waterflood incremental type curve estimates.

**Reserves and Future Net Revenue Disclosures**

All reserves values, future net revenue and ancillary information contained in this Information Circular are derived from evaluations by McDaniel prepared in accordance with the definitions, standards and procedures contained in the COGE Handbook and NI 51-101 unless otherwise noted. Headwater's reserves and associated net present value are derived from the Headwater Reserves Report. Tamarack's reserves and associated net present value are derived from the Tamarack Reserves Report. Both the Headwater Reserves Report and the Tamarack Reserves Report utilize forecast prices based on the average of forecast prices of McDaniel, Sproule ERCE and GLJ Ltd. as at January 1, 2026. See additional information elsewhere in this Information Circular and Appendix J – "*Information Concerning Tributary Exploration Inc.*" for information on the 2025 Tributary Reserves Report and the 2026 Tributary Reserves Report. All reserve references in this Information Circular are "Company Gross Reserves". Company Gross reserves are defined as the applicable company's working interest share of reserves prior to royalty deductions. Estimates of reserves and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves and future net revenue for all properties, due to the effect of aggregation. There is no assurance that the forecast price and cost assumptions applied by McDaniel in evaluating Tamarack's, Headwater's or the Tributary Assets' reserves, as applicable, will be attained and variances could be material. Other than with respect to Tributary Headwater Assets, which are to be transferred and conveyed to Tributary pursuant to the Arrangement, all reserves assigned in the Headwater Reserves Report and the Tamarack Reserves Report are located in the Province of Alberta. For more information relating to the Headwater Reserves Report and the Tamarack Reserves Report, see the Headwater AIF and the Tamarack AIF, which are both incorporated by reference in this Information Circular.

All evaluations and summaries of future net revenue are stated prior to the provision for interest, debt service charges and general and administrative expenses and after the deductions of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented in this Information Circular represent the fair market value of the reserves. The recovery and reserve estimates of crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth herein are estimates only.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Proved developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

**Drilling Locations**

This Information Circular may disclose Clearwater drilling locations in two categories: (i) booked locations; and (ii) unbooked locations. Booked locations are proved and probable locations derived from either the Headwater Reserves Report or the Tamarack Reserves Report, which were prepared in accordance with NI 51-101 and the COGE Handbook. Unbooked locations do not have attributed reserves. Tamarack's unbooked Clearwater locations have attributed contingent or prospective resources, based on the resource report prepared by McDaniel, a qualified independent resource evaluator, effective as of December 31, 2025, in accordance with the definitions, standards and procedures contained in NI 51-101 and the COGE Handbook. Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is no certainty that it will be commercially viable to produce any portion of the contingent resources. Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources. Headwater's unbooked Clearwater locations do not have attributed resources.

References in this Information Circular to the pro forma Combined Company's identified drilling locations (including the greater than 3,000 identified primary drilling locations across the core development areas) represent the aggregate of Tamarack's and Headwater's respective drilling location inventories, on a pro forma basis giving effect to the Arrangement. Of Tamarack's Clearwater inventory of >2,000 (net) primary drilling locations, 520 (net) are proved or probable locations, and the remainder are unbooked locations. Of Headwater's Clearwater inventory of >1,000 (net) primary drilling locations, 273 (net) are proved or probable locations, and the remainder are unbooked locations. Unbooked locations have been identified by management as an estimation of the Combined Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Combined Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Combined Company actually drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

**Production & Product Type Information**

References in this Information Circular to "crude oil" or "oil" refer to light, medium and heavy crude oil product types as defined by NI 51-101. References to "natural gas liquids" throughout this Information Circular comprise pentane, butane, propane, and ethane, being all natural gas liquids as defined by NI 51-101. References to "natural gas" throughout this Information Circular refer to conventional natural gas and/or shale gas as defined by NI 51-101. The pro forma run-rate production of the Combined Company (on a boe per day basis) is comprised of approximately 93.5% crude oil, 6% natural gas and 0.5% natural gas liquids.

## SUMMARY

This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Information Circular, including the Appendices hereto. Terms with initial capital letters in this summary are defined in the "*Glossary of Terms*" set out elsewhere in this Information Circular.

**The Arrangement**

On September 7, 2026, Headwater and Tamarack entered into the Arrangement Agreement providing for the Arrangement. The Arrangement combines Tamarack and Headwater and establishes Tributary as a separate publicly-traded company holding certain assets contributed by each of Tamarack and Headwater. Under the Arrangement, Tamarack will acquire all of the issued and outstanding Headwater Shares (other than Headwater Shares held by Dissenting Shareholders).

Pursuant to the Arrangement Agreement and subject to the required approvals and other conditions set forth therein, Tamarack will acquire all of the issued and outstanding Headwater Shares through the Plan of Arrangement. Under the Plan of Arrangement, for each Headwater Share held, Headwater Shareholders (other than Dissenting Shareholders) will receive: (i) one New Tamarack Share; (ii) approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation); and (iii) approximately 0.20 of 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 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). In exchange for each Tamarack Share held, Tamarack Shareholders will receive: (i) one New Tamarack Share; and (ii) approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation). The exchange for each Headwater Share and Tamarack Share will be implemented through a series of intervening steps under the Plan of Arrangement involving a reorganization of Tamarack's share capital (including the creation of classes of Tamarack shares that will exist only for the duration of those steps, following which the New Tamarack Shares will be the only class of shares of Tamarack outstanding), which are described under "*Effect of the Arrangement – Details of the Arrangement*" and "*Certain Canadian Federal Income Tax Considerations*".

Under the Arrangement, all Headwater Shareholders (other than Dissenting Shareholders) will receive identical consideration for their Headwater Shares and all Tamarack Shareholders will receive identical consideration for their Tamarack Shares.

Immediately following the completion of the Arrangement, former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding shares of the Combined Company and Tamarack Shareholders are expected to own approximately 66.5% of the issued and outstanding shares of the Combined Company.

Following completion of the Arrangement (prior to the exercise of any Tributary Arrangement Warrants and prior to closing of the Tributary Private Placement), former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding shares of Tributary and Tamarack Shareholders are expected to own approximately 66.5% of the issued and outstanding shares of Tributary. Former Headwater Shareholders will also receive approximately 0.20 of a Tributary Arrangement Warrant (approximately 0.04 of a Tributary Arrangement Warrant following the Tributary Share Consolidation) per Headwater Share. Assuming all Tributary Arrangement Warrants are exercised by Headwater Shareholders, Tamarack Shareholders are expected to own approximately 55.4% of the issued and outstanding shares of Tributary and former Headwater Shareholders are expected to own approximately 44.6% of the issued and outstanding shares of Tributary (prior to closing of the Tributary Private Placement).

Pursuant to the terms of the Arrangement Agreement, Headwater and Tamarack agreed that the Combined Company will be led by Tamarack's existing management team and Tributary will be led by Headwater's existing management team. Immediately following the Effective Time, the Combined Company Board will consist of nine members, which will include members of the current Tamarack Board plus Jason Jaskela and one additional representative from the current Headwater Board to be determined by the Tamarack Board prior to closing. In addition, as announced on September 8, 2026, Steve Buytels, President of Tamarack, will be appointed President and Chief Executive Officer of the Combined Company and will join the Combined Company Board, and Brian Schmidt, Tamarack's founding Chief Executive Officer, will become Executive Chair of the Combined Company Board, in each case effective January 1, 2027, the continuation of Tamarack's succession planning process.

See "*Effect of the Arrangement*".

**Headwater Exploration Inc.**

Headwater is a Canadian resource company engaged in the exploration for and development and production of petroleum and natural gas in Canada. The majority of Headwater's heavy oil production and reserves are located in the Clearwater, Grand Rapids and Wabiskaw formations in the greater Marten Hills area of Alberta, while Headwater also has natural gas production and reserves in the McCully Field near Sussex, New Brunswick.

Headwater is a reporting issuer or the equivalent under the securities laws of each of the provinces of Canada. The Headwater Shares are listed and posted for trading on the TSX under the symbol "HWX".

Pursuant to the Arrangement, all of the issued and outstanding Headwater Shares will be acquired by Tamarack. Following completion of the Arrangement, it is anticipated that the Headwater Shares will be delisted from the TSX and Headwater will cease to be a reporting issuer under Applicable Canadian Securities Laws.

Headwater's head and principal office is located at Unit 1400, 215 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3, and its registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

See Appendix I – "*Information Concerning Headwater Exploration Inc.*".

**Tamarack Valley Energy Ltd.**

Tamarack is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. In 2026, Tamarack transitioned to become a pure-play Clearwater heavy oil producer, currently developing heavy oil positions at Nipisi, Marten Hills and South Clearwater. Tamarack holds an extensive inventory of low-risk, oil development drilling locations and is pursuing enhanced oil recovery upside across its core asset areas. Tamarack is committed to creating long-term value for its shareholders through sustainable free funds flow generation, financial stability and the return of capital.

Tamarack is a reporting issuer or the equivalent under the securities laws of each of the provinces of Canada. The Tamarack Shares are listed and posted for trading on the TSX under the symbol "TVE".

Tamarack's head and principal office is located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1, and its registered office is located at Suite 4200, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

See Appendix K – "*Information Concerning Tamarack Valley Energy Ltd.*".

**Tributary Exploration Inc.**

Tributary was only recently incorporated and has not carried on any active business other than in connection with the Arrangement, the Tributary Private Placement and related matters. As at the date hereof, Tributary does not have any subsidiaries. Pursuant to the Conveyance Agreements, the Tributary Assets will be transferred and conveyed to Tributary from Headwater and Tamarack upon completion of the Arrangement.

Tributary will be led by the existing Headwater management team. The Tributary Board will consist of Neil Roszell, Jason Jaskela, Chandra Henry, Stephen Larke, Kevin Olson, Kam Sandhar and Cheree Stephenson, all of whom are current members of the Headwater Board.

Tributary has applied to list the Tributary Shares (including all Tributary Shares issuable upon exercise of the Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. Provided that Tributary meets all the listing requirements of the TSX, trading in the Tributary Shares and the Tributary Arrangement Warrants is expected to commence concurrently with the delisting of the Headwater Shares from the TSX, or shortly thereafter, which is currently expected to occur two to three days following the Effective Date. The completion of the Arrangement is not conditional on the TSX having approved the listing of the Tributary Shares and the Tributary Arrangement Warrants.

See Appendix J – "*Information Concerning Tributary Exploration Inc.*" and "*Other Matters of Special Business Relating to Tributary*" in this Information Circular.

**The Headwater Meeting**

The Headwater Meeting will be held at 9:00 a.m. (Calgary time) on November 18, 2026, in a virtual-only format that will be conducted via live webcast accessible at https://meetings.lumiconnect.com/400-740-097-516, password: "HWX2026" (case-sensitive), for the purposes set forth in the accompanying notice of special meeting. The business of the Headwater Meeting will be for Headwater Shareholders to consider and vote on: (i) the Headwater Arrangement Resolution; (ii) the Headwater Private Placement Resolution; and (iii) the Headwater Option Plan Resolution. See "*Matters to be Considered at the Headwater Meeting*".

The Headwater Record Date for determining Headwater Shareholders entitled to receive notice of, and to vote at, the Headwater Meeting is the close of business on October 8, 2026. Only Headwater Shareholders of record as of the Headwater Record Date are entitled to receive notice of the Headwater Meeting. Headwater Shareholders of record will be entitled to vote those Headwater Shares included in the list of Headwater Shareholders prepared as at the Headwater Record Date. See "*General Proxy Matters – Headwater*".

**The Tamarack Meeting**

The Tamarack Meeting will be held at 10:00 a.m. (Calgary time) on November 18, 2026, in a virtual-only format that will be conducted via live webcast accessible at https://meetings.lumiconnect.com/400-336-899-017, password: "TVE2026" (case-sensitive), for the purposes set forth in the accompanying notice of special meeting. The business of the Tamarack Meeting will be for Tamarack Shareholders to consider and vote on: (i) the Tamarack Arrangement Resolution; (ii) the Share Issuance Resolution; (iii) the Tamarack Private Placement Resolution; and (iv) the Tamarack Option Plan Resolution. See "*Matters to be Considered at the Tamarack Meeting*".

The Tamarack Record Date for determining Tamarack Shareholders entitled to receive notice of, and to vote at, the Tamarack Meeting is the close of business on October 8, 2026. Only Tamarack Shareholders of record as of the Tamarack Record Date are entitled to receive notice of the Tamarack

Meeting. Tamarack Shareholders of record will be entitled to vote those Tamarack Shares included in the list of Tamarack Shareholders prepared as at the Tamarack Record Date. See "*General Proxy Matters – Tamarack*".

**Background to the Arrangement**

The terms of the Arrangement are the result of arm's length negotiations between representatives of Headwater and Tamarack, and their respective financial and legal advisors, under the direction of their respective boards of directors (and, in the case of Headwater, the Independent Committee). This Information Circular contains a summary of the events leading up to the negotiation of the Arrangement Agreement and the meetings, negotiations, discussions and actions by the Parties, their respective board of directors (and, in the case of Headwater, the Independent Committee) and senior management teams that preceded the execution and public announcement of the Arrangement Agreement.

See "*The Arrangement – Background to the Arrangement*".

**Attributes of the Combined Company and Benefits of the Arrangement**[5]

The following are the Combined Company's key attributes and the benefits of the Arrangement to both Headwater Shareholders and Tamarack Shareholders:

- **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.

- **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.

- **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.

- **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.[6] Available funding is expected to include a fully undrawn credit facility of $875 million maturing in May 2030.

- **Meaningful Synergy Capture:** The Combined Company is expected to realize immediate synergies through the integration of operations, 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.

- **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.

- **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.

See "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*" and Appendix H – "*Pro Forma Information Concerning the Combined Company*".

[5] Refer to "*Supplemental Disclosure – Non-IFRS Measures*", "*Advisory Regarding Oil and Gas Information*" and "*Forward-Looking Statements*" in this Information Circular for the advisory on non-IFRS measures and the advisories and additional disclosure in respect of oil and gas information and forward-looking statements, including the assumptions made in the forecasts and projections for the Combined Company.

[6] The Combined Company's expected net cash at the Effective Time has been estimated by management of Tamarack using forward strip commodity pricing as of September 2, 2026, and assumes that the Arrangement is completed on or about November 19, 2026.

**Reasons for the Arrangement**

***Headwater Board***

In making the Headwater Board Recommendation, the Headwater Board and the Independent Committee (as applicable) considered and relied upon several strategic, financial, operational and other factors, including the expected attributes of the Combined Company and the benefits of the Arrangement as set forth under "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*", certain financial metrics related to the Arrangement and the long-term prospects for growth of Headwater both on a stand-alone basis and in conjunction with Tamarack, as well as, among others, the following: (i) consideration of available alternatives; (ii) the proportionate ownership by Headwater Shareholders and Tamarack Shareholders in the Combined Company and in Tributary following the Arrangement; (iii) the receipt of Tributary Arrangement Warrants by Headwater Shareholders; (iv) the Peters & Co. Fairness Opinion and the BMO Fairness Opinion; (v) the Tamarack Support Agreements entered into by the directors and executive officers of Tamarack; (vi) the tax-deferred exchange of Headwater Shares for New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants pursuant to the Arrangement for Canadian income tax purposes; (vii) the ability to respond to Superior Proposals; (viii) the terms and conditions of the Arrangement Agreement including the termination provisions; (ix) the approvals required from the Headwater Shareholders and Tamarack Shareholders for the Arrangement and the Tributary Private Placement; and (x) the grant of Dissent Rights to the Headwater Shareholders. See "*The Arrangement – Reasons for the Arrangement – Headwater Board*".

***Tamarack Board***

In making the Tamarack Board Recommendation, the Tamarack Board considered and relied upon several strategic, financial, operational and other factors, including the expected attributes of the Combined Company and the benefits of the Arrangement as set forth under "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*", certain financial metrics related to the Arrangement and the long-term prospects for growth of Tamarack both on a stand-alone basis and in conjunction with Headwater, as well as, among others, the following: (i) the expected enhanced capital markets profile of the Combined Company; (ii) expected synergies to improve profitability; (iii) the expected market access for the Combined Company's production; (iv) consideration of available alternatives; (v) continuity of Tamarack management and members of the Tamarack Board; (vi) the expected balance sheet strength and capital allocation flexibility of the Combined Company; (vii) the NBF Fairness Opinion; (viii) the due diligence conducted by Tamarack and its advisors on Headwater and its assets; (ix) the Headwater Support Agreements entered into by the directors and officers of Headwater; (x) the Hold Period Agreements to be entered into by certain directors and officers of Headwater; (xi) the Area of Exclusion Agreements to be entered into by Tributary and the officers of Tributary; (xii) the participation of Tamarack Shareholders in ownership of Tributary Shares; (xiii) the tax-deferred exchange of Tamarack Shares for New Tamarack Shares and Tributary Shares pursuant to the Arrangement for Canadian income tax purposes; (xiv) the ability to respond to Superior Proposals; (xv) the terms and conditions of the Arrangement Agreement including the termination provisions; and (xvi) the approvals required from the Headwater Shareholders and Tamarack Shareholders for the Arrangement and the Tributary Private Placement. See "*The Arrangement – Reasons for the Arrangement – Tamarack Board*".

**Headwater Fairness Opinions**

***Peters & Co. Fairness Opinion***

Peters & Co. acted as financial advisor to Headwater and provided the Headwater Board with the Peters & Co. Fairness Opinion to the effect that, as of September 7, 2026, subject to the assumptions made and limitations and qualifications included therein, the consideration to be received by Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Headwater Shareholders. The full text of the Peters & Co. Fairness Opinion setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Peters & Co. Fairness Opinion is contained in Appendix F-1 to this Information Circular.

See "*The Arrangement – Headwater Fairness Opinions – Peters & Co. Fairness Opinion*". For the full text of the Peters & Co. Fairness Opinion, see Appendix F-1 – "*Peters & Co. Fairness Opinion*".

***BMO Fairness Opinion***

BMO Capital Markets provided the Independent Committee with the BMO Fairness Opinion to the effect that, as of September 7, 2026, based on the scope of review and subject to the assumptions made and limitations and qualifications included therein, the consideration to be received by Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Headwater Shareholders. The full text of the BMO Fairness Opinion setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the BMO Fairness Opinion is contained in Appendix F-2 to this Information Circular.

See "*The Arrangement – Headwater Fairness Opinions – BMO Fairness Opinion*". For the full text of the BMO Fairness Opinion, see Appendix F-2 – "*BMO Fairness Opinion*".

**NBF Fairness Opinion**

National Bank acted as financial advisor to Tamarack and provided the Tamarack Board with the NBF Fairness Opinion to the effect that, as of September 7, 2026, the exchange ratio under the Arrangement is fair, from a financial point of view, to Tamarack, subject to the assumptions made and the limitations and qualifications in the NBF Fairness Opinion. The full text of the NBF Fairness Opinion setting out the assumptions made, matters

considered and limitations and qualifications on the review undertaken in connection with the NBF Fairness Opinion is contained in Appendix G to this Information Circular.

See "*The Arrangement – NBF Fairness Opinion*". For the full text of the NBF Fairness Opinion, see Appendix G – "*NBF Fairness Opinion*".

**Recommendation of the Headwater Board**

After considering, among other things, the terms of the proposed Arrangement, the BMO Fairness Opinion, the Peters & Co. Fairness Opinion, the unanimous recommendation of the Independent Committee, the advice from its financial advisors and legal counsel and such other factors as were deemed appropriate, the members of the Headwater Board unanimously: (i) determined that the Arrangement and the entry into the Arrangement Agreement are in the best interests of Headwater; (ii) determined that the Arrangement is fair to Headwater Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

**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.**

See "*The Arrangement – Recommendation of the Headwater Board*" and "*The Arrangement – Reasons for the Arrangement – Headwater Board*".

**Recommendation of the Tamarack Board**

After considering the terms of the proposed Arrangement, the NBF Fairness Opinion, and following consultation with Tamarack's senior management and with Tamarack's legal, financial, tax and other advisors, the Tamarack Board unanimously: (i) determined that the Arrangement and the entry into the Arrangement Agreement are in the best interests of Tamarack; (ii) determined that the Arrangement is fair to Tamarack Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

**The Tamarack Board unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.**

See "*The Arrangement – Recommendation of the Tamarack Board*" and "*The Arrangement – Reasons for the Arrangement – Tamarack Board*".

**Arrangement Agreement**

The Arrangement will be effected pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement Agreement contains covenants, representations and warranties, and conditions precedent of and from each of Headwater and Tamarack, both mutual and with respect to Headwater and Tamarack individually.

The full text of the Arrangement Agreement is available on SEDAR+ at www.sedarplus.ca on each of Headwater's and Tamarack's issuer profiles.

See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*" for a more detailed summary of the Arrangement Agreement and the terms therein.

**Support Agreements**

All directors and officers of Headwater, who own approximately 6% of the issued and outstanding Headwater Shares, have entered into support agreements with Tamarack pursuant to which they have agreed to vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution. Similarly, all directors and officers of Tamarack, who own approximately 2% of the issued and outstanding Tamarack Shares, have entered into support agreements with Headwater pursuant to which they have agreed to vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

Copies of the forms of Support Agreements are attached as Schedule "D" and Schedule "E" to the Arrangement Agreement, which is available under each of Tamarack's and Headwater's profiles on SEDAR+.

See "*Summary of Agreements in Connection with the Arrangement – Support Agreements*".

**Conveyance Agreements**

On the Effective Date, Tamarack and Headwater will enter into the Tamarack Conveyance Agreement and the Headwater Conveyance Agreement, respectively, with Tributary. Under the Conveyance Agreements, Tamarack and Headwater will transfer the Tributary Tamarack Assets and the Tributary Headwater Assets, respectively, to Tributary.

Copies of the forms of Conveyance Agreements are attached as Schedule "F" and Schedule "G" to the Arrangement Agreement, which is available under each of Tamarack's and Headwater's profiles on SEDAR+.

See "*Acquisition of the Tributary Assets – Conveyance Agreements*" in Appendix J – "*Information Concerning Tributary Exploration Inc*.".

**Area of Exclusion Agreements**

As a condition to completion of the Arrangement, Tributary and each of the current officers of Headwater will enter into an Area of Exclusion Agreement with Tamarack pursuant to which they will agree, for a period of one year following the Effective Date, not to engage in certain petroleum and natural gas activities within specified lands in which Tamarack and Headwater currently conduct a material portion of their respective businesses, subject to limited exceptions. The Area of Exclusion Agreements also contain customary confidentiality provisions and certain rights in favour of Tamarack with respect to interests acquired in contravention of the agreements.

Copies of the forms of Area of Exclusion Agreements are attached as Schedule "H" to the Arrangement Agreement, which is available under each of Tamarack's and Headwater's profiles on SEDAR+.

See "*Summary of Agreements in Connection with the Arrangement – Area of Exclusion Agreements*".

**Hold Period Agreements**

As a condition to completion of the Arrangement, each director and officer of Headwater who beneficially owns, controls or directs more than 100,000 Headwater Shares immediately prior to the Effective Date will enter into a Hold Period Agreement with Tamarack. Pursuant to the Hold Period Agreements, the New Tamarack Shares received by such directors and officers under the Arrangement will be subject to transfer restrictions for a period of ten months following the Effective Date, with such restrictions being released in three equal tranches on the dates that are three, six and nine months following the Effective Date. The Hold Period Agreements also contain certain notice requirements and rights in favour of Tamarack with respect to proposed transfers of such New Tamarack Shares.

See "*Summary of Agreements in Connection with the Arrangement – Hold Period Agreements*".

**Treatment of Headwater Incentives**

Completion of the Arrangement will constitute a "Change of Control" under the Headwater Award Plan and as the employment of each holder of Headwater Restricted Awards and Headwater Performance Awards will be terminated, all outstanding Headwater Restricted Awards and Headwater Performance Awards will vest concurrently with the Effective Time of the Arrangement. The Headwater Board has determined that the Payout Multipliers applicable to Headwater Performance Awards granted in 2024, 2025 and 2026 will be 2.0x, 2.0x and 1.5x, respectively.

As all directors of Headwater will cease to be directors of Headwater at the Effective Time, all Headwater DSUs will become redeemable under the terms of the Headwater DSU Plan. In addition, pursuant to the Arrangement Agreement, Headwater has agreed to use reasonable commercial efforts to cause each director holding Headwater DSUs to elect to accelerate the Maturity Date (as defined in the Headwater DSU Plan) such that the Maturity Date for such Headwater DSUs is the Effective Date.

In connection with, and conditional upon, completion of the Arrangement: (i) Headwater shall pay, or cause to be paid, to each holder of Headwater Restricted Awards and Headwater Performance Awards an amount in cash equal to the product of the number of Headwater Restricted Awards and Headwater Performance Awards (after adjusting such Headwater Restricted Awards and Headwater Performance Awards for the Adjustment Ratio and, in the case of Headwater Performance Awards, the Payout Multiplier) held by such individual multiplied by the Settlement Price; and (ii) all Headwater DSUs shall be redeemed immediately following the Effective Time and each Headwater director who holds Headwater DSUs shall be entitled to a cash payment equal to the number of Headwater DSUs (after adjusting such Headwater DSUs for the Adjustment Ratio) held by such director at the Effective Time multiplied by the Settlement Price.

See "*Effect of the Arrangement – Headwater Incentives*".

**Treatment of Tamarack Incentives**

The Arrangement will not constitute a "change of control" with respect to the Tamarack Incentives. Tamarack Incentives will continue to exist pursuant to the terms of the Tamarack Incentive Plans.

**Procedure for the Arrangement to Become Effective**

***Procedural Steps***

The Arrangement is proposed to be carried out pursuant to section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Headwater Arrangement Resolution, the Tamarack Arrangement Resolution and the Share Issuance Resolution and, unless otherwise waived by Headwater, the Headwater Private Placement Resolution and Tamarack Private Placement Resolution must be approved by the requisite approvals;

(b) the Court must grant the Final Order approving the Arrangement;

(c) the TSX must have conditionally approved the listing of the New Tamarack Shares to be issued pursuant to the Arrangement;

(d) all other conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, including receipt of the Competition Act Approval, must be satisfied or waived by the appropriate Party; and

(e) the Articles of Arrangement must be filed with the Registrar and the Registrar must have issued the Certificate.

**There is no assurance that the conditions set out in the Arrangement Agreement will be satisfied or waived on a timely basis or at all.**

Upon the conditions precedent set forth in the Arrangement Agreement being satisfied or waived, each of Headwater, Tamarack and Tributary intends to file a copy of the Final Order and the Articles of Arrangement with the Registrar under the ABCA, together with such other materials as may be required by the Registrar, in order to give effect to the Arrangement.

See "*Procedure for the Arrangement to Become Effective – Procedural Steps*".

***Shareholder Approvals***

*Headwater Shareholder Approvals*

*Headwater Arrangement Resolution*

The Headwater Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting after excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, being the votes cast with respect to the Headwater Shares beneficially owned or over which control or direction is exercised by the Participating Insiders.

*Headwater Private Placement Resolution*

The Headwater Private Placement Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement. **Unless otherwise waived by Headwater, completion of the Arrangement is conditional on the approval of the Headwater Private Placement Resolution by the Headwater Shareholders.**

*Headwater Option Plan Resolution*

The Headwater Option Plan Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting. Completion of the Arrangement is not conditional on the approval of the Headwater Option Plan Resolution by the Headwater Shareholders.

**It is the intention of the persons named in the enclosed Headwater form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxy in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution, the Headwater Option Plan Resolution, as set forth in Appendix A, under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Headwater Shareholders*" and under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Headwater Shareholders*", respectively.**

See "*Procedure for the Arrangement to Become Effective – Shareholder Approval of the Arrangement*".

*Tamarack Shareholder Approvals*

*Tamarack Arrangement Resolution*

The Tamarack Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting.

*Share Issuance Resolution*

The Share Issuance Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting.

*Tamarack Private Placement Resolution*

The Tamarack Private Placement Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement. No Tamarack insiders are participating in the Tributary Private Placement. **Unless otherwise waived by Headwater, completion of the Arrangement is conditional on the approval of the Tamarack Private Placement Resolution by the Tamarack Shareholders.**

*Tamarack Option Plan Resolution*

The Tamarack Option Plan Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting. Completion of the Arrangement is not conditional on the approval of the Tamarack Option Plan Resolution by the Tamarack Shareholders.

**It is the intention of the persons named in the enclosed Tamarack form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxy in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution, the Tamarack Option Plan Resolution, as set forth in Appendix B, Appendix C, under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Approval Required – Tamarack Shareholders*" and under the heading "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Approval Required – Tamarack Shareholders*", respectively.**

See "*Procedure for the Arrangement to Become Effective – Shareholder Approval of the Arrangement*".

***Court Approval***

On October 13, 2026, Headwater and Tamarack obtained the Interim Order providing for the calling and holding of the Headwater Meeting and the Tamarack Meeting, as well as other procedural matters. The Interim Order is attached as Appendix E to this Information Circular.

The ABCA provides that the Arrangement requires final Court approval. Subject to the terms of the Arrangement Agreement and the satisfaction or waiver of the conditions therein, if each of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution, the Tamarack Arrangement Resolution, the Share Issuance Resolution and the Tamarack Private Placement Resolution are approved at the Headwater Meeting and the Tamarack Meeting, as applicable, Headwater and Tamarack will make a joint application to the Court for the Final Order at the Alberta Court of King's Bench, Calgary Courts Centre, 601 – 5th Street SW, Calgary, Alberta, Canada, or via videoconference, on November 18, 2026 at 2:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. The notice of application for the Final Order accompanies this Information Circular. At the application, the Court will be requested to consider the substantive and procedural fairness of the terms and conditions of the Arrangement.

Any Headwater Shareholder, Tamarack Shareholder or other interested party desiring to support or oppose the application with respect to the Arrangement, may appear at the hearing in person or by counsel for that purpose, subject to filing with the Court and serving on Headwater or Tamarack, as applicable, on or before 5:00 p.m. (Calgary time) on November 12, 2026, a notice of intention to appear setting out their address for service and indicating whether they intend to support or oppose the application or make submissions, together with any evidence or materials which are to be presented to the Court.

Service on Tamarack or Headwater, as applicable, is to be effected by delivery to its solicitors at the addresses set in the Notice of Joint Application attached to this Information Circular.

See "*Procedure for the Arrangement to Become Effective – Court Approval*".

***Regulatory and TSX Matters***

The Arrangement Agreement provides that receipt of the Competition Act Approval is a condition precedent to the Arrangement becoming effective. Competition Act Approval was received on September 21, 2026.

It is also a condition to completion of the Arrangement that the TSX shall have conditionally approved the issuance and the listing and posting for trading on the TSX of the New Tamarack Shares to be issued pursuant to the Arrangement.

See "*Procedure for the Arrangement to Become Effective – Regulatory and TSX Matters*".

**Dissent Rights**

Pursuant to the Interim Order, registered Headwater Shareholders are entitled, in addition to any other right such Headwater Shareholders may have, to dissent and to be paid by Headwater the fair value of the Headwater Shares held by them, determined as of the close of business on the last Business Day before the day on which the Headwater Arrangement Resolution was adopted and provided the Arrangement is completed. A Dissenting Shareholder must provide a written objection to the Headwater Arrangement Resolution no later than 5:00 p.m. (Calgary time) on the Business Day which is five Business Days immediately preceding the Headwater Meeting.

**A Dissenting Shareholder may dissent only with respect to all of the Headwater Shares held by such Dissenting Shareholder, or on behalf of any one beneficial Headwater Shareholder and registered in the Dissenting Shareholder's name. Only registered Headwater Shareholders may dissent. Beneficial Headwater Shareholders who wish to dissent, should be aware that they may only do so through the registered owner of such Headwater Shares. A registered Headwater Shareholder, such as a broker or CDS, who holds Headwater Shares as nominee for beneficial Headwater Shareholders, some of whom wish to dissent, must exercise the Dissent Right on behalf of such beneficial dissenting Headwater Shareholders with respect to all of the Headwater Shares held for such beneficial dissenting Headwater Shareholders. In such case, the written objection to the Headwater Arrangement Resolution should set forth the number of Headwater Shares covered by it.**

Unless otherwise waived by Tamarack, it is a condition to the obligation of Tamarack to complete the Arrangement that holders of not more than 5% of the issued and outstanding Headwater Shares shall have properly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

See "*Dissent Rights*".

**Certain Canadian Federal Income Tax Considerations**

This Information Circular contains a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to specified Tamarack Shareholders and Headwater Shareholders who dispose of their Tamarack Shares and Headwater Shares pursuant to the Arrangement. Tax consequences to Headwater Shareholders and Tamarack Shareholders who are resident in jurisdictions other than Canada are not discussed and such Headwater Shareholders and Tamarack Shareholders should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, after the Arrangement. All Headwater Shareholders and Tamarack Shareholders should consult their own tax advisors regarding the tax consequences of the Arrangement and of holding or disposing of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable. See "*Certain Canadian Federal Income Tax Considerations*".

Additionally, this Information Circular does not discuss any tax considerations applicable to holders of Headwater Incentives. Such persons should consult their own tax advisors regarding the consequences of the Arrangement to them in their particular circumstances.

**U.S. Securities Law Matters**

The New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to Headwater Shareholders and Tamarack Shareholders in exchange for their Headwater Shares and Tamarack Shares, as applicable, pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state within the United States, and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and exemptions provided under applicable state securities laws. The Section 3(a)(10) exemption will not apply to the issuance of Tributary Shares upon the subsequent exercise of the Tributary Arrangement Warrants. See "*Procedure for the Arrangement to Become Effective – Securities Law Matters – United States*".

**Timing**

If the Meetings are held as scheduled and are not adjourned or postponed and the necessary conditions for completion of the Arrangement are satisfied or waived, Headwater and Tamarack will apply for the Final Order approving the Arrangement on November 18, 2026. If the Final Order is obtained, in form and substance satisfactory to Headwater and Tamarack, the Effective Date will occur once all other conditions set forth in the Arrangement Agreement are satisfied or waived. Headwater and Tamarack currently expect that the Effective Date will occur on or about November 19, 2026. It is not possible, however, to state with certainty when, or if, the Effective Date will occur.

The Arrangement will become effective upon the filing of the Articles of Arrangement with the Registrar and the Registrar issuing the Certificate. 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 Effective Date could be delayed or may not occur for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order.

**Other Matters of Special Business Relating to Tributary**

***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. The Tributary Private Placement is expected to be offered to directors, officers, employees and consultants of Tributary and certain other investors. Each Tributary Unit will consist of one Tributary Share and one Tributary Private Placement Warrant. Each Tributary Private Placement Warrant will entitle 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. The Tributary Private Placement Warrants will vest in three equal tranches when the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $3.25, $3.75 and $4.25 (equivalent to $0.65, $0.75 and $0.85 prior to the Tributary Share Consolidation), respectively.

At the Headwater Meeting, Headwater Shareholders will be asked to consider and vote on the Headwater Private Placement Resolution approving the Tributary Private Placement. Similarly, at the Tamarack Meeting, Tamarack Shareholders will be asked to consider and vote on the Tamarack Private Placement Resolution approving the Tributary Private Placement. For the Tributary Private Placement to be adopted: (i) the Headwater Private Placement Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement; and (ii) the Tamarack Private Placement Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement. No Tamarack insiders are participating in the Tributary Private Placement.

No finders' fees or commissions will be paid in connection with the Tributary Private Placement. The Tributary Private Placement will be subject to the approval of the TSX. 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 purpose of the Tributary Private Placement is to provide Tributary with additional capital for organic development of its current acreage, strategic land sales and acquisitions and general working capital purposes.

Historically, in transactions of this nature, securities issued pursuant to an initial private placement, when issued at a net asset value, subsequently traded at a premium to the subscription price under the private placement which is often at a greater discount to the market price than the maximum allowable discount permitted by the TSX. As a result, if the Tributary Shares trade at a premium to the estimated net asset value per Tributary Share following completion of the Arrangement, the subscription price of the Tributary Units and the exercise price of the Tributary Private Placement Warrants may represent a greater discount to the market price than the allowable discount permitted by the TSX. However, there can be no assurances that the Tributary Shares will trade at a premium to the issue price of the Tributary Shares pursuant to the Tributary Private Placement, if and when the Tributary Shares are listed and posted for trading on the TSX. The market price of the Tributary Shares may also be affected by the number of Tributary Shares issuable upon the exercise of the Tributary Arrangement Warrants and the Tributary Private Placement Warrants.

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. 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. Tamarack Shareholders will hold approximately 66.5% of the issued and outstanding Tributary Shares upon completion of the Arrangement (prior to the exercise of any Tributary Arrangement Warrants and prior to closing of the Tributary Private Placement), a participation that shareholders of an acquiring company would not ordinarily receive. It is a condition (in favour of Headwater) to the completion of the Arrangement that each of the Tamarack Private Placement Resolution and the Headwater Private Placement Resolution be approved at the Tamarack Meeting and Headwater Meeting, respectively. **If the Headwater Shareholders or Tamarack Shareholders do not approve the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution, respectively, the Arrangement may not proceed.** The Headwater Board and the Tamarack Board each unanimously recommend that their respective shareholders vote FOR the Headwater Private Placement Resolution and the Tamarack Private Placement Resolution, as applicable. See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Reasons for the Tributary Private Placement and Recommendation of the Boards*".

See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" and Appendix J – "*Information Concerning Tributary Exploration Inc.*".

***Tributary Option Plan***

At the Headwater Meeting and the Tamarack Meeting, Headwater Shareholders and Tamarack Shareholders will be asked to consider and vote on the Headwater Option Plan Resolution and the Tamarack Option Plan Resolution, as applicable, approving the Tributary Option Plan to be adopted by Tributary providing for the grant of options to purchase Tributary Shares to directors, officers, employees and consultants of Tributary.

A copy of the Tributary Option Plan has been filed on Headwater's SEDAR+ issuer profile concurrently with the filing of this Information Circular under the category "*Other*". See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan*" in this Information Circular and Appendix J – "*Information Concerning Tributary Exploration Inc.*".

The completion of the Arrangement is not conditional upon approval of the Tributary Option Plan.

The Tributary Option Plan is a customary rolling 10% stock option plan that the TSX requires to be approved by the future shareholders of Tributary before the Tributary Shares are listed. The Headwater Board and the Tamarack Board each believe that the plan is necessary for Tributary to attract and retain its management and employees and each unanimously recommend that their respective shareholders vote FOR the Headwater Option Plan Resolution and the Tamarack Option Plan Resolution, as applicable. See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Reasons for the Tributary Option Plan and Recommendation of the Boards*".

**Selected Unaudited Pro Forma Financial and Operational Information of the Combined Company**

The following is a summary of selected unaudited *pro forma* consolidated financial information of the Combined Company before and after giving effect to the completion of the Arrangement for the dates and periods indicated. The *pro forma* adjustments are based upon available information and certain assumptions that Tamarack believes are reasonable under the circumstances. The unaudited *pro forma* consolidated financial information set forth below and the Pro Forma Financial Statements of the Combined Company attached to this Information Circular as Schedule A to Appendix H – "*Pro Forma Information Concerning the Combined Company*" are presented for illustrative purposes only and are not necessarily indicative of either the financial position or the results of operations that would have occurred as at or for such dates or periods had the Arrangement been effective as of January 1, 2025 or the financial position or results of operations for the Combined Company in future years if the Arrangement is completed. The actual adjustments will differ from those reflected in such Pro Forma Financial Statements and such differences may be material. The following is a summary only and must be read in conjunction with the Pro Forma Financial Statements, including the notes thereto, set forth in Schedule A to Appendix H to this Information Circular. Reference should also be made to: (i) the Headwater Annual Financial Statements; and (ii) the Tamarack Annual Financial Statements, each of which is incorporated by reference herein.

***Pro Forma Consolidated Statement of Operations for the six months ended June 30, 2026***

| **For the six months ended June 30, 2026** ($ thousands) | **Tamarack Valley Energy Ltd.** | **Headwater Exploration Inc.** | **Presentation adjustments** | ***Pro forma* adjustments** | ***Pro forma* consolidated** |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Oil and natural gas sales | $ 1,047,730 | $ 414,649 | $ (904) | $ (15,920) | $ 1,445,555 |
| Sale of purchased product | 17,008 | - | - | - | 17,008 |
| Processing and other income | 1,884 | - | 1,979 | (825) | 3,038 |
| Royalties | (197,121) | (76,350) | - | 672 | (272,799) |
| | 869,501 | 338,299 | 1,075 | (16,073) | 1,192,802 |
| **Risk management contracts** | | | | | |
| Realized loss | (67,843) | - | (17,331) | - | (85,174) |
| Unrealized gain (loss) | (32,743) | - | 2,015 | - | (30,728) |
| Losses on financial derivatives | - | (15,316) | 15,316 | - | - |
| | 768,915 | 322,983 | 1,075 | (16,073) | 1,076,900 |
| **Expenses** | | | | | |
| Operating | 91,897 | 36,177 | - | (1,243) | 126,831 |
| Transportation | 47,879 | - | 26,041 | (36) | 73,884 |
| Product purchases and blending | 20,472 | - | 17,078 | - | 37,550 |
| Finance | 36,318 | - | 1,188 | - | 37,506 |
| Stock-based compensation | 28,078 | 18,950 | - | - | 47,028 |
| General and administrative | 17,622 | 6,559 | - | - | 24,181 |
| Depletion and depreciation | 225,633 | 58,665 | 1,814 | 55,015 | 341,127 |
| Loss on dispositions and other | 23,564 | - | - | - | 23,564 |
| Blending and transportation | - | 43,119 | (43,119) | - | - |
| Exploration and evaluation expense | - | 1,814 | (1,814) | - | - |
| Interest income and other expense | - | 113 | (113) | - | - |
| | 491,463 | 165,397 | 1,075 | 53,736 | 711,671 |
| Net income before income taxes | 277,452 | 157,586 | - | (69,809) | 365,229 |
| **Income taxes** | | | | | |
| Current income tax expense (recovery) | 86,563 | 21,080 | - | (3,432) | 104,211 |
| Deferred income tax expense (recovery) | (20,432) | 15,523 | - | (12,653) | (17,562) |
| | 66,131 | 36,603 | - | (16,085) | 86,649 |
| Net income and comprehensive income | $ 211,321 | $ 120,983 | $ - | $ (53,724) | $ 278,580 |
| **Net income per share** | | | | | |
| Basic | $ 0.44 | $ 0.51 | | | $ 0.39 |
| Diluted | $ 0.43 | $ 0.51 | | | $ 0.38 |

***Pro Forma Consolidated Statement of Operations for the year ended December 31, 2025***

| **For the year ended December 31, 2025** ($ thousands) | **Tamarack Valley Energy Ltd.** | **Headwater Exploration Inc.** | **Presentation adjustments** | ***Pro forma* adjustments** | ***Pro forma* consolidated** |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Oil and natural gas sales | $ 1,611,671 | $ 618,280 | $ (1,530) | $ (25,875) | $ 2,202,546 |
| Sale of purchased product | 35,907 | - | - | - | 35,907 |
| Processing and other income | 2,865 | - | 5,126 | (1,428) | 6,563 |
| Royalties | (302,938) | (103,987) | - | 1,115 | (405,810) |
| | 1,347,505 | 514,293 | 3,596 | (26,188) | 1,839,206 |
| **Risk management contracts** | | | | | |
| Realized loss | (19,228) | - | (6,506) | - | (25,734) |
| Unrealized gain (loss) | 30,251 | - | (691) | - | 29,560 |
| Losses on financial derivatives | - | (7,197) | 7,197 | - | - |
| | 1,358,528 | 507,096 | 3,596 | (26,188) | 1,843,032 |
| **Expenses** | | | | | |
| Operating | 187,839 | 61,349 | - | (2,624) | 246,564 |
| Transportation | 86,149 | - | 46,393 | (206) | 132,336 |
| Product purchases and blending | 37,938 | - | 24,465 | - | 62,403 |
| Finance | 84,742 | - | 2,759 | - | 87,501 |
| Stock-based compensation | 27,849 | 26,011 | - | - | 53,860 |
| General and administrative | 37,021 | 12,396 | - | - | 49,417 |
| Depletion and depreciation | 530,613 | 127,037 | 8,256 | 177,330 | 843,236 |
| Loss on dispositions and other | 406,473 | - | - | 25,545 | 432,018 |
| Blending and transportation | - | 70,858 | (70,858) | - | - |
| Exploration and evaluation expense | - | 8,256 | (8,256) | - | - |
| Interest income and other expense | - | (837) | 837 | - | - |
| | 1,398,624 | 305,070 | 3,596 | 200,045 | 1,907,335 |
| Net income (loss) before income taxes | (40,096) | 202,026 | - | (226,233) | (64,303) |
| **Income taxes** | | | | | |
| Current income tax expense (recovery) | 100,044 | 40,220 | - | (11,295) | 128,969 |
| Deferred income tax expense (recovery) | (103,791) | 8,599 | - | (40,786) | (135,978) |
| | (3,747) | 48,819 | - | (52,081) | (7,009) |
| Net income (loss) and comprehensive income (loss) | $ (36,349) | $ 153,207 | $ - | $ (174,152) | $ (57,294) |
| **Net income (loss) per share** | | | | | |
| Basic | $ (0.07) | $ 0.64 | | | $ (0.08) |
| Diluted | $ (0.07) | $ 0.64 | | | $ (0.08) |

**Risk Factors**

Upon the completion of the Arrangement, Headwater Shareholders (other than Dissenting Shareholders) will receive New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants in exchange for their Headwater Shares, and Tamarack Shareholders will receive New Tamarack Shares and Tributary Shares in exchange for their Tamarack Shares. Investments in the Combined Company and Tributary will be subject to certain risks. For risk factors relating to an investment in Tributary, see "*Risk Factors*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

The businesses of Headwater and Tamarack are subject to similar risks, which are those generally associated with an investment in shares of an integrated energy company. These are described under the heading "*Risk Factors*" in the Headwater AIF, the Headwater Annual MD&A, the Tamarack AIF and the Tamarack Annual MD&A, all of which are incorporated by reference herein.

The following is a list of certain additional risk factors associated with the Arrangement (including the transfer and conveyance of the Tributary Assets to Tributary), an investment in the Combined Company and Tributary, which Headwater Shareholders and Tamarack Shareholders should carefully consider before approving the Headwater Arrangement Resolution, the Headwater Private Placement Resolution, the Headwater Option Plan Resolution, the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution, as applicable:

- Tamarack and Headwater may fail to realize the anticipated benefits and synergies of the Arrangement;
- the value of the Tributary Shares may be less than expected;
- the combination of Tamarack and Headwater may expose Tamarack Shareholders and Headwater Shareholders to different business risks, and Tamarack and Headwater may fail to successfully integrate their respective businesses, operations, assets, systems and personnel;
- the restrictions imposed on Tamarack and Headwater under the Arrangement Agreement while the Arrangement is pending may prevent them from pursuing other attractive business opportunities that may arise prior to completion of the Arrangement;
- the Arrangement may not be completed if more than the permitted threshold of Headwater Shareholders exercise Dissent Rights;
- consents and approvals that are required in connection with the Arrangement may not be obtained, may be delayed or may be subject to unfavourable terms or conditions;
- the Tributary Shares and Tributary Arrangement Warrants may not be listed and posted for trading on the TSX in a timely manner, or at all, and an active and liquid market for the Tributary Shares may not develop;
- Tamarack or Headwater may have liabilities that were not discovered or accurately quantified through due diligence;
- the financial position, business or assets of Headwater and/or Tamarack may be significantly and adversely affected before completion of the Arrangement;
- the issuance of New Tamarack Shares pursuant to the Arrangement will reduce Tamarack Shareholders' proportionate ownership interests in Tamarack;
- the pro forma financial statements and pro forma financial and operational information may not be indicative of the Combined Company's financial condition, performance or results of operations following completion of the Arrangement;
- applicable income tax Laws, their interpretation or the administrative practices of taxing authorities may result in adverse consequences for Tamarack, Headwater, the Combined Company or their respective securityholders;
- future dividends on the New Tamarack Shares, including the planned increase in Tamarack's quarterly dividend, may be less than anticipated or may not be paid;
- Tamarack, Headwater and Tributary may be the targets of legal claims, securities class actions, derivative lawsuits and other claims in connection with the Arrangement;
- certain directors and officers of Tamarack and Headwater may have interests in the Arrangement, the Tributary Private Placement or the Tributary Option Plan that differ from, or are in addition to, the interests of Tamarack Shareholders and Headwater Shareholders generally;
- completion of the Arrangement may trigger change-of-control or similar provisions in certain material agreements, and required waivers, consents or assignments may not be obtained on acceptable terms or at all;
- the conditions precedent to completion of the Arrangement may not be satisfied or waived, which may result in the Arrangement being delayed or not being completed;
- the market prices of the Tamarack Shares, Headwater Shares or New Tamarack Shares may be adversely affected by the announcement, pendency, completion or non-completion of the Arrangement;
- sales or potential sales of New Tamarack Shares following completion of the Arrangement, including following the release of New Tamarack Shares under the Hold Period Agreements, may adversely affect the market price of the New Tamarack Shares;
- the Arrangement Agreement may be terminated in certain circumstances;
- another attractive sale, merger, arrangement or other transaction involving Tamarack or Headwater may not be available if the Arrangement is not completed;
- the timing of the Meetings, the Final Order and the anticipated Effective Date may be changed or delayed; and
- forward-looking information may prove inaccurate.

The risk factors listed above are an abbreviated list of certain risk factors associated with the Arrangement and an investment in the Combined Company summarized elsewhere in this Information Circular. See "*Risk Factors*".

## THE ARRANGEMENT

### General

Tamarack and Headwater entered into the arrangement agreement dated September 7, 2026 (the "**Arrangement Agreement**"). A copy of the Arrangement Agreement is available on each of Tamarack's and Headwater's SEDAR+ issuer profiles.

Pursuant to the Arrangement Agreement, Tamarack, Headwater and Tributary Exploration Inc. ("**Tributary**") will complete a court-approved plan of arrangement under the ABCA (the "**Arrangement**"), the full text of which is attached as Appendix D to this Information Circular.

The Arrangement combines Tamarack and Headwater and establishes Tributary as a separate publicly-traded company holding certain assets contributed by each of Tamarack and Headwater. Under the Arrangement, Tamarack will acquire all of the issued and outstanding Headwater Shares (other than Headwater Shares held by Dissenting Shareholders), and Tamarack Shareholders and Headwater Shareholders will receive securities of Tributary in connection with the spinout of the Tributary business.

The specific steps comprising the Arrangement, including the consideration to be received by Tamarack Shareholders and Headwater Shareholders and the issuance of Tributary Arrangement Warrants, and the terms and conditions of the Arrangement Agreement are described in further detail herein and in the Plan of Arrangement.

Pursuant to the terms of the Arrangement Agreement, Headwater and Tamarack agreed that the Combined Company will be led by senior management of Tamarack and Tributary will be led by Headwater's existing management team. Immediately following the Effective Time, the Combined Company Board will consist of nine members, which will include members of the current Tamarack Board plus Jason Jaskela and one additional representative from the current Headwater Board to be determined by the Tamarack Board prior to the Effective Date. In addition, as announced on September 8, 2026, Steve Buytels, President of Tamarack, will be appointed President and Chief Executive Officer of the Combined Company and will join the Combined Company Board, and Brian Schmidt, Tamarack's founding Chief Executive Officer, will become Executive Chair of the Combined Company Board, in each case effective January 1, 2027, the continuation of Tamarack's succession planning process.

### Background to the Arrangement

The terms of the Arrangement are the result of extensive negotiations between representatives of Headwater and Tamarack and their respective financial advisors and legal counsel. The following is a brief description of the background of these negotiations, the Arrangement and related transactions.

Management of Headwater and the Headwater Board meet routinely to review, among other things, Headwater's ongoing business objectives and strategy to enhance overall Headwater Shareholder value. As part of this process, senior management of Headwater provides assessments to the Headwater Board on a regular basis with respect to potential value enhancement and maximization alternatives, including maintaining the status quo, accelerating or decelerating capital expenditures, maintaining or increasing Headwater's quarterly dividend, repurchasing Headwater Shares through Headwater's normal course issuer bid, spinning-out certain assets into new entities and assessing potential strategic opportunities such as acquisitions, divestitures and business combinations.

Management of Tamarack and the Tamarack Board meet regularly to review, among other things, Tamarack's ongoing business activities and progress towards long-term strategic objectives. In addition to updating the Tamarack Board with respect to ongoing business activities in the normal course, management of Tamarack will, from time to time, provide evaluations of potential strategic transactions such as acquisitions, divestitures and business combinations, to the Tamarack Board.

Headwater has closely evaluated a number of strategic opportunities over the past couple of years, on a confidential basis, and its management and the Headwater Board have accordingly become familiar with the range of specific value enhancement and maximization alternatives available to Headwater. From time to time, these opportunities have included the consideration of potential material acquisitions or strategic transactions with various industry participants and other interested parties, which management of Headwater and the Headwater Board review and consider as they arise to determine whether pursuing them would be in the best interests of Headwater. Headwater's management and the Headwater Board also regularly review and consider market conditions, including factors that affect the business, operations, financial condition and affairs of Headwater, including its growth and sustainability.

Each of Headwater and Tamarack acquired assets in the Clearwater fairway in late 2020 and since that time, the two companies have competed for land and asset acquisitions in the area. In addition, since 2022, following the acquisition of Deltastream Energy Corp. by Tamarack, Headwater and Tamarack have jointly owned a gas processing facility in the Marten Hills area of Alberta. Since the two companies began operating in the Clearwater fairway, they have from time to time engaged in discussions related to a possible business combination; these past discussions never culminated in a business combination for a variety of reasons, including relative valuations and competing opportunities for each company.

In particular, in November 2024, senior management of each of Tamarack and Headwater engaged in preliminary discussions regarding a potential transaction involving the two companies. The discussions were preliminary in nature and the discussions concluded in early 2025 without any agreement being reached. Management of both Tamarack and Headwater kept their respective board of directors apprised of these discussions. In connection with these discussions and certain other strategic matters, Tamarack engaged National Bank as its financial advisor in November 2024.

In late 2025 and in early 2026, management of Headwater engaged in discussions with another counterparty regarding a possible business combination. In connection with such discussions, Headwater engaged Peters & Co. as its financial advisor to assist with the potential negotiation, and financial

analysis of a business combination with the counterparty. These discussions proceeded for several months. Ultimately, differing views on relative valuations resulted in the termination of the discussions.

Following the end of these discussions, management of Headwater and the Headwater Board continued to have discussions and consider strategic opportunities potentially available to Headwater. At a meeting of the Headwater Board held on May 22, 2026, representatives of Peters & Co. attended and presented to the Headwater Board on current market conditions and the merger and acquisition environment. In addition, at this meeting, Peters & Co. reviewed with management of Headwater and the Headwater Board potential counterparties in the context of a business combination and other strategic opportunities, noting that there were only select companies that could contemplate a financially accretive transaction with Headwater. In addition, it was discussed that any other potential combination would likely dilute the asset quality and duration for Headwater Shareholders.

At the end of the meeting, the Headwater Board discussed establishing a committee of independent members of the Headwater Board to consider potential opportunities for business combinations and other strategic opportunities that may be available to Headwater from time to time. As a result, on May 25, 2026, the Headwater Board established the Independent Committee comprising Steve Larke (Chair), Chandra Henry and Kevin Olson, all of whom are independent members of the Headwater Board. To avoid potential conflicts of interest with other members of the Headwater Board in relation to any potential business combination that may be considered by the Independent Committee, the mandate of the Independent Committee allowed the Independent Committee to keep its deliberations and proceedings confidential from the rest of the Headwater Board if it determined it appropriate to do so.

On May 27, 2026, Tamarack announced that it had entered into an agreement to sell its Charlie Lake assets, with the disposition closing on June 16, 2026. The sale of its Charlie Lake assets resulted in Tamarack becoming a pure play Clearwater producer and allowed it to eliminate its net debt. Following the sale of the Charlie Lake assets, Headwater's and Tamarack's relative valuations became closely aligned.

In that context, management of Tamarack and the Tamarack Board considered the strategic alternatives available to Tamarack. At a strategy session of the Tamarack Board held in June 2026, management of Tamarack identified Headwater as the most complementary combination partner for Tamarack. The Tamarack Board supported management approaching Headwater to explore a potential business combination.

On June 24, 2026, senior management of each of Tamarack and Headwater met to discuss a potential business combination between the two companies. At the meeting, it was agreed that the two companies would commence an exploratory process to evaluate a potential business combination. Following the meeting, management provided an update to the members of the Independent Committee. On June 26, 2026, Headwater and Peters & Co. entered into a new engagement agreement pursuant to which Peters & Co. agreed to act as financial advisor to Headwater in connection with the consideration of potential strategic transactions involving prospective counterparties, including Tamarack.

On June 30, 2026, Headwater and Tamarack entered into the Confidentiality Agreement so that each of the two companies could commence evaluating the respective business and assets of the other company to determine whether a potential business combination between the two companies would result in an attractive pro forma opportunity.

On July 8, 2026, a meeting of the Independent Committee was held with management of Headwater and representatives of BD&P and Peters & Co. present. Management of Headwater provided an update on discussions with Tamarack relating to a potential business combination noting that, although discussions were in the early stages, it was currently contemplated that it would be an all share transaction with no cash offered to the Headwater Shareholders, the Tamarack management team would manage the combined entity and there would be a potential spin-out of assets into a new company that would be managed by the Headwater management team. At the meeting, representatives of BD&P also provided advice as to the fiduciary duties of the Independent Committee members in the context of a potential change of control transaction. Management of Headwater also noted that, given the strong relative valuations of Headwater and Tamarack and the relative concentration of both companies' assets in the long-duration, highly economic Clearwater play, it would be unlikely that another counterparty could propose a transaction that was competitive with, or superior to, the combination while continuing Headwater Shareholders' exposure to Headwater's high-quality assets and long-duration inventory, which was re-affirmed by representatives of Peters & Co.

At the July 8, 2026 meeting, the Independent Committee also discussed potential conflicts of interest that may arise as a result of the potential transaction and the process to be undertaken to negotiate the potential transaction with Tamarack. The Independent Committee considered the importance of maintaining an independent process while leveraging Headwater management's knowledge of the business and relationship with Tamarack and properly utilizing Peters & Co. as its financial advisor. It was determined that management of Headwater would continue to have discussions with management of Tamarack, while Peters & Co. would have discussions with National Bank as Tamarack's financial advisor. Management of Headwater would provide the Independent Committee with regular updates on the negotiations with Tamarack.

Throughout July and August 2026, management of Headwater and representatives of Peters & Co. continued to have discussions with management of Tamarack and representatives of National Bank with respect to the potential business combination. In addition, both companies conducted due diligence relating to the business and assets of the other company. Throughout this period, members of the Independent Committee were regularly updated and consulted with respect to the discussions and negotiations with Tamarack.

At the regularly scheduled meeting of the Headwater Board held on July 23, 2026 to consider Headwater's second quarter financial statements and management's discussion and analysis, management of Headwater provided the Headwater Board with an update relating to discussions with Tamarack and presented, and considered with the Headwater Board, various other strategic alternatives that may be available to Headwater.

At the regularly scheduled meeting of the Tamarack Board held on July 27, 2026 to consider Tamarack's second quarter financial statements and management's discussion and analysis, management of Tamarack updated the Tamarack Board on the status of discussions with Headwater, including

the entering into of the Confidentiality Agreement and the reciprocal technical evaluation of the two companies' assets then underway. Management indicated its intention, subject to the results of that evaluation, to propose a non-binding letter of intent to Headwater contemplating a share-for-share business combination, with Tamarack as the acquiror. The Tamarack Board discussed the potential transaction with management and supported management continuing its discussions with Headwater.

On August 13, 2026, a meeting of the Independent Committee was held with management of Headwater and representatives of BD&P present. Headwater's management provided an update on discussions with Tamarack relating to the potential terms of the business combination, noting that it was expected that Tamarack would deliver a written proposal for a business combination within the next several weeks. In addition, the Independent Committee discussed appointing an independent financial advisor to provide a fairness opinion to the Independent Committee on a flat fee basis.

Between July 27, 2026 and August 21, 2026, management of Tamarack kept the Tamarack Board apprised of the progress of discussions with Headwater and the results of Tamarack's evaluation of Headwater's assets. During this period, the Tamarack Board was consulted regarding the principal terms of a proposed transaction with Headwater, including a one-for-one share exchange ratio and the manner in which Headwater Shareholders and Tamarack Shareholders would participate in Tributary.

Following those discussions, on August 21, 2026, Tamarack, through its financial advisor, National Bank, delivered a non-binding proposal letter (the "**Proposal Letter**") to the Headwater Board setting out the principal terms of the proposed transaction (the "**Potential Transaction**"), including: (i) a one-for-one exchange ratio of Headwater Shares for Tamarack Shares; (ii) the proposed participation of Headwater Shareholders and Tamarack Shareholders in Tributary; (iii) proposed limits on working capital and transaction costs; (iv) the proposed Headwater Termination Amount and Tamarack Termination Amount; (v) the proposed terms of the Area of Exclusion Agreements and Hold Period Agreements; and (vi) exclusivity and a framework for continued diligence, negotiations and transaction documentation.

Although the one-for-one exchange ratio was deemed reasonable to Headwater, there were a number of other terms of the initial draft of the Proposal Letter that were not acceptable to Headwater. As a result, Headwater, together with Peters & Co. and BD&P, prepared a revised draft of the Proposal Letter and presented it to Tamarack and National Bank.

From August 21, 2026 to August 25, 2026, Tamarack and Headwater, together with their respective financial and legal advisors, continued to negotiate the terms of the Proposal Letter. Throughout this period, management of Headwater kept the Independent Committee apprised of the status of the negotiations, while management of Tamarack kept the Tamarack Board apprised of the status of the negotiations. The Independent Committee and the Tamarack Board provided guidance and feedback regarding the proposed terms set forth in the Proposal Letter.

On the morning of August 25, 2026, the Independent Committee (with all other members of the Headwater Board present) met to consider the Proposal Letter with management of Headwater, representatives of BD&P and representatives of Peters & Co. in attendance. The Independent Committee engaged in a wide-ranging discussion of various considerations related to the Proposal Letter, including the proposed share exchange ratio, the proposed securities of Tributary that the Headwater Shareholders and Tamarack Shareholders would receive, the proposed terms of the Tributary Private Placement, the proposed terms of the Area of Exclusion Agreements, the proposed terms of the Hold Period Agreements, the benefits that the Combined Company may be able to achieve and the number of Headwater Board members who would be appointed to the Tamarack Board following the closing of the Potential Transaction. In the course of such discussions, management of Headwater, members of the Independent Committee and representatives of BD&P and Peters & Co. outlined the material benefits and risks associated with the terms set forth in the Proposal Letter and the alternatives available to Headwater, including maintaining the status quo. It was noted that the mandate of the Independent Committee gave the Independent Committee the authority to approve the entering into of a non-binding letter of intent by Headwater with respect to a proposed business combination without the approval of the Headwater Board; however, all of the members of the Headwater Board present at the meeting noted they were supportive of Headwater entering into the Proposal Letter provided that the Independent Committee was satisfied with the terms. As there were a number of terms in the Proposal Letter that were still unacceptable to the Independent Committee, it was determined that Headwater and Peters & Co. would continue to negotiate the terms of the Proposal Letter with Tamarack and National Bank.

Following the Independent Committee meeting, Headwater and Peters & Co. proceeded to further negotiate with Tamarack and National Bank, which resulted in Tamarack delivering a revised Proposal Letter on the afternoon of August 25, 2026. Following the receipt of the revised Proposal Letter, the Independent Committee met to consider the Proposal Letter with Neil Roszell, Headwater's Executive Chairman and Jason Jaskela, Headwater's President and Chief Executive Officer, representatives of BD&P and representatives of Peters & Co. in attendance. After due consideration and discussion, the Independent Committee resolved to authorize Headwater to accept the Proposal Letter.

On August 25, 2026, Headwater and Tamarack executed the Proposal Letter and subsequently Headwater and Tamarack, with the support of their legal and financial advisors, conducted further due diligence on each other's businesses, assets and operations. The detailed review conducted by each of Headwater and Tamarack included a review of potential synergies, the pro forma forecast provided by Tamarack, capital structure, operations, environmental, financial, accounting, tax, human resources, legal and corporate matters.

On August 26, 2026, Tamarack and National Bank entered into a new engagement agreement pursuant to which National Bank agreed to act as financial advisor to Tamarack in connection with the proposed acquisition of Headwater, including providing an opinion to the Tamarack Board as to whether the exchange ratio under the Arrangement was fair, from a financial point of view, to Tamarack.

Following execution of the Proposal Letter, Tamarack, with the assistance of SE, National Bank and its technical advisors, conducted confirmatory due diligence on Headwater, including with respect to Headwater's reserves (including the Headwater Reserves Report), land, operations, environmental, financial, tax, legal and corporate matters. Headwater, with the assistance of BD&P and Peters & Co., also conducted confirmatory due diligence on

Tamarack, including with respect to Tamarack's reserves (including the Tamarack Reserves Report), land, operations, environmental, financial, tax, legal and corporate matters.

In addition, Headwater and Tamarack and their respective legal and financial advisors commenced the negotiation of the terms of the Arrangement Agreement and related agreements based on the terms set out in the Proposal Letter.

On August 31, 2026, the Independent Committee met to consider appointing a financial advisor to provide a fairness opinion to the Independent Committee. At the meeting, BMO Capital Markets provided a presentation on their experience and qualifications in relation to the proposed engagement. Following the presentation, representatives of BMO Capital Markets left the meeting and the Independent Committee considered the proposed terms of their engagement, including noting that BMO Capital Markets proposed that a flat fee would be paid for delivery of the fairness opinion that would not be contingent on whether the Arrangement was ultimately consummated. The Independent Committee resolved to engage BMO Capital Markets as the financial advisor to the Independent Committee and to deliver a fairness opinion to the Independent Committee in respect of the Arrangement. Representatives of BD&P also provided the Independent Committee with an update on the status of negotiations regarding the Arrangement Agreement and other matters related to the Arrangement, including the material outstanding issues.

On September 2, 2026, the Tamarack Board met with management of Tamarack, National Bank and SE. Senior management of Tamarack reviewed with the Tamarack Board the events leading to the Potential Transaction and summarized for the Tamarack Board the strategic rationale for the Potential Transaction and the key points of negotiation with Headwater, including the participation of Tamarack Shareholders in Tributary and the Area of Exclusion Agreements to be entered into by each of the officers of Headwater and Tributary. Management also updated the Tamarack Board regarding the status of negotiating the Arrangement Agreement and other matters related to the Arrangement, including the material outstanding issues. Representatives from National Bank then provided a detailed presentation to the Tamarack Board outlining its financial analysis and considerations, including: (i) an overview of the proposed Arrangement and the principal terms of the Arrangement Agreement, including the exchange ratio pursuant to the Arrangement, the resulting pro forma ownership of the Combined Company and the terms on which Tamarack Shareholders and Headwater Shareholders would participate in Tributary, including the Tributary Arrangement Warrants and the Tributary Private Placement; (ii) the scope of National Bank's review and its approach to assessing the fairness of the exchange ratio pursuant to the Arrangement; (iii) a review of the value of the consideration implied by the exchange ratio pursuant to the Arrangement relative to the recent trading prices of the Headwater Shares and the Tamarack Shares, including the historical exchange ratio between the two companies and their relative share price performance; (iv) a financial assessment of Tamarack on a stand-alone basis, including its recent trading performance, research analyst target prices, a comparable company trading analysis and a net asset value analysis; (v) a financial assessment of Headwater on a stand-alone basis, including its recent trading performance, research analyst target prices, a comparable company trading analysis, and a net asset value analysis; (vi) a relative contribution analysis comparing the respective contributions of Tamarack and Headwater to the production, cash flow, reserves and development inventory of the Combined Company against the pro forma ownership implied by the exchange ratio pursuant to the Arrangement; (vii) a merger analysis of the pro forma impact of the Arrangement on Tamarack and a benchmarking of the Combined Company against selected peers; (viii) a review of selected comparable precedent transactions and the current market environment; (ix) a financial assessment of Tributary, including a review of the assets to be conveyed to Tributary, the pro forma capitalization of Tributary and the track record of the Headwater management team; and (x) a qualitative assessment of the Arrangement and the definitive documentation, including the Headwater Support Agreements, the Hold Period Agreements and the Area of Exclusion Agreements, the composition of the management team and board of the Combined Company, and the process undertaken to arrive at the Arrangement. National Bank also reviewed with the Tamarack Board the current market environment, including the continued consolidation of the publicly-traded exploration and production sector and the competitive landscape in the Clearwater fairway, and the expected positioning of the Combined Company as the only publicly-traded pure-play Clearwater producer. National Bank concluded its presentation by stating its expectations regarding delivery of a verbal fairness opinion on September 7, 2026, prior to finalization of the Arrangement Agreement, with market trading data as of market close on September 4, 2026. During the meeting, SE also reviewed certain legal matters with the Tamarack Board relating to the Potential Transaction, including the duties of the Tamarack Board in considering the Potential Transaction.

On September 2, 2026, after the Tamarack Board considered, among other things, the material terms of the Arrangement Agreement, the presentation delivered by National Bank and its expectations regarding delivery of a verbal fairness opinion, the advice received from SE, and the impact of the Arrangement on the various stakeholders of Tamarack, the Tamarack Board unanimously: (i) determined that the Arrangement and the entry into the Arrangement Agreement by Tamarack are in the best interests of Tamarack; (ii) determined that the Arrangement is fair to Tamarack Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, Share Issuance Resolution, Tamarack Private Placement Resolution and Tamarack Option Plan Resolution, in each case subject to: (A) receipt by the Tamarack Board of the verbal fairness opinion from National Bank; and (B) the finalization of the Arrangement Agreement and related agreements in respect of the Arrangement substantially on the terms presented to the Tamarack Board.

On September 7, 2026, the Tamarack Board met with management of Tamarack, National Bank and SE. Management of Tamarack and SE updated the Tamarack Board regarding the status of finalizing the Arrangement Agreement and the related agreements. National Bank then delivered its verbal fairness opinion in respect of the Arrangement to the Tamarack Board that, as of September 7, 2026, the exchange ratio pursuant to the Arrangement is fair, from a financial point of view, to Tamarack, subject to the assumptions made and the limitations and qualifications in the written opinion of National Bank. Following delivery of the verbal fairness opinion, the Tamarack Board confirmed that the conditions to its approval of the Arrangement at its meeting held on September 2, 2026 had been satisfied and that Tamarack was authorized to execute and deliver the Arrangement Agreement and the related agreements.

On September 7, 2026, a meeting of the Independent Committee was convened with all of the other members of the Headwater Board and management of Headwater in attendance. At the meeting, representatives of BMO Capital Markets provided the Independent Committee a detailed presentation outlining, among other things, its financial analysis and considerations, including: (i) a review of the key financial aspects of the Arrangement and the terms of the Arrangement Agreement; (ii) the scope of BMO Capital Markets' review and the valuation methodologies utilized in assessing the consideration to be received by the Headwater Shareholders pursuant to the proposed Arrangement, including the value attributable to the Tributary

Shares and BMO Capital Markets' perspectives with respect to Tributary Arrangement Warrants; (iii) a review of selected precedent transactions and related valuation metrics; (iv) an overview of the historical trading performance of Headwater and Tamarack; (v) BMO Capital Markets' views regarding the strategic rationale and industrial logic for the Combined Company; (vi) an overview of the financial and operating metrics of the Combined Company; (vii) BMO Capital Markets' analysis of the aggregate consideration proposed to be received by Headwater Shareholders and comparison of such consideration to BMO Capital Markets' analysis of the value of current Headwater Shares, and (viii) an overview of BMO Capital Markets' understanding of the terms and conditions of the Tributary Private Placement and its potential impact on dilution of shareholders of Tributary. Following the presentation, BMO Capital Markets delivered its verbal fairness opinion that, as of September 7, 2026, and based on the scope of review and subject to and based on customary assumptions, qualifications and limitations, the consideration to be received by the Headwater Shareholders pursuant to the proposed Arrangement is fair, from a financial point of view, to the Headwater Shareholders.

Representatives of Peters & Co. joined the Independent Committee meeting and proceeded to provide the Independent Committee a detailed presentation outlining, among other things, its financial analysis and considerations, including: (i) background information with respect to negotiations with Tamarack and their financial advisors including an overview of the key terms of the proposed Arrangement; (ii) an overview of the strategic rationale for the proposed Arrangement, including the anticipated benefits of the Arrangement and key metrics of the Combined Company; (iii) an overview of the proposed Arrangement and the principal terms of the Arrangement Agreement; (iv) the scope of Peters & Co.'s review and a review of the process undertaken and Peters & Co.'s analytical framework for assessing the value of the proposed Arrangement; (v) an overview of Peters & Co.'s relative contribution analysis, historical exchange ratio trends and comparative share price performance of Headwater and Tamarack; (vi) Peters & Co.'s financial assessment of the consideration to be received by Headwater Shareholders; (vii) a comparison of the pro forma Combined Company against selected oil and gas producers; (viii) illustrative trading ranges for the Combined Company based on various financial and operating metrics; (ix) Peters & Co.'s view that a broad market process would not likely have yielded a transaction that was superior to the proposed Arrangement; and (x) Peters & Co.'s financial and capital markets assessment of Tributary, including the terms and conditions of the Tributary Private Placement. Following the presentation, Peters & Co. delivered its verbal fairness opinion that, as of September 7, 2026, and subject to and based on customary assumptions, qualifications and limitations, the consideration to be received by the Headwater Shareholders pursuant to the proposed Arrangement is fair, from a financial point of view, to the Headwater Shareholders.

Representatives of BD&P also provided advice as to the fiduciary duties of the Independent Committee and the Headwater Board in the context of the proposed Arrangement Agreement and reviewed the terms of the proposed Arrangement Agreement, Plan of Arrangement, Headwater Support Agreements, Tamarack Support Agreements, Conveyance Agreements, Area of Exclusion Agreements and Hold Period Agreements. After duly considering the financial aspects of the Arrangement, the potential impact on Headwater, Headwater Shareholders and other stakeholders (including Headwater employees), legal and financial advice (including the verbal Headwater Fairness Opinions), the benefits and drawbacks of the Arrangement relative to other alternatives (including the status quo business plan) and other matters considered relevant, the Independent Committee, following an in camera session in the absence of management, unanimously resolved to recommend that the Headwater Board: (i) determine that the Arrangement and the entry into the Arrangement Agreement by Headwater are in the best interests of Headwater; (ii) determine that the Arrangement is fair to Headwater Shareholders; (iii) approve the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolve to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution (the "**Independent Committee Recommendation**").

Immediately following the conclusion of the Independent Committee meeting on September 7, 2026, a Headwater Board meeting was convened to review and consider the terms of the Arrangement Agreement, and the merits to Headwater and Headwater Shareholders of the Arrangement and the entering into of the proposed Arrangement Agreement. At the meeting, the Chair of the Independent Committee delivered the Independent Committee Recommendation to the Headwater Board. After the Headwater Board considered, among other things, the terms of the Arrangement Agreement, the Independent Committee Recommendation, the Peters & Co. Fairness Opinion and BMO Fairness Opinion and the impact of the Arrangement on the various stakeholders of Headwater, the Headwater Board unanimously: (i) determined that the Arrangement and the entry into the Arrangement Agreement by Headwater are in the best interests of Headwater; (ii) determined that the Arrangement is fair to Headwater Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution.

Headwater and Tamarack signed the Arrangement Agreement on the evening of September 7, 2026. Concurrently with the execution of the Arrangement Agreement, the Supporting Headwater Shareholders delivered the Headwater Support Agreements to Tamarack and the Supporting Tamarack Shareholders delivered the Tamarack Support Agreements to Headwater. Headwater and Tamarack issued a joint press release announcing the Arrangement and related matters prior to the opening of the markets on Tuesday, September 8, 2026.

On October 9, 2026, the Tamarack Board, by resolutions in writing signed by all of the directors of Tamarack, approved the contents of this Information Circular and the mailing of this Information Circular to Tamarack Shareholders and various other matters relating to the Arrangement and the Tamarack Meeting, and confirmed its unanimous recommendation that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

On October 7, 2026, the Headwater Board met and considered this Information Circular and various other matters relating to the Arrangement and the Headwater Meeting. At this meeting, the members of the Headwater Board unanimously resolved to approve the contents of this Information Circular, the mailing of this Information Circular to Headwater Shareholders and various other matters relating to the Arrangement and the Headwater Meeting and confirmed its unanimous recommendation that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution.

On October 13, 2026, the Court granted the Interim Order, a copy of which is attached as Appendix E to this Information Circular.

**Attributes of the Combined Company and Benefits of the Arrangement**

The following are the Combined Company's key attributes and the benefits of the Arrangement to both Headwater Shareholders and Tamarack Shareholders:

- **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.

- **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.

- **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.

- **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.[7] Available funding is expected to include a fully undrawn credit facility of $875 million maturing in May 2030.

- **Meaningful Synergy Capture:** The Combined Company is expected to realize immediate synergies through the integration of operations, 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.

- **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.

- **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.

See Appendix H – "*Pro Forma Information Concerning the Combined Company*".

**Reasons for the Arrangement**

***Headwater Board***

In: (i) determining that the Arrangement and the entry into the Arrangement Agreement by Headwater are in the best interests of Headwater; (ii) determining that the Arrangement is fair to Headwater Shareholders; (iii) approving the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolving to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution, the Headwater Board and the Independent Committee (as applicable) considered and relied upon several strategic, financial, operational and other factors, including the expected attributes of the Combined Company and the benefits of the Arrangement as set forth above under "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*", certain financial metrics related to the Arrangement and the long-term prospects for growth of Headwater both on a stand-alone basis and in conjunction with Tamarack, as well as, among others, the following:

*Consideration of Alternatives*

The Independent Committee and the Headwater Board carefully considered current industry, economic and market conditions and outlooks, including prevailing commodity prices and their expectations of the future prospects of the businesses in which Headwater and Tamarack operate, as well as the impact of the Arrangement on affected stakeholders. Following a review of alternative strategic courses of action available to Headwater, including the status quo, which included advice from the financial advisors and legal counsel to the Headwater Board and the Independent Committee, the Arrangement was determined to be the preferred strategic alternative available to Headwater and the Headwater Shareholders.

[7] The Combined Company's expected net cash at the Effective Time has been estimated by management of Tamarack using forward strip commodity pricing as of September 2, 2026, and assumes that the Arrangement is completed on or about November 19, 2026.

*Proportionate Ownership of the Combined Company and in Tributary*

Prior to the completion of the Tributary Private Placement and the exercise of the Tributary Arrangement Warrants, Headwater Shareholders will own approximately 33.5% and Tamarack Shareholders will own approximately 66.5% of the total outstanding Tributary Shares.

*Receipt of Tributary Arrangement Warrants by Headwater Shareholders*

The Headwater Shareholders will receive Tributary Arrangement Warrants giving Headwater Shareholders an opportunity to obtain a higher ownership interest for each Headwater Share than Tamarack Shareholders will receive for each Tamarack Share upon exercise. Assuming all Tributary Arrangement Warrants are exercised by Headwater Shareholders, Tamarack Shareholders will own approximately 55.4% and Headwater Shareholders will own approximately 44.6% of the total outstanding Tributary Shares (prior to closing of the Tributary Private Placement).

*Peters & Co. Fairness Opinion and BMO Fairness Opinion*

The Independent Committee and Headwater Board considered the Peters & Co. Fairness Opinion, to the effect that, as of September 7, 2026, based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by the Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Headwater Shareholders. See "*Peters & Co. Fairness Opinion*" at Appendix F-1 to this Information Circular.

The Independent Committee and Headwater Board considered the BMO Fairness Opinion, to the effect that, as of September 7, 2026, based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by the Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Headwater Shareholders. See "*BMO Fairness Opinion*" at Appendix F-2 to this Information Circular.

See "*The Arrangement – Headwater Fairness Opinions – Peters & Co. Fairness Opinion*" and "*The Arrangement – Headwater Fairness Opinions – BMO Fairness Opinion*".

*Tamarack Shareholder Support*

All of the directors and executive officers of Tamarack, who collectively hold approximately 2% of the issued and outstanding Tamarack Shares, have entered into Tamarack Support Agreements pursuant to which they have agreed, among other things, to vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

*Tax-Deferred Exchange of Headwater Shares for Canadian Income Tax Purposes*

The exchange of Headwater Shares for Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants will generally be tax-deferred for Headwater Shareholders for Canadian income tax purposes. See "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Headwater Shareholders*".

*Response to Superior Proposals*

The terms of the Arrangement Agreement permit the Headwater Board to engage in discussions or negotiations with respect to an unsolicited bona fide written Acquisition Proposal if the Headwater Board determines in good faith after consultation with its external legal and financial advisors that such Acquisition Proposal constitutes, or would reasonably be expected to constitute or lead to, a Superior Proposal. The ability of the Headwater Board to respond to any such Superior Proposal is subject to the terms and conditions contained in the Arrangement Agreement. See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*".

*Termination Protections*

The Headwater Board and the Independent Committee considered the appropriateness of the ability of Headwater to receive the Headwater Termination Amount payable by Tamarack to Headwater, as consideration for the disposition by Headwater of its rights under the Arrangement Agreement, if the Arrangement Agreement is terminated in certain circumstances, including in the event that: (i) the Tamarack Board fails to make the Tamarack Board Recommendation, or changes, withdraws, modifies or qualifies the Tamarack Board Recommendation in a manner adverse to Headwater, or fails to publicly reaffirm the Tamarack Board Recommendation within the time required by the Arrangement Agreement, and the Arrangement Agreement is terminated by Headwater; (ii) Tamarack breaches its non-solicitation covenants under the Arrangement Agreement in any material respect and the Arrangement Agreement is terminated by Headwater; (iii) the Tamarack Board accepts, recommends, approves or enters into an agreement to implement an Acquisition Proposal, or fails to recommend unequivocally against an Acquisition Proposal, and the Arrangement Agreement is terminated by Headwater; (iv) Tamarack enters into a definitive agreement with respect to a Superior Proposal and terminates the Arrangement Agreement; or (v) the Arrangement Agreement is terminated because the Tamarack Shareholders do not approve the Tamarack Arrangement Resolution or the Share Issuance Resolution where, prior to such termination, an Acquisition Proposal (or an intention to make an Acquisition Proposal) for Tamarack has been publicly announced, proposed, disclosed, offered or made and, within 12 months following the date of such termination, the Tamarack Board recommends an Acquisition Proposal which is subsequently consummated, Tamarack enters into a binding definitive agreement in respect of an Acquisition Proposal which is subsequently consummated, or any Acquisition Proposal is consummated with Tamarack.

*Definitive Agreement Terms and Conditions*

The Arrangement Agreement was the result of a comprehensive negotiation process with Tamarack and includes terms and conditions that are reasonable in the judgment of the Headwater Board and the Independent Committee. The Headwater Board and the Independent Committee also believe that the "deal protection" provisions in the Arrangement Agreement are reasonable in the circumstances and were negotiated at length with Tamarack in conjunction with the consideration of the other terms and conditions of the Arrangement, including the consideration to be received by Headwater Shareholders pursuant to the Arrangement.

*Approval by Headwater Shareholders*

Not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting are required to approve the Headwater Arrangement Resolution. In addition, the Headwater Arrangement Resolution will be required to be approved by a simple majority of the votes cast by the Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting, excluding the votes cast by any director or officer who is considered to be receiving a collateral benefit pursuant to the proposed Arrangement under MI 61-101. Accordingly, Headwater Shareholders can reject the Headwater Arrangement Resolution if they choose to do so.

*Dissent Rights of Headwater Shareholders*

Registered Headwater Shareholders may, upon compliance with certain conditions and in certain circumstances, exercise Dissent Rights. See "*Dissent Rights*".

*Additional Approvals*

In addition to the approval of the Share Issuance Resolution and the Tamarack Arrangement Resolution by the Tamarack Shareholders, completion of the Arrangement is subject to: (i) the approval of the Court; (ii) the approval of the listing on the TSX of the New Tamarack Shares to be issued pursuant to the Arrangement; (iii) the receipt of the Competition Act Approval (which has been received as of the date hereof); and (iv) the approval of the Headwater Private Placement Resolution and Tamarack Private Placement Resolution by a simple majority of the votes cast by the Headwater Shareholders (after excluding the votes of Headwater Shareholders participating in the Tributary Private Placement) and Tamarack Shareholders (excluding the votes attached to Tamarack Shares held by Headwater Shareholders participating in the Tributary Private Placement), respectively, present in person (virtually) or represented by proxy at the respective meeting.

The information and factors described above and considered by the Headwater Board, and the Independent Committee in reaching their respective determinations and making their respective approvals are not intended to be exhaustive but include material factors considered by the Headwater Board and the Independent Committee. In view of the wide variety of factors considered in connection with their respective evaluations of the Arrangement and the complexity of these matters, neither the Headwater Board nor the Independent Committee found it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, individual members of the Headwater Board and the Independent Committee may have given different weight to different factors.

See "*The Arrangement – Recommendation of the Headwater Board*".

***Tamarack Board***

In: (i) determining that the Arrangement and the entry into the Arrangement Agreement are in the best interests of Tamarack; (ii) determining that the Arrangement is fair to Tamarack Shareholders; (iii) approving the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolving to recommend that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution, the Tamarack Board considered and relied upon several strategic, financial, operational and other factors, including the expected attributes of the Combined Company set forth above under "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*", certain financial metrics related to the Arrangement and the long-term prospects for growth of Tamarack both on a stand-alone basis and in conjunction with Headwater, as well as, among others, the following:

*Enhanced Capital Markets Profile*

The Tamarack Board considered National Bank's analysis that the Combined Company, with an enterprise value of approximately $10 billion, is expected to benefit from enhanced trading liquidity, a broader investor base, increased institutional ownership and greater potential for index inclusion relative to Tamarack on a stand-alone basis, and that the Combined Company's scale, pure-play Clearwater positioning and expected synergy capture may present an opportunity for outperformance of the Tamarack Shares relative to peers. The Tamarack Board also considered that the Arrangement positions the Combined Company with greater financial capacity to pursue organic development and future consolidation opportunities.

*Capturing Synergies to Improve Profitability*

The Arrangement is expected to generate operational, capital, and corporate synergies through the integration of operations, marketing, head office functions and the consolidation and streamlining of exploration and development programs. Both Tamarack and Headwater share a focus on operational excellence. Additional synergies and efficiencies beyond those currently assigned a monetary value are expected to be realized longer term through leveraging the best practices and capabilities of both organizations and through additional infrastructure synergies.

*Market Access*

Following the Arrangement, the Combined Company is expected to accommodate growth in its Clearwater production through existing and planned pipe-connected transportation egress into Edmonton, Alberta. Tamarack has also secured 35,000 barrels per day of potential long-term egress out of Alberta, consisting of 25,000 barrels per day of Trans Mountain service to the west coast expected to commence in the first quarter of 2027 (subject to completion of the Drag Reducing Agent expansion) and 10,000 barrels per day of capacity on the proposed South Bow Prairie Connector pipeline potentially starting by the end of 2028 (if the project is approved and constructed). The Tamarack Board considered that these options mitigate the risk of local capacity constraints and provide exposure to diversified oil markets.

*Consideration of Alternatives*

The Tamarack Board carefully considered current industry, economic and market conditions and outlooks, including prevailing commodity prices and its expectations for the businesses in which Tamarack and Headwater operate, as well as the impact of the Arrangement on affected stakeholders. Having regard to the risks and potential benefits of Tamarack continuing to execute its stand-alone business plan, as compared to the Arrangement and other potential transactions, the Tamarack Board determined that the Combined Company will be better positioned to maximize long-term value for Tamarack Shareholders.

*Continuity of Management and Governance*

Following completion of the Arrangement, the Combined Company will continue to be led by Tamarack's existing management team and will remain headquartered in Calgary, Alberta. The continuation of Tamarack's existing management team is expected to support continuity in the Combined Company's operating philosophy and established practices. Jason Jaskela and one additional representative from the current Headwater Board to be determined by the Tamarack Board prior to the Effective Date, will join the Tamarack Board at the Effective Time. As announced on September 8, 2026, Steve Buytels, President of Tamarack, will be appointed President and Chief Executive Officer of Tamarack and will join the Tamarack Board, and Brian Schmidt, Tamarack's founding Chief Executive Officer, will become Executive Chair of the Tamarack Board, in each case effective January 1, 2027, the continuation of Tamarack's succession planning process.

*Continued Balance Sheet Strength and Capital Allocation Flexibility*

Tamarack expects to remain flexible with significant optionality and balance sheet strength to maximize total shareholder returns across commodity price cycles. In the near-term, the Combined Company is expected to continue executing a disciplined capital management strategy targeting a balanced allocation of Clearwater growth of 10-12% through its five-year plan (up from 8-10% for Tamarack prior to the Arrangement) and enhanced shareholder returns in the form of an increased dividend and share buybacks.

*NBF Fairness Opinion*

The Tamarack Board considered the NBF Fairness Opinion to the effect that, as of September 7, 2026, the exchange ratio pursuant to the Arrangement is fair, from a financial point of view, to Tamarack, subject to the assumptions made and the limitations and qualifications in the written opinion of National Bank. See Appendix G – "*NBF Fairness Opinion*" to this Information Circular.

*Due Diligence*

Tamarack and its financial, legal and technical advisors conducted due diligence with respect to Headwater's assets, reserves (including the Headwater Reserves Report prepared by McDaniel), operations, capital structure and financial, tax, environmental, regulatory, legal and corporate matters. The results of that review supported the Tamarack Board's assessment of the merits of the Arrangement.

*Headwater Shareholder Support, Hold Period Agreements and Area of Exclusion Agreements*

All of the directors and officers of Headwater, who collectively hold approximately 6% of the issued and outstanding Headwater Shares, have entered into Headwater Support Agreements pursuant to which they have agreed, among other things, to vote in favour of the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution. In addition, at the Effective Time, certain directors and officers of Headwater who will collectively hold or exercise control over approximately 2% of the outstanding Tamarack Shares following completion of the Arrangement will enter into Hold Period Agreements, pursuant to which the New Tamarack Shares they receive under the Arrangement will become eligible for disposition in one-third tranches at three, six and nine months following the Effective Date. Furthermore, Tributary and all of the executive officers of Headwater will enter into Area of Exclusion Agreements with Tamarack at the Effective Time for a one-year term with respect to the Combined Company's core assets.

*Participation in Tributary*

Pursuant to the Arrangement, Tamarack Shareholders will receive approximately 0.33 of a Tributary Share (before giving effect to the Tributary Share Consolidation) for each Tamarack Share held and will hold approximately 66.5% of the outstanding Tributary Shares immediately following the Effective Time (prior to the exercise of the Tributary Arrangement Warrants and the completion of the Tributary Private Placement), equal to their proportionate ownership of the Combined Company. Tributary, which is expected to be publicly listed and will be led by the current Headwater management team, will hold exploration assets which are non-core to Headwater's and Tamarack's Clearwater focus. The Tamarack Board considered

that the Arrangement allows Tamarack Shareholders to retain exposure to these emerging opportunities without diverting the Combined Company's capital from its core Clearwater development.

*Tax Considerations*

The Arrangement will not result in the realization of Canadian income taxes by Tamarack Shareholders.

*Response to Superior Proposals*

The terms of the Arrangement Agreement permit the Tamarack Board to engage in discussions or negotiations with respect to an unsolicited bona fide written Acquisition Proposal if the Tamarack Board determines in good faith after consultation with its external legal and financial advisors that such Acquisition Proposal constitutes, or would reasonably be expected to constitute or lead to, a Superior Proposal. The ability of the Tamarack Board to respond to any such Superior Proposal is subject to the terms and conditions contained in the Arrangement Agreement. See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement*".

*Termination Protections*

The Tamarack Board considered the appropriateness of Tamarack's ability to receive the Tamarack Termination Amount payable by Headwater to Tamarack, as consideration for the disposition by Tamarack of its rights under the Arrangement Agreement, if the Arrangement Agreement is terminated in certain circumstances, including in the event that: (i) the Headwater Board fails to make the Headwater Board Recommendation, or changes, withdraws, modifies or qualifies the Headwater Board Recommendation in a manner adverse to Tamarack, or fails to publicly reaffirm the Headwater Board Recommendation within the time required by the Arrangement Agreement, and the Arrangement Agreement is terminated by Tamarack; (ii) Headwater breaches its non-solicitation covenants under the Arrangement Agreement in any material respect and the Arrangement Agreement is terminated by Tamarack; (iii) the Headwater Board accepts, recommends, approves or enters into an agreement to implement an Acquisition Proposal, or fails to recommend unequivocally against an Acquisition Proposal, and the Arrangement Agreement is terminated by Tamarack; (iv) Headwater enters into a definitive agreement with respect to a Superior Proposal and terminates the Arrangement Agreement; or (v) the Arrangement Agreement is terminated because the Headwater Shareholders do not approve the Headwater Arrangement Resolution where, prior to such termination, an Acquisition Proposal (or an intention to make an Acquisition Proposal) for Headwater has been publicly announced, proposed, disclosed, offered or made and, within 12 months following the date of such termination, the Headwater Board recommends an Acquisition Proposal which is subsequently consummated, Headwater enters into a binding definitive agreement in respect of an Acquisition Proposal which is subsequently consummated, or any Acquisition Proposal is consummated with Headwater.

*Definitive Agreement Terms and Conditions*

The Arrangement Agreement was the result of a comprehensive negotiation process with Headwater and includes terms and conditions that are reasonable in the judgment of the Tamarack Board. The Tamarack Board also believes that the "deal protection" provisions in the Arrangement Agreement are reasonable in the circumstances and were negotiated at length with Headwater in conjunction with the consideration of the other terms and conditions of the Arrangement.

*Tamarack Shareholder Approval*

The Tamarack Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders present in person or represented by proxy at the Tamarack Meeting, and the Share Issuance Resolution must be approved by a simple majority of such votes. In addition, approval of the Tamarack Private Placement Resolution by Tamarack Shareholders is a condition in favour of Headwater to the completion of the Arrangement. Accordingly, Tamarack Shareholders can reject the Arrangement if they choose to do so.

The information and factors described above and considered by the Tamarack Board in reaching its determinations and making its approvals are not intended to be exhaustive but include material factors considered by the Tamarack Board. In view of the wide variety of factors considered in connection with its evaluation of the Arrangement and the complexity of these matters, the Tamarack Board did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, individual members of the Tamarack Board may have given different weight to different factors.

See "*The Arrangement – Recommendation of the Tamarack Board*".

**Headwater Fairness Opinions**

***Peters & Co. Fairness Opinion***

Peters & Co. was retained by Headwater to provide financial advisory services to Headwater and the Headwater Board in connection with a potential transaction involving Headwater. Headwater maintained regular contact with Peters & Co. regarding a variety of strategic opportunities and financial assessments throughout various engagements over the past two years.

The Peters & Co. Fairness Opinion provides an opinion by Peters & Co. to the Headwater Board to the effect that, as of September 7, 2026, based upon and subject to the assumptions, limitations, and qualifications set forth therein, the consideration to be received by Headwater Shareholders is fair, from a financial point of view, to Headwater Shareholders.

**The full text of the Peters & Co. Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Peters & Co. Fairness Opinion, is attached as Appendix F-1 to this Information Circular.**

The Peters & Co. Fairness Opinion is not a recommendation as to how Headwater Shareholders should vote with respect to the Arrangement or any other matter. The Peters & Co. Fairness Opinion was one of a number of factors taken into consideration by the Independent Committee and the Headwater Board in making their respective unanimous determinations that the Arrangement is in the best interests of Headwater and is fair to Headwater Shareholders and to resolve to recommend that Headwater Shareholders vote for the Headwater Arrangement Resolution.

Pursuant to the terms of its engagement letter, Peters & Co. will receive a fixed fee for delivery of the Peters & Co. Fairness Opinion that is not contingent on the successful completion of the Arrangement. Peters & Co. will also receive a fee upon the successful completion of the Arrangement. The fee paid to Peters & Co. for delivery of the Peters & Co. Fairness Opinion is creditable to the success fee to be paid to Peters & Co. upon the successful completion of the Arrangement. Headwater has also agreed to reimburse Peters & Co. for certain out-of-pocket expenses and to indemnify Peters & Co. in respect of certain liabilities which may be incurred in connection with its engagement, including the use of the Peters & Co. Fairness Opinion by the Headwater Board.

**The Headwater Board urges Headwater Shareholders to read the Peters & Co. Fairness Opinion in its entirety. This summary of the Peters & Co. Fairness Opinion is qualified in its entirety by reference to the full text of the Peters & Co. Fairness Opinion as set out in Appendix F-1 to this Information Circular. The Peters & Co. Fairness Opinion was provided solely for the exclusive use of the Independent Committee and the Headwater Board in connection with the Independent Committee's and the Headwater Board's consideration of the Arrangement and may not be relied upon by any other person or for any other purpose. The Peters & Co. Fairness Opinion is not intended to be and does not constitute a recommendation as to how Headwater Shareholders should vote in respect of the Headwater Arrangement Resolution. Peters & Co. expresses no view as to, and the Peters & Co. Fairness Opinion does not address, any other aspect or implication of the Arrangement or the underlying decision of the Headwater Board to effect the Arrangement, the relative merits of the Arrangement as compared to any strategic alternatives that may be available to Headwater or the effect of any other transaction in which Headwater might engage.**

***BMO Fairness Opinion***

BMO Capital Markets was retained by the Independent Committee to provide an opinion to the Independent Committee, in connection with a potential transaction involving Tamarack, as to whether the consideration to be received by Headwater Shareholders in such potential transaction is fair from a financial point of view to the Headwater Shareholders.

The BMO Fairness Opinion provides an opinion by BMO Capital Markets to the Independent Committee to the effect that, as of September 7, 2026, and based on the scope of review and subject to the assumptions, limitations, and qualifications set forth therein, the consideration to be received by Headwater Shareholders is fair, from a financial point of view, to Headwater Shareholders.

**The full text of the BMO Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the BMO Fairness Opinion, is attached as Appendix F-2 to this Information Circular.**

The BMO Fairness Opinion is not a recommendation as to how Headwater Shareholders should vote with respect to the Arrangement or any other matter. The BMO Fairness Opinion was one of a number of factors taken into consideration by the Independent Committee in making its unanimous determinations that the Arrangement is fair to the Headwater Shareholders and is in the best interests of Headwater, and its unanimous recommendations that the Headwater Board: (i) determine that the Arrangement and the entry into the Arrangement Agreement are in the best interests of Headwater; (ii) determine that the Arrangement is fair to Headwater Shareholders; (iii) approve the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolve to recommend that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

Pursuant to the terms of its engagement letter, BMO Capital Markets will receive a fixed fee for delivery of the BMO Fairness Opinion that is not contingent on the successful completion of the Arrangement. BMO will not receive any success fee or other type of fee contingent on the successful completion of the Arrangement. The Independent Committee has also agreed to reimburse BMO Capital Markets for certain out-of-pocket expenses and to indemnify BMO Capital Markets against certain liabilities that may be incurred in connection with its engagement.

In connection with the Arrangement, BMO Capital Markets, or one or more of its affiliates, may provide financing services to Tamarack, Headwater and/or Tributary, for which BMO Capital Markets or such affiliate or affiliates would receive compensation. In addition, in the ordinary course of business and in connection with the Arrangement, BMO Capital Markets, or one or more of its affiliates, in the past two years has: (i) acted as lender in connection with Headwater's $100 million revolving credit facility; and (ii) provided various cash management, commodities and trading product services to Headwater.

**The Independent Committee and the Headwater Board urge Headwater Shareholders to read the BMO Fairness Opinion carefully and in its entirety. This summary of the BMO Fairness Opinion is qualified in its entirety by reference to the full text of the BMO Fairness Opinion as set out in Appendix F-2 to this Information Circular. The BMO Fairness Opinion was provided solely for the use of the Independent Committee and the Headwater Board in connection with the Independent Committee's and the Headwater Board's evaluation of the Arrangement and**

**may not be relied upon by any Headwater Shareholders or any other person. The BMO Fairness Opinion is not intended to and does not constitute a recommendation as to how Headwater Shareholders should vote in respect of the Headwater Arrangement Resolution or any other matter. BMO expresses no view as to, and the BMO Fairness Opinion does not address, any other aspect or implication of the Arrangement or the underlying decision of the Independent Committee to recommend to the Headwater Board to effect the Arrangement, the relative merits of the Arrangement as compared to any alternative business strategies that might be available for Headwater or the effect of any other transaction in which Headwater might engage.**

**NBF Fairness Opinion**

National Bank was retained to provide financial advisory services to Tamarack and the Tamarack Board in connection with the Arrangement. As part of this mandate, National Bank was requested to provide the Tamarack Board with its opinion as to the fairness to Tamarack, from a financial point of view, of the exchange ratio in connection with the Arrangement. In connection with this mandate, National Bank has prepared and delivered the NBF Fairness Opinion. The NBF Fairness Opinion states that, as of September 7, 2026, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the exchange ratio pursuant to the Arrangement is fair, from a financial point of view, to Tamarack.

**The full text of the NBF Fairness Opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken in connection with the rendering of such opinion, is attached as Appendix G to this Information Circular and should be read carefully and in its entirety. National Bank provided its opinion solely for the use of the Tamarack Board in connection with its consideration of the Arrangement and the opinion is subject to the limitations and qualifications contained therein. The opinion of National Bank does not constitute a recommendation to any Tamarack Shareholder as to how such Shareholder should vote with respect to the Tamarack Arrangement Resolution, the Share Issuance Resolution or any other matter.**

Pursuant to the terms of its engagement letter, National Bank is to be paid a fee for its services as financial advisor, including a fee for the NBF Fairness Opinion and fees that are contingent on the completion of the Arrangement or certain other events. Tamarack has also agreed to indemnify National Bank against certain liabilities.

None of National Bank, its affiliates or associates is an insider, associate or affiliate of Tamarack or Headwater, or any of their respective associates or affiliates (as such terms are defined in the Securities Act) or a related party. National Bank acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of any interested party and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, National Bank conducts research on securities and has, in the past, in the ordinary course of its business, provided research reports and investment advice to its clients on investment matters and may, in the ordinary course of business provide research reports and investment advice to its clients with respect to the Arrangement.

National Bank's controlling shareholder, National Bank of Canada, a Canadian chartered bank, is a lender to Tamarack and Headwater and is expected to be a lender to the Combined Company.

**Tamarack Shareholders are urged to read the NBF Fairness Opinion carefully and in its entirety. This summary of the NBF Fairness Opinion is qualified in its entirety by the full text of such opinion.**

**Recommendation of the Headwater Board**

At a meeting of the Headwater Board held on September 7, 2026, prior to Headwater entering into the Arrangement Agreement, the Headwater Board considered: (i) the Arrangement on the terms and conditions as provided in the Arrangement Agreement; (ii) the views of senior management of Headwater; (iii) advice from its financial and legal advisors; (iv) the verbal opinion of BMO Capital Markets to the Independent Committee to the effect that, as of September 7, 2026, and based on the scope of review and subject to the assumptions, limitations and qualifications set forth in the BMO Fairness Opinion, the consideration to be received by Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Headwater Shareholders; (v) the verbal opinion of Peters & Co. to the Headwater Board to the effect that, as of September 7, 2026, and subject to the assumptions made and limitations and qualifications included therein, the consideration to be received by Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Headwater Shareholders; and (vi) the unanimous recommendation of the Independent Committee that the Headwater Board approve the Arrangement.

**After considering, among other things, the terms of the proposed Arrangement, the BMO Fairness Opinion, the Peters & Co. Fairness Opinion, the unanimous recommendation of the Independent Committee, the advice from its financial advisors and legal counsel and such other factors as were deemed appropriate, the members of the Headwater Board unanimously: (i) determined that the Arrangement and the entry into the Arrangement Agreement are in the best interests of Headwater; (ii) determined that the Arrangement is fair to Headwater Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Headwater Shareholders vote FOR the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution (collectively, the "Headwater Board Recommendation").**

**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.**

In coming to their respective conclusions and recommendations regarding the Arrangement, the Headwater Board and the Independent Committee considered, among others, the factors described above under "*The Arrangement – Reasons for the Arrangement – Headwater Board*":

The Headwater Board and the Independent Committee each realizes that there are risks associated with the Arrangement, including that some of the expected benefits may not be realized or that there may be significant costs associated with realizing such benefits. The Headwater Board and the Independent Committee each believes that the factors in favour of the Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "*Risk Factors*".

Notwithstanding the recommendation of the Headwater Board that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution, Headwater Shareholders should make their own decision whether to vote their Headwater Shares in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution and, if appropriate, should consult their own legal, tax, financial or other professional advisors in making that decision.

**Recommendation of the Tamarack Board**

At a meeting of the Tamarack Board held on September 7, 2026, the Tamarack Board considered: (i) the Arrangement on the terms and conditions as provided in the Arrangement Agreement; and (ii) the verbal opinion of National Bank to the effect that, as of such date, the exchange ratio under the Arrangement is fair, from a financial point of view, to Tamarack, subject to the assumptions made and the limitations and qualifications in the NBF Fairness Opinion. The Tamarack Board subsequently received the written opinion of National Bank confirming the verbal opinion received on September 7, 2026, and stating that as of September 7, 2026, and subject to the assumptions made and limitations and qualifications included therein, the exchange ratio under the Arrangement is fair, from a financial point of view, to Tamarack, subject to the assumptions made and the limitations and qualifications in the NBF Fairness Opinion.

**After considering the terms of the proposed Arrangement, the NBF Fairness Opinion, and following consultation with Tamarack's senior management and with Tamarack's legal, financial, tax and other advisors, the Tamarack Board unanimously: (i) determined that the Arrangement and the entry into the Arrangement Agreement are in the best interests of Tamarack; (ii) determined that the Arrangement is fair to Tamarack Shareholders; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that Tamarack Shareholders vote FOR the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution (collectively, the "Tamarack Board Recommendation").**

**The Tamarack Board unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.**

In coming to its conclusion and recommendations, the Tamarack Board consulted with and received advice from its financial advisors and legal counsel and considered, among others, the factors described above under "*The Arrangement – Reasons for the Arrangement – Tamarack Board*".

The Tamarack Board realizes that there are risks associated with the Arrangement, including that some of the expected benefits may not be realized or that there may be significant costs associated with realizing such benefits. The Tamarack Board believes that the factors in favour of the Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See *"Risk Factors*".

Notwithstanding the recommendation of the Tamarack Board that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution, Tamarack Shareholders should make their own decision whether to vote their Tamarack Shares in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution and, if appropriate, should consult their own legal, tax, financial or other professional advisors in making that decision.

## EFFECT OF THE ARRANGEMENT

**General**

The Arrangement will result in the acquisition by Tamarack of all of the issued and outstanding Headwater Shares on the basis of 1.0 New Tamarack Share for each Headwater Share (other than Headwater Shares held by Dissenting Shareholders). Pursuant to the Arrangement: (i) Headwater Shareholders (other than Dissenting Shareholders) will also receive approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation) and approximately 0.20 of a Tributary Arrangement Warrant (approximately 0.04 of a Tributary Arrangement Warrant following the Tributary Share Consolidation) for each Headwater Share; and (ii) Tamarack Shareholders will receive approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation) for each Tamarack Share. Each whole Tributary Arrangement Warrant will entitle the holder thereof to acquire one Tributary Share for a period of 60 calendar days from the Effective Date at an exercise price of $0.42 (equivalent to an exercise price of $2.10 per Tributary Share following the Tributary Share Consolidation). The exchange for each Headwater Share and Tamarack Share will be implemented through a series of steps under the Plan of Arrangement involving a reorganization of Tamarack's share capital, which are described under "*Effect of the Arrangement – Details of the Arrangement*" and "*Certain Canadian Federal Income Tax Considerations*".

As at October 13, 2026, there were 237,762,877 Headwater Shares, 471,399,454 Tamarack Shares and 1 Tributary Share issued and outstanding (in each case, on a non-diluted basis).

Upon completion of the Arrangement, assuming: (i) there are no Dissenting Shareholders; and (ii) that no additional Headwater Shares, Tamarack Shares or Tributary Shares are issued prior to the Effective Date, there will be, immediately after completion of the Arrangement (after giving effect to the Tributary Share Consolidation but prior to the completion of the Tributary Private Placement or any exercise of the Tributary Arrangement Warrants): (A) 709,162,331 New Tamarack Shares issued and outstanding, of which Tamarack Shareholders and former Headwater Shareholders will own approximately 66.5% and 33.5% of such issued and outstanding New Tamarack Shares, respectively, on a non-diluted basis; (B) 47,552,575 Tributary Shares issued and outstanding, of which Tamarack Shareholders and former Headwater Shareholders will own approximately 66.5% and 33.5% of such issued and outstanding Tributary Shares, respectively, on a non-diluted basis; and (C) 9,510,515 Tributary Arrangement Warrants issued and outstanding, solely held by former Headwater Shareholders. Assuming all Tributary Arrangement Warrants are exercised by Headwater Shareholders, Tamarack Shareholders are expected to own approximately 55.4% of the issued and outstanding Tributary Shares and former Headwater Shareholders are expected to own approximately 44.6% of the issued and outstanding Tributary Shares (prior to closing of the Tributary Private Placement).

**No fractional New Tamarack Shares, Tributary Shares or Tributary Arrangement Warrants will be issued under the Arrangement. In the event that a Headwater Shareholder or a Tamarack Shareholder would otherwise be entitled to a fractional security, the number of such securities issued to such Headwater Shareholder or Tamarack Shareholder will be rounded up to the next whole number if the fractional entitlement is equal to or greater than 0.50 and shall, without any additional compensation, be rounded down to the next whole number if the fractional entitlement is less than 0.50. In calculating fractional interests, all Headwater Shares or Tamarack Shares registered in the name of or beneficially held by such Headwater Shareholder or Tamarack Shareholder, or its nominee(s), as applicable, will be aggregated.**

**As a result, a Headwater Shareholder or Tamarack Shareholder holding fewer than eight (8) Headwater Shares or Tamarack Shares, respectively, immediately prior to the Effective Time will not receive any Tributary Shares pursuant to the Arrangement, and a Headwater Shareholder holding fewer than thirteen (13) Headwater Shares immediately prior to the Effective Time will not receive any Tributary Arrangement Warrants pursuant to the Arrangement. Such Headwater Shareholder or Tamarack Shareholder will nevertheless receive any New Tamarack Shares to which they are otherwise entitled under the Arrangement.**

The Plan of Arrangement provides that, subject to Applicable Laws, any certificate or DRS Advice formerly representing Headwater Shares or Tamarack Shares not deposited together with all other documents as required by the Plan of Arrangement and the applicable Headwater Letter of Transmittal or Tamarack Letter of Transmittal on or before the last Business Day prior to the third anniversary of the Effective Date, and any right or claim by or interest of any kind or nature, including the rights to receive certificates or DRS Advices representing Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, to which such holder is entitled pursuant to the Arrangement, shall terminate and be deemed to be surrendered and forfeited to Tamarack or Tributary, as applicable, for no consideration, together with all entitlements to dividends, distributions and interest thereon.

**Headwater Incentives**

As at October 13, 2026, there were an aggregate of 349,960 Headwater Restricted Awards, 3,382,387 Headwater Performance Awards and 444,818 Headwater DSUs outstanding, prior to giving effect to the Adjustment Ratio and, in the case of the Performance Awards, the Payout Multiplier.

Completion of the Arrangement will constitute a "Change of Control" under the Headwater Award Plan and as the employment of each holder of Headwater Restricted Awards and Headwater Performance Awards will be terminated, all outstanding Headwater Restricted Awards and Headwater Performance Awards will vest concurrently with the Effective Time of the Arrangement. The Headwater Board has determined that the Payout Multipliers applicable to Headwater Performance Awards granted in 2024, 2025 and 2026 will be 2.0x, 2.0x and 1.5x, respectively.

As all directors of Headwater will cease to be directors of Headwater at the Effective Time, all Headwater DSUs will become redeemable under the terms of the Headwater DSU Plan. In addition, pursuant to the Arrangement Agreement, Headwater has agreed to use reasonable commercial efforts to cause each director holding Headwater DSUs to elect to accelerate the Maturity Date (as defined in the Headwater DSU Plan) such that the Maturity Date for such Headwater DSUs is the Effective Date.

In connection with, and conditional upon, completion of the Arrangement: (i) Headwater shall pay, or cause to be paid, to each holder of Headwater Restricted Awards and Headwater Performance Awards an amount in cash equal to the product of the number of Headwater Restricted Awards and Headwater Performance Awards (after adjusting such Headwater Restricted Awards and Headwater Performance Awards for the Adjustment Ratio and, in the case of Headwater Performance Awards, the Payout Multiplier) held by such individual multiplied by the Settlement Price; and (ii) all Headwater DSUs shall be redeemed immediately following the Effective Time and each Headwater director who holds Headwater DSUs shall be entitled to a cash payment equal to the number of Headwater DSUs (after adjusting such Headwater DSUs for the Adjustment Ratio) held by such director at the Effective Time multiplied by the Settlement Price.

Also see "*Interests of Certain Persons or Companies in the Arrangement – Headwater Incentives*".

**Tamarack Incentives**

The Arrangement will not constitute a "change of control" with respect to the Tamarack Incentives. Tamarack Incentives will continue to exist pursuant to the terms of the Tamarack Incentive Plans.

**Board and Management of the Combined Company and Tributary**

Pursuant to the terms of the Arrangement Agreement, Headwater and Tamarack agreed that the Combined Company will be led by the existing Tamarack management team. For additional information regarding the existing Tamarack management team, please refer to the Tamarack AGM Information Circular, which is incorporated by reference in this Information Circular.

Immediately following the Effective Time, the Combined Company Board will consist of nine members, which will include members of the current Tamarack Board plus Jason Jaskela and one additional representative from the current Headwater Board to be determined by the Tamarack Board prior to the Effective Date. In addition, as announced on September 8, 2026, Steve Buytels, President of Tamarack, will be appointed President and Chief Executive Officer of the Combined Company and will join the Combined Company Board, and Brian Schmidt, Tamarack's founding Chief Executive Officer, will become Executive Chair of the Combined Company Board, in each case effective January 1, 2027, the continuation of Tamarack's succession planning process.

Tributary will be led by the existing Headwater management team. The Tributary Board will consist of Neil Roszell, Jason Jaskela, Chandra Henry, Stephen Larke, Kevin Olson, Kam Sandhar and Cheree Stephenson, all of whom are current members of the Headwater Board. For additional information regarding the expected members of the Tributary management team and the Tributary Board, see Appendix J – "*Information Concerning Tributary Exploration Inc.*".

**Details of the Arrangement**

Commencing at the Effective Time, the following steps will occur and will be deemed to occur consecutively in two-minute intervals in the order set out below, without any further act or formality, except as otherwise provided in the Plan of Arrangement:

- the Headwater Shares held by Dissenting Shareholders will be transferred to Headwater, and such Dissenting Shareholders will cease to be holders of Headwater Shares and will have no rights other than the right to be paid the fair value of their Headwater Shares;

- the articles of Tamarack will be amended to: (i) re-designate the existing Tamarack Shares from "common shares" to "Class B common shares" (the "**Tamarack B Shares**") and amend the voting rights attached thereto from one vote per share to 0.5 of a vote per share; (ii) create a new class of shares designated as "Class A common shares" (the "**Tamarack A Shares**"), having the same rights, privileges, restrictions and conditions as attached to the existing Tamarack Shares immediately prior to the Effective Time; and (iii) create a new class of shares designated as "Class C common shares" (the "**Tamarack C Shares**"), having the same rights, privileges, restrictions and conditions as attached to the existing Tamarack Shares immediately prior to the Effective Time, except that each Tamarack C Share will carry 0.4999999 of a vote per share;

- each Headwater Shareholder (other than a Dissenting Shareholder) will transfer all of its Headwater Shares to Tamarack in exchange for one Tamarack C Share for each Headwater Share held, and Headwater will become a wholly-owned subsidiary of Tamarack;

- Tamarack will transfer the Tributary Tamarack Assets to Tributary pursuant to the Tamarack Conveyance Agreement in exchange for 2,034,782 Tributary Shares and 406,956 Tributary Arrangement Warrants, and Headwater will transfer the Tributary Headwater Assets to Tributary pursuant to the Headwater Conveyance Agreement in exchange for 235,728,094 Tributary Shares and 47,145,619 Tributary Arrangement Warrants (in each case prior to giving effect to the Tributary Share Consolidation);

- Headwater will transfer all of the Tributary Shares and Tributary Arrangement Warrants it receives to Tamarack in exchange for the Tamarack Promissory Note, such that Tamarack holds all 237,762,877 Tributary Shares and 47,552,575 Tributary Arrangement Warrants then outstanding;

- the Tamarack share exchange (as set forth in Sections 3.1(g) – 3.1(i) of the Plan of Arrangement) will be completed, such that: (i) each Tamarack B Share will be transferred to Tamarack in exchange for one Tamarack A Share and a pro rata share of 158,149,498 Tributary Shares (being approximately 0.33 of a Tributary Share for each Tamarack B Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation)) (the "**Tamarack Section 86 Exchange**"); and (ii) each Tamarack C Share will be transferred to Tamarack in exchange for one Tamarack A Share, a pro rata share of 79,613,379 Tributary Shares (being approximately 0.33 of a Tributary Share for each Tamarack C Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation)) and a pro rata share of 47,552,575 Tributary Arrangement Warrants (being approximately 0.20 of a Tributary Arrangement Warrant for each Tamarack C Share (approximately 0.04 of a Tributary Arrangement Warrant following the Tributary Share Consolidation)) (the "**Headwater Section 86 Exchange**"), following which the Tamarack B Shares and Tamarack C Shares will be cancelled;

- the articles of Tamarack will be further amended to cancel the Tamarack B Shares and Tamarack C Shares as classes and to re-designate the Tamarack A Shares as "common shares", which are referred to in this Information Circular as the New Tamarack Shares; and

- Tributary will complete the Tributary Share Consolidation, pursuant to which the Tributary Shares will be consolidated on a five-to-one basis (with the Tributary Arrangement Warrants adjusted correspondingly under the Tributary Arrangement Warrant Indenture), and the Tributary Board will be reconstituted.

**Each of the Tamarack Section 86 Exchange and the Headwater Section 86 Exchange is intended to qualify as a tax-deferred reorganization of capital under section 86 of the Tax Act. See "*Certain Canadian Federal Income Tax Considerations*".**

The result of these steps is that each Headwater Shareholder (other than a Dissenting Shareholder) will hold one New Tamarack Share, approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation) and approximately 0.20 of a Tributary Arrangement Warrant (approximately 0.04 of a Tributary Arrangement Warrant following the Tributary Share Consolidation) for each Headwater Share held, and each Tamarack Shareholder will hold one New Tamarack Share and approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation) for each Tamarack Share held, in each case subject to rounding as described above. The Tamarack A Shares, Tamarack B Shares and Tamarack C Shares exist only for the duration of the steps described above and no certificates or DRS Advices will be issued for them.

For a detailed description of the sequential steps which will occur under the Plan of Arrangement on the Effective Date, if all conditions to the implementation of the Arrangement have been satisfied or waived, please see the full text of the Plan of Arrangement attached as Appendix D to this Information Circular.

## SUMMARY OF AGREEMENTS IN CONNECTION WITH THE ARRANGEMENT

### The Arrangement Agreement

#### *General*

The Arrangement will be effected pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement Agreement contains covenants, representations and warranties, and conditions precedent of and from each of Headwater and Tamarack, both mutual and with respect to Headwater and Tamarack individually.

Unless all conditions are satisfied or waived by the Party for whose benefit such conditions exist, to the extent they may be capable of waiver, the Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

The following is a summary of certain provisions of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement, which is available on SEDAR+ at www.sedarplus.ca on each of Headwater's and Tamarack's issuer profiles. **Headwater Shareholders and Tamarack Shareholders are urged to read the Arrangement Agreement in its entirety.**

#### *Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties*

The Arrangement Agreement contains certain customary representations and warranties of each of Headwater and Tamarack subject to the qualifications provided in each such Party's respective disclosure letter. Aside from the Headwater Fundamental Representations and Warranties (as defined below) and Tamarack Fundamental Representations and Warranties (as defined below), all such representations and warranties shall be true and correct in all respects as of the Effective Date except where failing to be so would not constitute a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or any other concept of materiality in such representations and warranties shall be ignored), or prevent or materially delay the completion of the transactions contemplated in the Arrangement Agreement. For the complete text of the applicable provisions, see Article 3, Article 4, Article 5, Section 6.2 and Section 6.3 of the Arrangement Agreement.

Certain of the representations and warranties provided by the Parties are not subject to the Material Adverse Effect qualifier noted above. For example:

(a) Headwater's representations and warranties: (i) with respect to its organization and qualification, authority relative to the Arrangement Agreement, material subsidiaries and joint ventures and ownership of subsidiaries shall be true and correct in all respects as of the Agreement Date and the Effective Date; and (ii) with respect to its capitalization, shall be true and correct in all respects (except for *de minimis* inaccuracies) as of the Agreement Date and true and correct in all respects (except for *de minimis* inaccuracies and as a result of transactions, changes, conditions and events or circumstances permitted under the Arrangement Agreement) as of the Effective Date (collectively, the "**Headwater Fundamental Representations and Warranties**"); and

(b) Tamarack's representations and warranties: (i) with respect to its organization and qualification, authority relative to the Arrangement Agreement, material subsidiaries and joint ventures and ownership of subsidiaries shall be true and correct in all respects as of the Agreement Date and the Effective Date; and (ii) with respect to its capitalization, shall be true and correct in all respects (except for *de minimis* inaccuracies) as of the Agreement Date and true and correct in all respects (except for *de minimis* inaccuracies and as a result of transactions, changes, conditions and events or circumstances permitted under the Arrangement Agreement) as of the Effective Date (collectively, the "**Tamarack Fundamental Representations and Warranties**").

In addition, the Parties are subject to certain mutual and individual covenants, including the covenant to, until the earlier of the Effective Time or the termination of the Arrangement Agreement, use all reasonable commercial efforts to maintain and preserve their respective businesses and refrain from taking certain actions outside the ordinary course. For the complete text of the Parties' mutual and individual covenants, see Article 3 of the Arrangement Agreement.

***Conditions Precedent***

*Mutual Conditions Precedent*

The respective obligations of Tamarack and Headwater to complete the Arrangement are subject to the satisfaction of the following mutual conditions, which may be waived, where possible, by the mutual consent of Tamarack and Headwater, without prejudice to their right to rely on any other of such conditions:

(a) the Interim Order shall have been granted in form and substance satisfactory to each of Tamarack and Headwater, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Tamarack or Headwater, each acting reasonably, on appeal or otherwise;

(b) the Headwater Arrangement Resolution shall have been approved by the Headwater Shareholders as required at the Headwater Meeting, in accordance with the Interim Order;

(c) the Tamarack Arrangement Resolution shall have been approved by the Tamarack Shareholders as required at the Tamarack Meeting, in accordance with the Interim Order;

(d) the Share Issuance Resolution shall have been approved by the Tamarack Shareholders at the Tamarack Meeting;

(e) the Final Order shall have been granted on terms consistent with the Arrangement Agreement, and such order shall not have been set aside or modified in a manner unacceptable to Tamarack or Headwater, acting reasonably, on appeal or otherwise;

(f) the TSX shall have conditionally approved the issuance and the listing and posting for trading on the TSX of the New Tamarack Shares to be issued pursuant to the Arrangement subject only to customary conditions reasonably expected to be satisfied;

(g) the Competition Act Approval shall have been obtained and shall be in full force and effect;

(h) Headwater shall have executed the Headwater Conveyance Agreement and caused a person who is to be a director or officer of Tributary to have executed each of the Headwater Conveyance Agreement and the Tamarack Conveyance Agreement on behalf of Tributary;

(i) Tamarack shall have executed the Tamarack Conveyance Agreement; and

(j) no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any order or Law which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement.

For the complete text of the applicable provisions, see Section 6.1 of the Arrangement Agreement.

*Conditions to the Obligations of Tamarack*

In addition to the mutual conditions noted above, the following conditions in favour of Tamarack must be satisfied or waived by it on or before the Effective Date:

(a) Headwater shall have fulfilled and complied in all material respects with its covenants in the Arrangement Agreement to be performed, fulfilled or complied with on or before the Effective Time, and shall have provided an officers' certificate to Tamarack certifying compliance with such covenants dated the Effective Date;

(b) the Headwater Fundamental Representations and Warranties shall be true and correct in all respects (with respect to its capitalization, except for de minimis inaccuracies and as a result of transactions, changes, conditions and events or circumstances permitted thereunder) as of the dates specified with respect to such representations and warranties in the Arrangement Agreement and in this Information Circular. See "*Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties*". All of Headwater's other representations and warranties shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of that specified date), except where any failure or failures to be true and correct would not have, or would not reasonably be expected to have, a Material Adverse Effect on Headwater or prevent or materially delay the completion of the transactions contemplated in the Arrangement Agreement (and, for this purpose, any reference to "material", "Material Adverse Effect" or any other concept of materiality in such representations and warranties shall be ignored), and Headwater shall have provided an officers' certificate to Tamarack certifying such accuracy;

(c) Headwater shall have furnished Tamarack with:

  (i) certified copies of the resolutions duly passed by the Headwater Board approving the execution and delivery of the Arrangement Agreement and the Headwater Conveyance Agreement and the performance by Headwater of its obligations under the Arrangement Agreement and the consummation of the transactions contemplated thereby; and

(ii) a certified copy of the Headwater Arrangement Resolution, Headwater Private Placement Resolution, and, if approved, the Headwater Option Plan Resolution;

(d) on the Effective Date, each of the directors of Headwater shall have provided their resignations and delivered mutual releases in favour of Headwater and Tamarack, in form and substance satisfactory to each of Headwater and Tamarack, acting reasonably;

(e) on the Effective Date, each of the officers of Headwater shall have delivered a mutual release in favour of Headwater and Tamarack, in form and substance satisfactory to each of Headwater and Tamarack, acting reasonably;

(f) all third party consents required to be obtained to complete: (i) the consummation by Headwater of the transactions contemplated by the Arrangement; and (ii) the conveyance of the Tributary Headwater Assets pursuant to the Headwater Conveyance Agreement, shall have been obtained to the satisfaction of Tamarack, acting reasonably;

(g) the applicable Area of Exclusion Agreements shall have been duly executed and delivered by each of the officers of Headwater and Tributary;

(h) the Hold Period Agreements shall have been duly executed and delivered by each director and officer of Headwater who beneficially owns or exercises control or direction over more than 100,000 Headwater Shares immediately prior to the Effective Time;

(i) between the Agreement Date and the Effective Time, there shall not have occurred any changes, events, circumstances or developments that would reasonably be likely to have (individually or in the aggregate) a Material Adverse Effect on Headwater; and

(j) the aggregate number of Headwater Shares held, directly or indirectly, by the Headwater Shareholders who have properly exercised and not withdrawn Dissent Rights in connection with the Arrangement shall not exceed 5% of the outstanding Headwater Shares at the Effective Time.

The foregoing conditions are for the exclusive benefit of Tamarack and may be asserted by Tamarack regardless of the circumstances or may be waived by Tamarack in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Tamarack may have, including the right of Tamarack to rely on any other of such conditions.

For the complete text of the applicable provisions, see Section 6.2 of the Arrangement Agreement.

*Conditions to the Obligations of Headwater*

In addition to the mutual conditions noted above, the following conditions must be satisfied or waived by Headwater on or before the Effective Date:

(a) Tamarack shall have fulfilled and complied in all material respects with its covenants in the Arrangement Agreement to be performed, fulfilled or complied with on or before the Effective Time, and shall have provided an officers' certificate to Headwater certifying compliance with such covenants dated the Effective Date;

(b) the Tamarack Fundamental Representations and Warranties shall be true and correct in all respects (with respect to its capitalization, except for *de minimis* inaccuracies and as a result of transactions, changes, conditions and events or circumstances permitted thereunder) as of the dates specified with respect to such representations and warranties in the Arrangement Agreement and in this Information Circular. See "*Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties*". All of Tamarack's other representations and warranties shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of that specified date), except where any failure or failures to be true and correct would not have, or would not reasonably be expected to have, a Material Adverse Effect on Tamarack or prevent or materially delay the completion of the transactions contemplated in the Arrangement Agreement (and, for this purpose, any reference to "material", "Material Adverse Effect" or any other concept of materiality in such representations and warranties shall be ignored), and Tamarack shall have provided an officers' certificate to Headwater certifying such accuracy;

(c) the Headwater Private Placement Resolution and Tamarack Private Placement Resolution shall have been approved by the Headwater Shareholders and Tamarack Shareholders, respectively, at the Headwater Meeting and the Tamarack Meeting;

(d) Tamarack shall have furnished Headwater with:

(i) certified copies of the resolutions duly passed by the Tamarack Board approving the execution and delivery of the Arrangement Agreement and the Tamarack Conveyance Agreement and the performance by Tamarack of its obligations under the Arrangement Agreement and the consummation of the transactions contemplated thereby; and

(ii) a certified copy of the Tamarack Arrangement Resolution and the Share Issuance Resolution, the Tamarack Private Placement Resolution, and, if approved, the Tamarack Option Plan Resolution;

(e) all third party consents required to be obtained to complete: (i) the consummation by Tamarack of the transactions contemplated by the Arrangement; and (ii) the conveyance of the Tributary Tamarack Assets pursuant to the Tamarack Conveyance Agreement, shall have been obtained to the satisfaction of Headwater, acting reasonably;

(f) between the Agreement Date and the Effective Time, there shall not have occurred any changes, events, circumstances or developments that would reasonably be likely to have (individually or in the aggregate) a Material Adverse Effect on Tamarack; and

(g) on the Effective Date, the composition of the Tamarack Board shall be as set forth in Section 2.8(a)(i) of the Arrangement Agreement.

The foregoing conditions are for the exclusive benefit of Headwater and may be asserted by Headwater regardless of the circumstances or may be waived by Headwater in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Headwater may have, including the right of Headwater to rely on any other of such conditions.

For the complete text of the applicable provisions, see Section 6.3 of the Arrangement Agreement.

***Covenants of the Parties Regarding Non-Solicitation; Right to Accept a Superior Proposal***

*Non-Solicitation*

Under the Arrangement Agreement, each Party has agreed that it and its respective subsidiaries and representatives, as applicable, shall immediately cease and cause to be terminated all existing solicitations initiated before the Agreement Date with respect to any Acquisition Proposal made, or reasonably expected to be made, by any third party. From the Agreement Date until the termination of the Arrangement Agreement in accordance with the terms thereof, each Party has agreed to immediately discontinue providing access to and disclosure of any of its confidential information, and not allow or establish further access to any of its confidential information, to any such persons that have entered a confidentiality agreement with respect to any such Acquisition Proposal, to promptly request the return of all information provided to any third parties that have entered into a confidentiality agreement, and to not release, waive or terminate any rights or benefits under any such confidentiality agreements (the "**Confidentiality Obligations**"). Additionally, the Parties have agreed that neither Party shall solicit, assist, initiate, knowingly facilitate, or participate in discussions with respect to any agreements or understandings that may lead to an Acquisition Proposal. The Parties are further restricted from withdrawing, amending, modifying or qualifying, or proposing to withdraw, amend, modify or qualify, the Headwater Board Recommendation (or any related recommendation by any committee of the Headwater Board) or the Tamarack Board Recommendation (or any related recommendation by any committee of the Tamarack Board), as applicable, in a manner adverse to the Other Party and from making any public announcements or taking any other action inconsistent with such board recommendations (the "**Non-Solicitation Obligations**"). For the complete text of the applicable provisions, see Section 7.1 of the Arrangement Agreement.

*Right to Accept a Superior Proposal*

Notwithstanding the Confidentiality Obligations and the Non-Solicitation Obligations, each Party may, at any time prior to obtaining the approval of the Headwater Shareholders of the Headwater Arrangement Resolution (in the case of Headwater) or at any time prior to obtaining the approval of the Tamarack Shareholders of the Tamarack Arrangement Resolution and the Share Issuance Resolution (in the case of Tamarack), enter into, or participate in, any discussions or negotiations with an arm's length third party who makes an unsolicited written bona fide Acquisition Proposal, provided that: (i) such Acquisition Proposal did not arise from a breach of the Confidentiality Obligations or the Non-Solicitation Obligations; (ii) the board of directors of the Party receiving the Acquisition Proposal determines, in good faith and after consultation with external advisors, that such Acquisition Proposal constitutes, or would reasonably be expected to constitute or lead to, a Superior Proposal; (iii) prior to furnishing any information to or entering into or participating in any such negotiations or initiating any discussions with such third party, the Party receiving the Acquisition Proposal promptly provides written notice of such Acquisition Proposal to the Other Party and provides to such Other Party the confidentiality and standstill agreement entered into with respect to such proposal; and (iv) the Party receiving the Acquisition Proposal has been, and would be after entering into discussions or negotiations relating to such an Acquisition Proposal, in compliance with its covenants under the Arrangement Agreement with respect to the Non-Solicitation Obligations. For the complete text of the applicable provisions, see Section 7.1 of the Arrangement Agreement.

The Parties may withdraw their respective board recommendations (or any committee of each respective board) and accept, recommend, approve or enter into an agreement to implement a Superior Proposal at any time:

(a) in the case of Headwater, prior to the Headwater Arrangement Resolution being approved, if the Headwater Board concludes in good faith, after considering any proposals to adjust the terms and conditions of the Arrangement Agreement and the advice of its advisors, that such Superior Proposal is in the best interests of Headwater and that accepting such Superior Proposal is necessary in order for the Headwater Board to act in a manner consistent with its fiduciary obligations under Applicable Law; and

(b) in the case of Tamarack, prior to the Tamarack Arrangement Resolution and the Share Issuance Resolution being approved, if the Tamarack Board concludes in good faith, after considering any proposals to adjust the terms and conditions of the Arrangement Agreement and the advice of its advisors, that such Superior Proposal is in the best interests of Tamarack and that accepting such Superior Proposal is necessary in order for the Tamarack Board to act in a manner consistent with its fiduciary obligations under Applicable Law,

in either case, provided that each such Party complies with its obligations under the Arrangement Agreement to provide oral and written notice of such Superior Proposal, and the details of such proposal, to the Other Party and to allow the Other Party the opportunity to match

such Superior Proposal. In the event that the Other Party does not match such Superior Proposal and such Superior Proposal is accepted, the Party that accepted such Superior Proposal shall also terminate the Arrangement Agreement in accordance with its terms and shall pay either the Headwater Termination Amount or the Tamarack Termination Amount, as applicable.

If either Party has received an Acquisition Proposal, or any request (which request may be reasonably considered to be in furtherance of, or in relation to, an Acquisition Proposal) for non-public information relating to such Party, such Party shall promptly (and in any event within 24 hours of receipt) notify the Other Party, first orally and then in writing, of any such Acquisition Proposal (or any amendment thereof). Such notice shall include a copy of the written Acquisition Proposal (or the request for non-public information) or, if no written documentation has been received, a description of the material terms and conditions of the Acquisition Proposal (or the request for non-public information) and the identity of the person making such Acquisition Proposal or request. The Party receiving such Acquisition Proposal or request shall provide further information as reasonably requested by the Other Party, and shall keep the Other Party informed of the status of such matters, including through the provision of all material correspondence with respect to such matters.

If either Party receives a Superior Proposal, such Party shall give the Other Party at least 72 hours advance notice, orally and in writing, of any decision by the board of directors of such Party to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall:

(a) confirm that such board of directors has determined that the Acquisition Proposal constitutes a Superior Proposal;

(b) identify the third party making the Superior Proposal;

(c) if an agreement will be entered into to implement such Superior Proposal, confirm that the entering into of such agreement is not subject to financing, due diligence or access conditions; and

(d) if an agreement will be entered into to implement such Superior Proposal, confirm that such agreement has been settled in all material respects and that a true and complete copy thereof, together with all supporting materials will be provided to the Other Party concurrently.

During the 72-hour period following the delivery of such notice (the "**Matching Period**"), the Party receiving the Superior Proposal shall not implement such Superior Proposal or publicly propose to modify the Headwater Board Recommendation or the Tamarack Board Recommendation, as applicable. During the Matching Period, the Party that did not receive the Superior Proposal shall have the opportunity but not the obligation to offer to amend the Arrangement Agreement and the Arrangement in order for the Acquisition Proposal to cease to be a Superior Proposal. In addition, during the Matching Period, or such longer period as the Party receiving the Superior Proposal may approve in writing for such purpose, the board of directors of the Party receiving the Superior Proposal shall review any such offer in good faith to determine whether the Superior Proposal would no longer be a Superior Proposal after such amendment and shall cooperate and negotiate in good faith to amend the Arrangement Agreement and the Arrangement as contemplated in such offer. If the Superior Proposal would cease to be a Superior Proposal following such amendment, the Party that received the Superior Proposal shall promptly advise the Other Party and the Parties shall amend the Arrangement Agreement to reflect the offer received. The Superior Proposal shall thereafter not be accepted, however the Parties acknowledge that each successive material modification to any Superior Proposal that results in an increase in the consideration paid (or the value thereof) to be received under such Superior Proposal shall constitute a new Superior Proposal and shall initiate a new Matching Period.

If any Acquisition Proposal is received by either of the Parties that does not constitute a Superior Proposal, the board of directors of the Party that received such Acquisition Proposal shall promptly, but in any event within 24 hours of such determination, reaffirm either the Headwater Board Recommendation or the Tamarack Board Recommendation, as applicable, by news release.

***Termination Amounts***

*Headwater Termination Amount*

Tamarack shall pay to Headwater $125 million (the "**Headwater Termination Amount**"), in the event that any of the following occurs:

(a) the Tamarack Board (or any committee thereof): (i) fails to make the Tamarack Board Recommendation as required under the Arrangement Agreement; (ii) changes, withdraws, withholds, modifies or qualifies, or publicly proposes to take any such action, with respect to the Tamarack Board Recommendation in a manner adverse to Headwater, including by taking a neutral position or no position with respect of a publicly announced Acquisition Proposal within the timeframe that it is required to respond to such Acquisition Proposal under the Arrangement Agreement; (iii) fails to publicly reaffirm the Tamarack Board Recommendation in a manner and time period required under the Arrangement Agreement or within five Business Days after having been requested to do so by Headwater; or (iv) resolves to do any of the foregoing, and Headwater terminates the Arrangement Agreement as a result of such occurrence;

(b) Tamarack breaches any of its Non-Solicitation Obligations in any material respect and Headwater terminates the Arrangement Agreement as a result of such occurrence;

(c) the Tamarack Board (or any committee thereof) accepts or fails to unequivocally recommend against an Acquisition Proposal and Headwater terminates the Arrangement Agreement as a result of such occurrence;

(d) the Arrangement Agreement is terminated by either Party where Tamarack Shareholders fail to approve the Tamarack Arrangement Resolution or the Share Issuance Resolution at the Tamarack Meeting, and prior to such termination an Acquisition Proposal for Tamarack (or an intention to make an Acquisition Proposal) has been publicly announced, proposed, disclosed, offered or made by any Person other than Headwater or its affiliates, and within twelve (12) months following such termination: (i) the Tamarack Board recommends any Acquisition Proposal which is consummated at any time thereafter; (ii) Tamarack enters into a binding agreement with respect to an Acquisition Proposal which is consummated at any time thereafter; or (iii) an Acquisition Proposal is consummated with Tamarack; or

(e) Tamarack enters into a definitive agreement with respect to a Superior Proposal pursuant to its right to accept a Superior Proposal under the Arrangement Agreement and terminates the Arrangement Agreement as a result thereof,

(each, a "**Headwater Disposition Event**").

Tamarack shall only be obligated to pay one Headwater Termination Amount pursuant to the Arrangement Agreement, and shall pay all such amounts in accordance with the requirements set out in the Arrangement Agreement. For the complete text of the applicable provisions, see Section 7.3 of the Arrangement Agreement.

*Tamarack Termination Amount*

Headwater shall pay to Tamarack $125 million (the "**Tamarack Termination Amount**"), in the event that any of the following occurs:

(a) the Headwater Board (or any committee thereof): (i) fails to make the Headwater Board Recommendation as required under the Arrangement Agreement; (ii) changes, withdraws, withholds, modifies or qualifies, or publicly proposes to take any such action, with respect to the Headwater Board Recommendation in a manner adverse to Tamarack, including by taking a neutral position or no position with respect of a publicly announced Acquisition Proposal within the timeframe that it is required to respond to such Acquisition Proposal under the Arrangement Agreement; (iii) fails to publicly reaffirm the Headwater Board Recommendation in a manner and time period required under the Arrangement Agreement or within five Business Days after having been requested to do so by Tamarack; or (iv) resolves to do any of the foregoing, and Tamarack terminates the Arrangement Agreement as a result of such occurrence;

(b) Headwater breaches any of its Non-Solicitation Obligations in any material respect and Tamarack terminates the Arrangement Agreement as a result of such occurrence;

(c) the Headwater Board (or any committee thereof) accepts or fails to unequivocally recommend against an Acquisition Proposal and Tamarack terminates the Arrangement Agreement as a result of such occurrence;

(d) the Arrangement Agreement is terminated by either Party where Headwater Shareholders fail to approve the Headwater Arrangement Resolution at the Headwater Meeting in accordance with the Interim Order, and prior to such termination an Acquisition Proposal for Headwater (or an intention to make an Acquisition Proposal) has been publicly announced, proposed, disclosed, offered or made by any Person other than Tamarack or its affiliates, and within twelve (12) months following such termination: (i) the Headwater Board recommends any Acquisition Proposal which is consummated at any time thereafter; (ii) Headwater enters into a binding agreement with respect to an Acquisition Proposal which is consummated at any time thereafter; or (iii) an Acquisition Proposal is consummated with Headwater; or

(e) Headwater enters into a definitive agreement with respect to a Superior Proposal pursuant to its right to accept a Superior Proposal under the Arrangement Agreement and terminates the Arrangement Agreement as a result thereof,

(each, a "**Tamarack Disposition Event**").

Headwater shall only be obligated to pay one Tamarack Termination Amount pursuant to the Arrangement Agreement, and shall pay all such amounts in accordance with the requirements set out in the Arrangement Agreement. For the complete text of the applicable provisions, see Section 7.2 of the Arrangement Agreement.

*Termination*

Tamarack and Headwater have agreed that the Arrangement Agreement may be terminated at any time prior to the Effective Date by mutual written agreement between the Parties. The Arrangement Agreement may also be terminated by either Party if:

(a) the Headwater Shareholders fail to approve the Headwater Arrangement Resolution at the Headwater Meeting or Tamarack Shareholders fail to approve the Tamarack Arrangement Resolution or Share Issuance Resolution at the Tamarack Meeting, by the requisite approvals in accordance with the Interim Order;

(b) a change of Law is enacted, made, enforced or amended that makes the consummation of the Arrangement illegal or otherwise prohibits the Parties from completing the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that the Party seeking to terminate the Arrangement Agreement due to such change has used reasonable commercial efforts, as applicable, to appeal or overturn the Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement, and the change of Law was not primarily due to the failure of such Party to perform its covenants or agreements under the Arrangement Agreement;

(c) the Effective Time has not occurred on or prior to the Outside Date, except that a Party shall not be entitled to terminate the Arrangement Agreement if the Effective Time did not occur by such date due to the failure of such Party to fulfill any of its obligations under the Arrangement Agreement; and

(d) the conditions precedent existing for the benefit of the Party seeking to terminate the Arrangement Agreement have not been satisfied or waived by the Outside Date or such condition is incapable of being satisfied by the Outside Date; provided that the Party seeking termination is in compliance with its obligations as provided in Section 6.4(b) of the Arrangement Agreement (Notice and Cure Provisions), if applicable, and on the condition that the failure to satisfy the particular condition precedent being relied upon as a basis for termination of the Arrangement Agreement did not occur as a result of a breach by the Party seeking to rely on the condition precedent of any of its covenants or obligations under the Arrangement Agreement.

In addition to the foregoing, Headwater shall have the right to terminate the Arrangement Agreement in the event that: (i) a Headwater Disposition Event described in paragraphs (a) to (c) under "*Termination Amounts – Headwater Termination Amount*" occurs; or (ii) Headwater enters into, or the Headwater Board authorizes Headwater to enter into, a definitive agreement with respect to a Superior Proposal prior to the approval of the Headwater Arrangement Resolution and in compliance with its obligations under the Arrangement Agreement, provided that Headwater has paid the applicable Tamarack Termination Amount to Tamarack. Tamarack shall have the right to terminate the Arrangement Agreement in the event that: (i) a Tamarack Disposition Event described in paragraphs (a) to (c) under "*Termination Amounts – Tamarack Termination Amount*" occurs; or (ii) Tamarack enters into, or the Tamarack Board authorizes Tamarack to enter into, a definitive agreement with respect to a Superior Proposal prior to the approval of the Tamarack Arrangement Resolution and the Share Issuance Resolution and in compliance with its obligations under the Arrangement Agreement, provided that Tamarack has paid the applicable Headwater Termination Amount to Headwater. For the complete text of the applicable provisions, see Section 9.1 of the Arrangement Agreement.

Under the Arrangement Agreement, the Parties acknowledge and agree that the payment of the respective termination amounts noted above are payments in consideration for the disposition of the Other Party's rights under the Arrangement Agreement and that such amounts are genuine pre-estimates of the damages that Headwater or Tamarack, as applicable, would suffer or incur as a result of the termination of the Arrangement Agreement. Such amounts are the sole monetary remedies available to Headwater and Tamarack, as applicable, in such circumstances except in the event of fraud or wilful or intentional breach of the Arrangement Agreement. In circumstances where either the Headwater Termination Amount or the Tamarack Termination Amount are not payable, Headwater or Tamarack, as applicable, shall not be precluded from pursuing an action against the Other Party for damages or from seeking and obtaining injunctive relief to restrain any breach or threatened breach of the Arrangement Agreement. For the complete text of the applicable provisions, see Sections 7.4, 9.1 and 11.8 of the Arrangement Agreement.

**Support Agreements**

***Headwater Support Agreements***

On September 7, 2026, each of the Supporting Headwater Shareholders, who collectively hold approximately 6% of the issued and outstanding Headwater Shares, entered into a support agreement with Tamarack pursuant to which each such Supporting Headwater Shareholder has agreed, among other things, to vote, or cause to be voted, all of the Headwater Shares beneficially owned, controlled or directed or subsequently acquired by each such Supporting Headwater Shareholder: (i) for and in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution (and in favour of any actions or resolutions required in furtherance of completing the Arrangement) and to provide evidence thereof to Tamarack concurrently with the submission of such vote; and (ii) against any resolution, action, agreement or proposal that would reasonably be expected to adversely affect, prevent, materially delay, interfere with or frustrate the completion of the Arrangement and the transactions contemplated by the Arrangement Agreement. Additionally, each Supporting Headwater Shareholder has agreed to a number of negative covenants in furtherance of the consummation of the Arrangement, and otherwise support the Arrangement.

Each of the Headwater Support Agreements shall terminate on the earliest of: (i) the Effective Time; (ii) the date on which the Support Agreement is terminated by the mutual written agreement of the parties thereto; (iii) the close of business on the date of the Headwater Meeting at which a vote of Headwater Shareholders in respect of the Headwater Arrangement Resolution is taken and is not approved; or (iv) the date on which the Arrangement Agreement is terminated in accordance with its terms.

A copy of the form of Headwater Support Agreement is attached as Schedule "D" to the Arrangement Agreement, which is available under each of Tamarack's and Headwater's profiles on SEDAR+. This summary is qualified in its entirety by, and is subject to, the full text of the Headwater Support Agreement.

***Tamarack Support Agreements***

On September 7, 2026, each of the Supporting Tamarack Shareholders, who collectively hold approximately 2% of the issued and outstanding Tamarack Shares, entered into a support agreement with Headwater pursuant to which each such Supporting Tamarack Shareholder has agreed, among other things, to vote, or cause to be voted, all of the Tamarack Shares beneficially owned, controlled or directed or subsequently acquired by each such Supporting Tamarack Shareholder: (i) for and in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution (and in favour of any actions or resolutions required in furtherance of completing the Arrangement) and to provide evidence thereof to Headwater concurrently with the submission of such vote; and (ii) against any resolution, action, agreement or proposal that would reasonably be expected to adversely affect, prevent, materially delay, interfere with or frustrate the completion of the Arrangement and the transactions contemplated by the Arrangement Agreement. Additionally, each Supporting Tamarack Shareholder has agreed to a number of negative covenants in furtherance of the consummation of the Arrangement, and otherwise support the Arrangement.

Each of the Tamarack Support Agreements shall terminate on the earliest of: (i) the Effective Time; (ii) the date on which the Support Agreement is terminated by the mutual written agreement of the parties thereto; (iii) the close of business on the date of the Tamarack Meeting at which a vote of Tamarack Shareholders in respect of the Tamarack Arrangement Resolution or the Share Issuance Resolution is taken and not approved; or (iv) the date on which the Arrangement Agreement is terminated in accordance with its terms.

A copy of the form of Tamarack Support Agreement is attached as Schedule "E" to the Arrangement Agreement, which is available under each of Tamarack's and Headwater's profiles on SEDAR+. This summary is qualified in its entirety by, and is subject to, the full text of the Tamarack Support Agreement.

**Conveyance Agreements**

On the Effective Date, Tamarack and Headwater will enter into the Tamarack Conveyance Agreement and the Headwater Conveyance Agreement, respectively, with Tributary. Under the Conveyance Agreements, Tamarack and Headwater will transfer the Tributary Tamarack Assets and the Tributary Headwater Assets, respectively, to Tributary.

A more detailed summary of the Conveyance Agreements is included under the heading "*Acquisition of the Tributary Assets – Conveyance Agreements*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

Copies of the forms of Conveyance Agreements are attached as Schedule "F" and Schedule "G" to the Arrangement Agreement, which is available under each of Tamarack's and Headwater's profiles on SEDAR+.

**Area of Exclusion Agreements**

As a condition to the completion of the Arrangement, each of the current officers of Headwater (who will be the officers of Tributary following completion of the Arrangement) and Tributary will enter into an Area of Exclusion Agreement with Tamarack. Pursuant to the Area of Exclusion Agreements, each such party will agree that, for a period of one (1) year following the Effective Date, it will not, directly or indirectly, engage in petroleum and natural gas exploration, development or production activities, acquire interests in petroleum and natural gas rights, or participate in or invest in entities carrying on such activities, within certain specified lands in which Tamarack and Headwater currently carry on the material portion of their respective businesses, except in limited circumstances.

The Area of Exclusion Agreements also contain confidentiality provisions restricting the use and disclosure of confidential information relating to the area of exclusion and provide Tamarack with certain rights to acquire interests in the area of exclusion that are acquired in contravention of the agreements.

Copies of the forms of Area of Exclusion Agreements are attached as Schedule "H" to the Arrangement Agreement, which is available under each of Tamarack's and Headwater's profiles on SEDAR+. This summary is qualified in its entirety by, and is subject to, the full text of the Area of Exclusion Agreements.

**Hold Period Agreements**

As a condition to the completion of the Arrangement, each director and officer of Headwater who beneficially owns, controls or directs more than 100,000 Headwater Shares immediately prior to the Effective Date will enter into a Hold Period Agreement with Tamarack. Pursuant to the Hold Period Agreements, the aggregate Tamarack Shares received by such directors and officers in connection with the Arrangement (the "**Restricted Securities**") will be subject to transfer restrictions for a period of up to ten (10) months following the Effective Date.

Pursuant to the Hold Period Agreements, the Restricted Securities are released in three equal tranches, on the dates that are three, six and nine months following the Effective Date. During the hold period, transfers of Restricted Securities will be subject to specified notice and consent requirements and Tamarack will have certain rights with respect to proposed dispositions. Customary exceptions permit certain transfers, including upon death, bankruptcy, to certain estate planning and registered plans, and to custodians or brokers. In addition, for a period of ten (10) months following the Effective Date, whether or not such New Tamarack Shares remain subject to a hold period or not, if such individuals wish to transfer their New Tamarack Shares, they must first notify Tamarack of such proposed transfer and Tamarack has the right, but not the obligation, to purchase those shares in the place of the proposed transferee.

Each Hold Period Agreement will terminate on the earliest of: (i) the date that is ten (10) months following the Effective Date; (ii) the date on which the parties mutually agree to terminate the agreement; and (iii) the occurrence or public announcement of a business combination involving Tamarack (including a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or similar reorganization) pursuant to which the holder is entitled to tender its securities or receive consideration therefor.

## PROCEDURE FOR THE ARRANGEMENT TO BECOME EFFECTIVE

**Procedural Steps**

The Arrangement is proposed to be carried out pursuant to section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Headwater Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting after excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to MI 61-101, being the votes cast with respect to the Headwater Shares beneficially owned or over which control or direction is exercised by the Participating Insiders, in the manner set forth in the Interim Order;

(b) the Tamarack Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting, in the manner set forth in the Interim Order;

(c) the Share Issuance Resolution must be approved by a simple majority of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting;

(d) unless otherwise waived by Headwater, the Headwater Private Placement Resolution must be approved by a simple majority of the votes cast by Headwater Shareholders, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement;

(e) unless otherwise waived by Headwater, the Tamarack Private Placement Resolution must be approved by a simple majority of the votes cast by Tamarack Shareholders, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement;

(f) the Court must grant the Final Order approving the Arrangement;

(g) the TSX must have conditionally approved the listing of the New Tamarack Shares to be issued pursuant to the Arrangement;

(h) all other conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, including receipt of the Competition Act Approval, must be satisfied or waived by the appropriate Party; and

(i) the Articles of Arrangement must be filed with the Registrar and the Registrar must have issued the Certificate.

**There is no assurance that the conditions set out in the Arrangement Agreement will be satisfied or waived on a timely basis or at all.**

Upon the conditions precedent set forth in the Arrangement Agreement being satisfied or waived, each of Headwater, Tamarack and Tributary intends to file a copy of the Final Order and the Articles of Arrangement with the Registrar under the ABCA, together with such other materials as may be required by the Registrar, in order to give effect to the Arrangement.

**Shareholder Approval of the Arrangement**

***Headwater Shareholder Approval***

At the Headwater Meeting, Headwater Shareholders will be asked to consider, and if deemed advisable, approve the Headwater Arrangement Resolution.

Pursuant to the Interim Order, the Headwater Arrangement Resolution must, subject to further order of the Court, be approved by: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting, excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to MI 61-101, being the votes cast with respect to the Headwater Shares beneficially owned or over which control or direction is exercised by the Participating Insiders.

If the Headwater Arrangement Resolution is not approved by Headwater Shareholders, the Arrangement cannot be completed.

Notwithstanding the foregoing, the Headwater Arrangement Resolution proposed for consideration by Headwater Shareholders authorizes the Headwater Board, without further notice to or approval of Headwater Shareholders, to the extent permitted by the Arrangement Agreement and the Interim Order, to amend the Arrangement Agreement or the Plan of Arrangement and to not proceed with the Arrangement. See Appendix A to this Information Circular for the full text of the Headwater Arrangement Resolution.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxy FOR the Headwater Arrangement Resolution set forth in Appendix A to this Information Circular.**

See "*General Proxy Matters – Headwater*" and "*Procedure for the Arrangement to Become Effective – Securities Law Matters – Canada – MI 61-101*".

***Tamarack Shareholder Approval***

At the Tamarack Meeting, the Tamarack Shareholders will be asked to consider, and, if deemed advisable, approve the Tamarack Arrangement Resolution and the Share Issuance Resolution.

Pursuant to the Interim Order, the Tamarack Arrangement Resolution must, subject to further order of the Court, be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting.

In addition, in accordance with the applicable rules of the TSX, the Share Issuance Resolution must be approved by a simple majority of the votes cast by Tamarack Shareholders present in person (virtually) or represented by proxy at the Tamarack Meeting.

If either of the Tamarack Arrangement Resolution or the Share Issuance Resolution is not approved by Tamarack Shareholders, the Arrangement cannot be completed.

Notwithstanding the foregoing, the Tamarack Arrangement Resolution proposed for consideration by Tamarack Shareholders authorizes the Tamarack Board, without further notice to or approval of Tamarack Shareholders, to the extent permitted by the Arrangement Agreement and the Interim Order, to amend the Arrangement Agreement or the Plan of Arrangement and to not proceed with the Arrangement.

See Appendix B to this Information Circular for the full text of the Tamarack Arrangement Resolution and Appendix C for the full text of the Share Issuance Resolution.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxy FOR the Tamarack Arrangement Resolution and the Share Issuance Resolution set forth in Appendix B and Appendix C, respectively, to this Information Circular.**

***Additional Shareholder Approvals***

It is also a condition to the completion of the Arrangement in favour of Headwater that the Headwater Private Placement Resolution and the Tamarack Private Placement Resolution be approved by Headwater Shareholders and Tamarack Shareholders, respectively. **If the Headwater Shareholders or Tamarack Shareholders do not approve the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution, respectively, the Arrangement may not proceed.** See "*Other Matters of Special Business Relating to Tributary*".

**Court Approval**

***Interim Order***

On October 13, 2026, Headwater and Tamarack obtained the Interim Order providing for the calling and holding of the Headwater Meeting and Tamarack Meeting and other procedural matters. A copy of the Interim Order is attached as Appendix E to this Information Circular.

***Final Order***

The ABCA provides that the Arrangement requires final Court approval. Subject to the terms of the Arrangement Agreement and the satisfaction or waiver of the conditions therein, if the Headwater Arrangement Resolution and the Headwater Private Placement Resolution are approved at the Headwater Meeting and the Tamarack Arrangement Resolution, Share Issuance Resolution and Tamarack Private Placement Resolution are approved at the Tamarack Meeting, Headwater and Tamarack will make an application to the Court for the Final Order at the Calgary Courts Centre, 601 – 5th Street SW, Calgary, Alberta, Canada, or via videoconference, on November 18, 2026 at 2:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. The Notice of Application for the Final Order accompanies this Information Circular. At the application, the Court will be requested to consider the substantive and procedural fairness of the terms and conditions of the Arrangement.

Any Headwater Shareholder, Tamarack Shareholder or other interested party desiring to support or oppose the application with respect to the Arrangement, may appear at the hearing in person or by counsel for that purpose, subject to filing with the Court and serving on Headwater and Tamarack on or before 5:00 p.m. (Calgary time) on Thursday, November 12, 2026, a Notice of Intention to Appear setting out their address for service and indicating whether they intend to support or oppose the application or make submissions, together with any evidence or materials which are to be presented to the Court. Service of such notice on Headwater and Tamarack is required to be effected by service upon each of the solicitors for Headwater and Tamarack at Burnet, Duckworth & Palmer LLP, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Ryan Algar, Email: ralgar@bdplaw.com; and Stikeman Elliott LLP, 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5, Attention: Matti Lemmens, Email: mlemmens@stikeman.com, respectively.

The New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to Headwater Shareholders (other than Dissenting Shareholders) and Tamarack Shareholders in exchange for their Headwater Shares and Tamarack Shares, as applicable, pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state within the United States, and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and exemptions provided under applicable state securities laws. Prior to the hearing on the Final Order, the Court has been advised that the Final Order, if granted, will constitute the basis for an exemption from the registration requirement of the U.S. Securities Act, pursuant to section 3(a)(10) thereof, with respect to the issuance

of the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to Headwater Shareholders and Tamarack Shareholders pursuant to the Arrangement. The Section 3(a)(10) exemption will not apply to the issuance of Tributary Shares upon the subsequent exercise of the Tributary Arrangement Warrants.

Headwater and Tamarack have been advised by their counsel, BD&P and SE, respectively, that the Court has broad discretion under the ABCA when making orders with respect to plans of arrangement and that the Court will consider, among other things, the fairness of the Arrangement, both from a substantive and procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Any amendment to the Plan of Arrangement required by the Court pursuant to the Final Order must be acceptable to Headwater and Tamarack, each acting reasonably.

**Regulatory and TSX Matters**

Except as noted herein, Headwater and Tamarack are not aware of any material approval or other action by any Governmental Authority that would be required to be obtained prior to the Effective Date, except as described below. If any additional filings or consents are required, such filings or consents will be sought but these additional requirements could delay the Effective Date or prevent the completion of the Arrangement.

***Competition Act Approval***

The Arrangement is a "notifiable transaction" for the purposes of Part IX of the Competition Act and it is a mutual condition of the completion of the Arrangement that the Competition Act Approval shall be obtained. On September 14, 2026, Headwater and Tamarack jointly requested that the Commissioner issue an Advance Ruling Certificate under Section 102 of the Competition Act or, alternatively, a No Action Letter, together with a waiver of the obligation to provide notice and supply information in accordance with Section 113(c) of the Competition Act in respect of the Arrangement. The Commissioner issued a No Action Letter together with the requested waiver in respect of the Arrangement on September 21, 2026. The No Action Letter confirms that the Commissioner does not, at this time, intend to make an application to the Competition Tribunal in respect of the Arrangement. Receipt of the No Action Letter and waiver constitutes Competition Act Approval under the Arrangement Agreement.

***Stock Exchange Matters***

Tributary has applied to list Tributary Shares (including all Tributary Shares issuable upon exercise of Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. Provided that Tributary meets all of the listing requirements of the TSX, trading in the Tributary Shares and the Tributary Arrangement Warrants is expected to commence concurrently with the delisting of the Headwater Shares from the TSX, or shortly thereafter, which is currently expected to occur two to three days following the Effective Date. It is not a condition to the completion of the Arrangement that the TSX shall have conditionally approved the listing of the Tributary Shares and the Tributary Arrangement Warrants. See "*Risk Factors – Trading Access*" in this Information Circular and "*Listing of the Tributary Shares and Securities Law Matters*" and "*Risk Factors – No Prior Public Market for Tributary Shares*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

The currently outstanding Tamarack Shares are listed for trading on the TSX under the symbol "TVE". On September 4, 2026, the last trading day prior to the date of the execution of the Arrangement Agreement, the closing price of the Tamarack Shares on the TSX was $13.36. On October 9, 2026, the closing price of the Tamarack Shares on the TSX was $13.72.

The currently outstanding Headwater Shares are listed for trading on the TSX under the symbol "HWX". On September 4, 2026, the last trading day prior to the date of the execution of the Arrangement Agreement, the closing price of the Headwater Shares on the TSX was $14.22. On October 9, 2026, the closing price of the Headwater Shares on the TSX was $13.96.

It is a condition to the completion of the Arrangement that the TSX will have conditionally approved the listing of the New Tamarack Shares to be issued to Headwater Shareholders pursuant to the Arrangement. The TSX has conditionally approved the listing of the New Tamarack Shares issuable pursuant to the Arrangement subject to Tamarack fulfilling all the requirements of the TSX on or before the Business Day following the Effective Date.

**Securities Law Matters**

***Canada***

*General*

The New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to Headwater Shareholders (other than Dissenting Shareholders) and Tamarack Shareholders, as applicable, pursuant to the Arrangement, and the Tributary Shares to be issued on exercise of the Tributary Arrangement Warrants, will be issued in reliance on exemptions from the prospectus requirements of Applicable Canadian Securities Laws, will generally be "freely tradeable" and the resale of such New Tamarack Shares, Tributary Shares, Tributary Arrangement Warrants and the Tributary Shares to be issued on exercise of the Tributary Arrangement Warrants will be exempt from the prospectus requirements (and not subject to any "restricted period" or "hold period") under Applicable Canadian Securities Laws if the following conditions are met: (i) the trade is not a control

distribution (as defined in Applicable Canadian Securities Laws); (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (iv) if the selling shareholder is an insider or an officer of the Combined Company or Tributary, as applicable, the selling shareholder has no reasonable grounds to believe that the Combined Company or Tributary, as applicable, is in default of securities legislation. **Headwater Shareholders and Tamarack Shareholders are urged to consult their legal advisors to determine the applicability to them of the resale restrictions prescribed by Applicable Canadian Securities Laws.**

*MI 61-101*

Headwater and Tamarack are each subject to the provisions of MI 61-101. MI 61-101 governs transactions that raise the potential for conflicts of interest, including insider bids, issuer bids, business combinations and related party transactions, to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, minority securityholder approval, and, in certain instances, independent formal valuations and approval and oversight of certain transactions by a special committee of independent directors.

As described in this Information Circular, pursuant to the Arrangement Agreement and subject to the required approvals and other conditions set forth therein, Tamarack will acquire all of the issued and outstanding Headwater Shares through the Plan of Arrangement. Under the Plan of Arrangement, for each Headwater Share held, Headwater Shareholders (other than Dissenting Shareholders) will receive: (i) one New Tamarack Share; (ii) approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation); and (iii) approximately 0.20 of a Tributary Arrangement Warrant (approximately 0.04 of a Tributary Arrangement Warrant following the Tributary Share Consolidation). For each Tamarack Share held, Tamarack Shareholders will receive: (i) one New Tamarack Share; and (ii) approximately 0.33 of a Tributary Share (approximately 0.066 of a Tributary Share following the Tributary Share Consolidation). Tamarack Shareholders will not receive Tributary Arrangement Warrants. The exchange for each Headwater Share and Tamarack Share will be implemented through a series of steps under the Plan of Arrangement involving a reorganization of Tamarack's share capital, which are described under "*Effect of the Arrangement – Details of the Arrangement*" and "*Certain Canadian Federal Income Tax Considerations*".

Unless certain exceptions apply, a transaction under which an issuer's equity securities may be terminated without the holders' consent constitutes a "business combination" under MI 61-101. The Arrangement constitutes a business combination in respect of Headwater because: (i) the interests of Headwater Shareholders in their Headwater Shares may be terminated without their consent; and (ii) "related parties" (as defined in MI 61-101) of Headwater may be parties to a "connected transaction" (as defined in MI 61-101) or receive a "collateral benefit" (as defined in MI 61-101), as described below and under the headings "*Interests of Certain Persons or Companies in the Arrangement*" and "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" elsewhere in this Information Circular. The Arrangement does not constitute a business combination in respect of Tamarack because no person that was a related party of Tamarack at the time the Arrangement was agreed to will, as a consequence of the Arrangement, acquire Tamarack or its business or combine with Tamarack, be a party to a connected transaction, receive consideration that is not identical in amount and form to that received by Tamarack Shareholders generally or receive a collateral benefit.

In addition, as Tributary is, as of the date of this Information Circular, a wholly-owned subsidiary entity of Headwater, the Tributary Private Placement is deemed under MI 61-101 to also be a transaction of Headwater and may be considered a "related party transaction" (as defined in MI 61-101) of Headwater and a connected transaction to the Arrangement for the purposes of MI 61-101. Since the Tributary Private Placement is a related party transaction it would ordinarily require a formal valuation under MI 61-101 absent an exemption from the formal valuation requirements of MI 61-101. In addition, as the Tributary Private Placement may be a connected transaction to the Arrangement, if a formal valuation is required for the Tributary Private Placement, it may also cause the Arrangement to require a formal valuation under MI 61-101. However, an exemption from the formal valuation requirement is available in respect of the Tributary Private Placement as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Tributary Private Placement, insofar as it involves interested parties, exceeds 25% of Headwater's market capitalization as determined under MI 61-101. Accordingly, no formal valuation is required in respect of the Tributary Private Placement under MI 61-101 and, as a result, the Tributary Private Placement does not cause a formal valuation to be required in respect of the Arrangement under MI 61-101. For clarity, no directors, officers or other insiders of Tamarack are expected to participate in the Tributary Private Placement.

As the Arrangement constitutes a business combination in respect of Headwater, MI 61-101 requires that, in addition to the approval of the Headwater Arrangement Resolution by at least 66⅔% of the votes cast by the Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting, the Headwater Arrangement Resolution must also be approved by a majority of the votes cast by Headwater Shareholders, excluding the votes required to be excluded under MI 61-101. In determining minority approval for the Headwater Arrangement Resolution, Headwater is required to exclude the votes attached to Headwater Shares that, to the knowledge of Headwater or any interested party (or their respective directors or senior officers), after reasonable inquiry, are beneficially owned or over which control or direction is exercised by any interested party, any related party of an interested party, or any "joint actor" (as defined in MI 61-101) with an interested party or such a related party, subject to the exceptions set forth in MI 61-101.

All of the Headwater directors and officers (other than David Pearce and Karen Nielsen) (collectively, the "**Participating Insiders**")) will be considered interested parties under MI 61-101 as such directors and officers are participating in the Tributary Private Placement, which may be considered a connected transaction under MI 61-101 in respect of the Arrangement. Accordingly, the votes attached to all Headwater Shares beneficially owned, or over which control or direction is exercised, by the Participating Insiders (being an aggregate of 14,662,742 Headwater Shares representing approximately 6% of the aggregate outstanding Headwater Shares entitled to vote on the Headwater Arrangement Resolution at the Headwater Meeting) will be excluded for purposes of determining whether minority approval of the Headwater Arrangement Resolution has been obtained.

In addition, any directors or officers of Headwater that are receiving a collateral benefit as a consequence of the Arrangement will also be considered interested parties under MI 61-101. The directors and officers of Headwater hold Headwater Shares and Headwater Incentives. If the Arrangement is

completed, under the terms of the Headwater Award Plan, all outstanding Headwater Restricted Awards and Headwater Performance Awards will vest and be settled in cash based on the Settlement Price (after applicable adjustments). In addition, Headwater DSUs held by Headwater directors will be redeemed for cash immediately following the Effective Time. Officers of Headwater will also receive the Headwater Severance Amounts as a result of the Arrangement. The vesting and cash settlement of the Headwater Restricted Awards and Headwater Performance Awards, the redemption of the Headwater DSUs and the receipt of Headwater Severance Amounts may be considered to be collateral benefits received by directors and officers of Headwater, as applicable, for the purposes of MI 61-101. The Participating Insiders may also be considered to have received a collateral benefit as a result of their participation in the Tributary Private Placement.

MI 61-101 expressly excludes benefits from being collateral benefits if such benefits are received solely in connection with the related party's services as an employee, director or consultant under certain circumstances, including where the related party, together with its associated entities, beneficially owns or exercises control or direction over less than 1% of the outstanding securities at the time the transaction was agreed to; and: (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; and (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction. As each of the directors and officers of Headwater (other than David Pearce and Karen Nielsen) are Participating Insiders and will therefore be excluded for purposes of determining whether minority approval of the Headwater Arrangement Resolution has been obtained, no analysis is required to determine whether the benefits conferred to such individuals will be considered collateral benefits for the purposes of MI 61-101. Neither David Pearce nor Karen Nielsen, together with their respective associated entities, beneficially owns, or exercises control or direction over, 1% or more of the outstanding Headwater Shares.

See "*Interests of Certain Persons or Companies in the Arrangement – Headwater Incentives*" for information regarding the Headwater Shares, beneficially owned, controlled or directed, by each director and officer of Headwater together with their respective associated entities. See "*Effect of the Arrangement – Headwater Incentives*", "*Interests of Certain Persons or Companies in the Arrangement*", "*Information Concerning Headwater Exploration Inc.*", and "*Information Concerning Tributary Exploration Inc.*" for information regarding the benefits and other payments to be received by each director and officer of Headwater in connection with the Arrangement. See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" for information regarding the participation of the Participating Insiders in the Tributary Private Placement.

MI 61-101 also requires Headwater to disclose any "prior valuations" (as defined in MI 61-101) of Headwater or its material assets or securities, or any bona fide prior offer that relates to the subject matter of or is otherwise relevant to the Arrangement, in each case made within the 24-month period preceding the date of this Information Circular. After reasonable inquiry, neither Headwater nor any director nor any senior officer of Headwater has knowledge of any such "prior valuation" or bona fide prior offer.

***United States***

The following discussion is a general overview of certain requirements of U.S. Securities Laws that may be applicable to Headwater Shareholders and Tamarack Shareholders in the United States. All Headwater Shareholders and Tamarack Shareholders in the United States are urged to consult with their own legal counsel to ensure that any subsequent resale of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, to be received pursuant to the Arrangement complies with applicable securities legislation.

The following discussion does not address the Applicable Canadian Securities Laws that will apply to the issue of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to Headwater Shareholders and Tamarack Shareholders pursuant to the Arrangement, the issuance of Tributary Shares upon the exercise of Tributary Arrangement Warrants, or the resale of any such securities received in exchange for Headwater Shares or Tamarack Shares within Canada by Headwater Shareholders or Tamarack Shareholders in the United States. Headwater Shareholders and Tamarack Shareholders in the United States reselling any such securities in Canada must comply with Applicable Canadian Securities Laws, as outlined elsewhere in this Information Circular.

*Exemption from the Registration Requirements of the U.S. Securities Act*

The New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to Headwater Shareholders and Tamarack Shareholders in exchange for their Headwater Shares and Tamarack Shares, as applicable, pursuant to the Arrangement, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state within the United States and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and exemptions provided under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from the registration requirements under the U.S. Securities Act the issuance of securities issued in exchange for one or more bona fide outstanding securities from the registration requirement of the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved, after a hearing upon the substantive and procedural fairness of the terms and conditions of the relevant transaction, at which all Persons to whom it is proposed such securities will be issued shall have the right to appear and receive timely and adequate notice thereof, by a court of competent jurisdiction that is expressly authorized by law to grant such approval. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. Under the Arrangement Agreement, Headwater and Tamarack jointly submitted the Plan of Arrangement to the Court on October 13, 2026 for the Interim Order after informing the Court of the intention to rely upon the exemption from the registration requirement of the U.S. Securities Act pursuant to Section 3(a)(10) thereof, and providing for notice to all Persons to whom it is proposed that the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants will be issued. The Court granted the Interim Order on October 13, 2026, and, subject to all applicable shareholder approvals from the Headwater Shareholders and the Tamarack Shareholders, a hearing on the Arrangement is expected to be held on or about November 18, 2026, by the Court. Following receipt of all applicable shareholder approvals from the Headwater Shareholders and the Tamarack Shareholders, and a hearing at which all Persons to whom it is proposed that the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants will be issued have the right to appear and be heard, provided that they satisfy the applicable conditions set forth in the Interim Order, Headwater and Tamarack will jointly

seek the Final Order from the Court as to the substantive and procedural fairness of the terms and conditions of the Plan of Arrangement. Such Final Order is a condition to the consummation of the Plan of Arrangement and the issuance of the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, and if granted, will constitute the basis for the exemption from the registration requirement of the U.S. Securities Act pursuant to Section 3(a)(10) thereof with respect to the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to Headwater Shareholders and Tamarack Shareholders, as applicable, pursuant to the Plan of Arrangement upon completion of the Arrangement. The Court has been informed of this effect of the Final Order. Headwater and Tamarack therefore anticipate that, if the Plan of Arrangement becomes effective under the terms and conditions described in the Arrangement Agreement (including the receipt of such Final Order from the Court), the issuance of the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to Headwater Shareholders and Tamarack Shareholders, as applicable, pursuant to the Arrangement will be exempt from the registration requirement under the U.S. Securities Act pursuant to Section 3(a)(10) thereof. The Section 3(a)(10) exemption will not apply to the issuance of Tributary Shares upon the subsequent exercise of the Tributary Arrangement Warrants.

For clarity, Tamarack Shareholders will not receive Tributary Arrangement Warrants in connection with the Arrangement.

*Exercise of Tributary Arrangement Warrants*

Section 3(a)(10) of the U.S. Securities Act does not exempt the issuance of securities upon the exercise of securities that were previously issued under Section 3(a)(10). Therefore, the Section 3(a)(10) exemption will not apply to the issuance of Tributary Shares upon the subsequent exercise of Tributary Arrangement Warrants, and the Tributary Arrangement Warrants may be exercised only if the issuance of the underlying Tributary Shares is made pursuant to another exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of Tributary Shares pursuant to any such exercise of Tributary Arrangement Warrants, Tributary may require the delivery of an opinion of counsel or other evidence reasonably satisfactory to Tributary to the effect that the issuance of such Tributary Shares does not require registration under the U.S. Securities Act or applicable state securities laws.

Subject to satisfying all of the listing requirements of the TSX, it is anticipated that the Tributary Arrangement Warrants will be listed on the TSX and as such residents of the United States and other holders of Tributary Arrangement Warrants subject to Applicable U.S. Securities Laws, who are not able to avail themselves of an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws for the exercise of the Tributary Arrangement Warrants, are expected to be able to sell such Tributary Arrangement Warrants on the TSX prior to the expiry date of such Tributary Arrangement Warrants.

**Holders of Tributary Arrangement Warrants in the United States or who are U.S. persons are urged to consult their own legal advisors regarding the availability of an exemption from such registration requirements and the requirements that may apply to the exercise of their Tributary Arrangement Warrants.**

*Resales of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants After the Effective Time*

The New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants issuable to Headwater Shareholders and Tamarack Shareholders, as applicable, pursuant to the Arrangement in reliance on Section 3(a)(10) of the U.S. Securities Act will be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" (as defined in Rule 144) of Tamarack or Tributary after the Effective Date, or were "affiliates" of Tamarack or Tributary within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers, directors or 10% or greater shareholders of an issuer.

Any resale of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants received pursuant to the Arrangement by such an "affiliate" or former "affiliate" may be subject to the registration requirement of the U.S. Securities Act, absent an exemption or exclusion therefrom, such as the exemption contained in Rule 144 or the safe harbor provided by Regulation S under the U.S. Securities Act.

The foregoing discussion is only a general overview of certain requirements of U.S. federal securities laws applicable to the issuance and resale of New Tamarack Shares, Tributary Shares or Tributary Arrangement Warrants received upon completion of the Arrangement. **All holders of such securities are urged to consult with counsel to ensure that the resale of their New Tamarack Shares, Tributary Shares or Tributary Arrangement Warrants complies with applicable securities legislation. The Section 3(a)(10) exemption will not apply to the issuance or resale of Tributary Shares issued upon the subsequent exercise of Tributary Arrangement Warrants.**

**Procedure for Exchange of Share Certificates or DRS Advices**

Registered Headwater Shareholders (other than Dissenting Shareholders) and Tamarack Shareholders must duly complete and return a Headwater Letter of Transmittal or Tamarack Letter of Transmittal, as applicable, together with the certificate(s) (if applicable) representing their Headwater Shares and Tamarack Shares, as applicable, and all other required documents to the Depositary at one of the offices specified in the Headwater Letter of Transmittal or Tamarack Letter of Transmittal, as applicable. In the event that the Arrangement is not completed, such certificates will be promptly returned to Headwater Shareholders or Tamarack Shareholders who provided such certificates to the Depositary.

**Enclosed with this Information Circular is the Headwater Letter of Transmittal and the Tamarack Letter of Transmittal which, when properly completed and returned together with the certificate(s) (if applicable), representing Headwater Shares or Tamarack Shares, as applicable, and all other required documents, will enable each Headwater Shareholder and Tamarack Shareholder to obtain the consideration that the Headwater Shareholder or Tamarack Shareholder is entitled to receive under the Arrangement.**

The Letters of Transmittal contain complete instructions on how to exchange Headwater Shares and Tamarack Shares, as applicable.

**From and after the Effective Time, certificates or DRS Advices formerly representing Headwater Shares or Tamarack Shares shall represent only the right to receive the consideration to which the former Headwater Shareholders and Tamarack Shareholders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to the Plan of Arrangement, to receive the fair value of the Headwater Shares represented by such certificates or DRS Advices**. As soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Headwater Shares acquired by Tamarack or Tamarack Shares exchanged for New Tamarack Shares under the Arrangement of a duly completed Letter of Transmittal, and the certificates or DRS Advices representing such Headwater Shares or Tamarack Shares and all other required documents, the Depositary shall either: (i) forward by first class mail or email to such former holder at the address specified in the applicable Letter of Transmittal; or (ii) if requested by such Headwater Shareholder or Tamarack Shareholder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such Headwater Shareholder or Tamarack Shareholder, DRS Advices evidencing the number of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, issued to such Headwater Shareholder or Tamarack Shareholder under the Arrangement.

**No fractional New Tamarack Shares, Tributary Shares or Tributary Arrangement Warrants will be issued under the Arrangement. In the event that a Headwater Shareholder or Tamarack Shareholder would otherwise be entitled to a fractional New Tamarack Share, Tributary Share or Tributary Arrangement Warrant, the number of such securities issued to such Headwater Shareholder or Tamarack Shareholder will be rounded up to the next whole number of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, if the fractional entitlement is equal to or greater than 0.50 and shall, without any additional compensation, be rounded down to the next whole number of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, if the fractional entitlement is less than 0.50. In calculating fractional interests, all Headwater Shares and Tamarack Shares registered in the name of or beneficially held by such Headwater Shareholder or Tamarack Shareholder, or its nominee(s), as applicable, will be aggregated.**

**As a result, a Headwater Shareholder or Tamarack Shareholder holding fewer than eight (8) Headwater Shares or Tamarack Shares, respectively, immediately prior to the Effective Time will not receive any Tributary Shares pursuant to the Arrangement, and a Headwater Shareholder holding fewer than thirteen (13) Headwater Shares immediately prior to the Effective Time will not receive any Tributary Arrangement Warrants pursuant to the Arrangement. Such Headwater Shareholder or Tamarack Shareholder will nevertheless receive any New Tamarack Shares to which they are otherwise entitled under the Arrangement.**

**Subject to any Applicable Laws relating to unclaimed personal property, any certificate or DRS Advice formerly representing Headwater Shares or Tamarack Shares that is not deposited, together with all other documents required under the Plan of Arrangement, on or before the last Business Day before the third anniversary of the Effective Date, and any right or claim by or interest of any kind or nature, including the right of a former Headwater Shareholder or Tamarack Shareholder to receive certificates or DRS Advices representing New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants, as applicable, to which such holder is entitled pursuant to the Arrangement, shall terminate and be deemed to be surrendered and forfeited to Tamarack or Tributary, as applicable, for no consideration, together with all entitlements to dividends, distributions and interest thereon. In such case, such New Tamarack Shares shall be returned to Tamarack for cancellation and such Tributary Shares and Tributary Arrangement Warrants will be returned to Tributary for cancellation.**

If any certificate which immediately prior to the Effective Time represented an interest in one or more outstanding Headwater Shares or Tamarack Shares has been lost, stolen or destroyed, upon satisfying such reasonable requirements as may be imposed by Tamarack, Tributary and the Depositary in relation to the issuance of replacement share certificates, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement, deliverable in accordance with such holder's Letter of Transmittal. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to each of Tamarack, Headwater, Tributary and their respective transfer agents in such form as is satisfactory to Tamarack, Headwater, Tributary and their respective transfer agents, and shall indemnify Tamarack, Headwater, Tributary and their respective transfer agents, to the reasonable satisfaction of such parties, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

**Beneficial shareholders must contact their nominee to deposit their Headwater Shares and Tamarack Shares, as applicable.**

**The use of mail to transmit certificates representing Headwater Shares, Tamarack Shares or the applicable Letter of Transmittal is at each registered holder's risk. Headwater recommends that such certificates and documents be delivered by hand to the Depositary and a receipt therefor be obtained or that registered mail be used and appropriate insurance be obtained.**

If a Letter of Transmittal is executed by a person other than the registered holder of the Headwater Shares or Tamarack Shares being exchanged or if the DRS Advices to be issued in exchange therefor are to be issued to a person other than the registered owner(s), the signature on the Letter of Transmittal must be medallion guaranteed by an Eligible Institution. If the Letter of Transmittal is executed by a person other than the registered owner(s) of the Headwater Shares or Tamarack Shares and in certain other circumstances as set forth in the applicable Letter of Transmittal, then the certificate(s) or DRS Advice(s) representing the Headwater Shares or Tamarack Shares must be endorsed or be accompanied by an appropriate transfer power of attorney duly and properly completed by the registered owner(s). The signature(s) on the endorsement panel or the transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) must be medallion guaranteed by an Eligible Institution.

All questions as to validity, form, eligibility (including timely receipt), and acceptance of any Headwater Shares or Tamarack Shares exchanged pursuant to the Arrangement will be determined by Tamarack, Headwater and Tributary. Depositing Headwater Shareholders and Tamarack Shareholders agree

that such determination shall be final and binding. Tamarack, Headwater and Tributary reserve the absolute right to reject any and all deposits which it determines not to be in proper form or which may be unlawful for it to accept under the laws of any jurisdiction. Tamarack, Headwater and Tributary also reserves the absolute right to waive any defect or irregularity in the exchange of Headwater Shares and Tamarack Shares. There shall be no duty or obligation on Tamarack, Headwater, Tributary, the Depositary or any other person to give notice of any defect or irregularity in any deposit of Headwater Shares and Tamarack Shares and no liability shall be incurred by any of them for failure to give such notice.

Notwithstanding the provisions of this Information Circular or the applicable Letter of Transmittal, DRS Advices representing the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants issued as consideration pursuant to the Arrangement will not be mailed if Tamarack or Tributary, as applicable, determines that delivery thereof by mail may be delayed. Persons entitled to DRS Advices which are not mailed for such reason may take delivery thereof at the office of the Depositary in which the deposited certificates or DRS Advices representing Headwater Shares or Tamarack Shares were originally deposited until such time that it is determined that the delivery by mail will no longer be delayed.

Headwater Shareholders and Tamarack Shareholders are encouraged to deliver a validly completed and duly executed Headwater Letter of Transmittal or Tamarack Letter of Transmittal, respectively, together with the relevant certificate(s) (if applicable), to the Depositary as soon as possible.

**None of Headwater, Tamarack, Tributary or the Depositary are liable for failure to notify Headwater Shareholders, nor do they have any obligation to notify Headwater Shareholders, who make a deficient deposit with the Depositary.**

## INTERESTS OF CERTAIN PERSONS OR COMPANIES IN THE ARRANGEMENT

In considering the recommendations of the Headwater Board and the Tamarack Board to Headwater Shareholders and Tamarack Shareholders, as applicable, with respect to the Arrangement, Headwater Shareholders and Tamarack Shareholders should be aware that certain members of Headwater's management, Tamarack's management, the Headwater Board and the Tamarack Board have certain interests in connection with the Arrangement, including those referred to below and elsewhere in this Information Circular, that may present them with actual or potential conflicts of interest in connection with the Arrangement. The Headwater Board and the Tamarack Board are aware of these interests and considered them along with the other matters described above in "*The Arrangement – Background to the Arrangement*".

Except as described below, management of Headwater and Tamarack are not aware of any material interest direct or indirect, by way of beneficial ownership or otherwise, of any director or executive officer of Headwater or Tamarack, respectively, or anyone who has held office as such since the beginning of Headwater's and Tamarack's last financial years or of any associate or affiliate of any of the foregoing in the Arrangement.

### Headwater

#### *Headwater Shares*

As at October 8, 2026, the directors and officers of Headwater and their associates beneficially owned, controlled or directed, directly or indirectly, an aggregate of 15,320,742 Headwater Shares, representing approximately 6% of the outstanding Headwater Shares. Pursuant to the Headwater Support Agreements, the directors and officers of Headwater have agreed with Tamarack to vote such Headwater Shares in favour of the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution and it is expected that the directors and officers of Headwater will vote their Headwater Shares in favour of all matters to be considered at the Headwater Meeting. See "*Summary of Agreements in Connection with the Arrangement – Support Agreements*".

All of the Headwater Shares held by the directors and officers of Headwater and their associates will be treated in the same manner under the Arrangement as Headwater Shares held by all other Headwater Shareholders. If the Arrangement is completed, the directors and officers of Headwater and their associates will receive, in exchange for such Headwater Shares, an aggregate of approximately 15,320,742 New Tamarack Shares, 1,026,013 Tributary Shares (on a post-Tributary Share Consolidation basis) and 612,828 Tributary Arrangement Warrants (on a post-Tributary Share Consolidation basis). See "*Summary of Interests of Headwater Directors and Officers in the Arrangement*".

#### *Headwater Incentives*

As at October 8, 2026, the directors and officers of Headwater held an aggregate of: (i) 444,818 Headwater DSUs, representing all of the outstanding Headwater DSUs; (ii) 5,743 Headwater Restricted Awards, representing approximately 2% of the outstanding Headwater Restricted Awards; (iii) 3,137,945 Headwater Performance Awards, representing approximately 93% of the outstanding Headwater Performance Awards.

Completion of the Arrangement will constitute a "Change of Control" under the Headwater Award Plan and as the employment of each holder of Headwater Restricted Awards and Headwater Performance Awards will be terminated, all outstanding Headwater Restricted Awards and Headwater Performance Awards will vest concurrently with the Effective Time of the Arrangement. The Headwater Board has determined that the Payout Multiplier applicable to Headwater Performance Awards granted in 2024, 2025 and 2026 will be 2.0x, 2.0x and 1.5x, respectively.

As all directors of Headwater will cease to be directors of Headwater at the Effective Time, all Headwater DSUs will become redeemable under the terms of the Headwater DSU Plan. In addition, pursuant to the Arrangement Agreement, Headwater has agreed to use reasonable commercial efforts to cause each director holding Headwater DSUs to elect to accelerate the Maturity Date (as defined in the Headwater DSU Plan) such that the Maturity Date for such Headwater DSUs is the Effective Date.

In connection with, and conditional upon, completion of the Arrangement: (i) Headwater shall pay, or cause to be paid, to each holder of Headwater Restricted Awards and Headwater Performance Awards an amount in cash equal to the product of the number of Headwater Restricted Awards and Headwater Performance Awards (after adjusting such Headwater Restricted Awards and Headwater Performance Awards for the Adjustment Ratio and, in the case of Headwater Performance Awards, the Payout Multiplier) held by such individual multiplied by the Settlement Price; and (ii) all Headwater DSUs shall be redeemed immediately following the Effective Time and each Headwater director who holds Headwater DSUs shall be entitled to a cash payment equal to the number of Headwater DSUs (after adjusting such Headwater DSUs for the Adjustment Ratio) held by such director at the Effective Time multiplied by the Settlement Price. The cash payments will be based on the Settlement Price, being the volume-weighted average trading price of the Headwater Shares on the TSX for the five trading days ("**5-Day VWAP**") immediately preceding the Effective Date, and will be subject to applicable withholding taxes.

See "*Effect of the Arrangement – Details of the Arrangement*", "*Effect of the Arrangement – Headwater Incentives" and "Summary of Interests of Headwater Directors and Officers in the Arrangement*".

***Severance***

Headwater does not maintain employment agreements with its executive officers that provide for change of control payments. However, in connection with the completion of the Arrangement, certain officers and employees of Headwater will be entitled to receive severance and other termination payments in accordance with applicable employment laws and the terms of their employment. Such amounts will be paid by Headwater immediately prior to the Effective Time, subject to and concurrent with the execution of a full and final release by the applicable recipient in a form acceptable to Tamarack. If the Arrangement is completed, executive officers will receive the applicable Headwater Severance Amounts, estimated to be approximately $4.2 million in the aggregate, less applicable withholding taxes.

See "*Summary of Interests of Headwater Directors and Officers in the Arrangement*".

***Continuing Insurance Coverage for Directors and Officers of Headwater***

Pursuant to the Arrangement Agreement, Tamarack has agreed that it will maintain or cause to be maintained in effect for six years from the Effective Time, policies of directors' and officers' liability insurance for the benefit of the existing Headwater directors and officers providing coverage comparable to the coverage provided by the directors' and officers' policies obtained by Headwater that are in effect immediately prior to the Effective Time and providing coverage in respect of claims arising from facts or events that occurred on or prior to the Effective Time and which will cover all claims made prior to the Effective Date or within six years of the Effective Date. Prior to the Effective Time, Headwater may, in the alternative, purchase run off directors' and officers' liability insurance for the benefit of its officers and directors having a coverage period of up to six years from the Effective Time.

Tamarack has also agreed, pursuant to the Arrangement Agreement, that all rights to indemnification, expense reimbursement or exculpation now existing in favour of present and former officers and directors of Headwater shall survive completion of the Arrangement and, after the Effective Time, neither Headwater, Tamarack nor any successor to Headwater or Tamarack will take any action to terminate or adversely affect, and will fulfill its obligations pursuant to, expense advancement and exculpation arrangements and indemnities provided or available to or in favour of past and present officers and directors of Headwater pursuant to the provisions of the articles, by-laws or other constating documents of Headwater, applicable corporate legislation and any written indemnity agreements (and each of them), which have been entered into between Headwater and its past or current officers or directors effective on or prior to the Agreement Date.

***Tributary***

Certain directors, officers and employees of Headwater are or will be directors, officers or employees of Tributary and will receive remuneration for acting in that capacity and be eligible to participate in the Tributary Option Plan and the Tributary Private Placement.

See Appendix J – "*Information Concerning Tributary Exploration Inc.*" for information in respect of the salaries expected to be paid to Tributary's executive officers. Also see "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan" and "Other Matters of Special Business Relating to Tributary – Tributary Private Placement*".

***Summary of Interests of Headwater Directors and Officers in the Arrangement***

To the knowledge of Headwater, after reasonable inquiry, the following table discloses, as at October 8, 2026, the number of securities of Headwater beneficially owned, or over which control or direction is exercised, by each director and executive officer of Headwater and, to the extent known by Headwater after reasonable inquiry, by each of their associates and affiliates. The following table also discloses the interests of each director and executive officer of Headwater in the Arrangement, with all directors resigning and all executive officers being terminated without cause at the Effective Time in connection with the Arrangement. The Headwater Board was aware of these interests and considered them, among other matters, when recommending that the Headwater Shareholders approve the Headwater Arrangement Resolution.

See Appendix J – "*Information Concerning Tributary Exploration Inc.*" for information on the participation of directors and officers and other employees in the Tributary Private Placement. Also see "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan*" and "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" in this Information Circular.

| Name and Position | Number / Percentage of Headwater Shares Owned or Controlled | Number of Securities Issuable Pursuant to the Arrangement in Exchange for Headwater Shares Owned or Controlled[1] | | | Number / Percentage of Headwater Performance Awards[3][6] | Number / Percentage of Headwater Restricted Awards[4][6] | Number / Percentage of Headwater DSUs[5][6] | Estimated Headwater Severance Amount ($)[7] |
|---|---|---|---|---|---|---|---|---|
| | | New Tamarack Shares | Tributary Shares[2] | Tributary Arrangement Warrants[2] | | | | |
| **Neil Roszell, Director and Executive Chairman** | 3,815,924<br>1.6% | 3,815,924 | 255,548 | 152,637 | 466,172<br>13.8% | Nil | Nil | 30,000[8] |
| **Jason Jaskela, Director, President and Chief Executive Officer** | 2,042,937<br>0.9% | 2,042,937 | 136,813 | 81,717 | 663,997<br>19.6% | Nil | Nil | 30,000[8] |
| **Ali Horvath, Chief Financial Officer** | 875,478<br>0.4% | 875,478 | 58,630 | 35,019 | 332,397<br>9.8% | Nil | Nil | 534,600 |
| **Terry Danku, Executive Vice-President** | 1,371,385<br>0.6% | 1,371,385 | 91,840 | 54,855 | 297,142<br>8.8% | Nil | Nil | 534,600 |
| **Brad Christman, Chief Operating Officer** | 821,384<br>0.3% | 821,384 | 55,007 | 32,855 | 325,028<br>9.6% | Nil | Nil | 534,600 |
| **Georgia Little, Vice-President, Finance** | 123,939<br>0.1% | 123,939 | 8,300 | 4,958 | 249,701<br>7.4% | Nil | Nil | 504,900 |
| **Scott Rideout, Vice-President, Land** | 624,774<br>0.3% | 624,774 | 41,840 | 24,991 | 249,701<br>7.4% | Nil | Nil | 504,900 |
| **Dieter Deines, Vice-President, Exploration** | 29,187<br>0.0% | 29,187 | 1,955 | 1,167 | 249,701<br>7.4% | Nil | Nil | 504,900 |
| **Jeff Magee, Vice-President, Engineering** | 50,908<br>0.0% | 50,908 | 3,409 | 2,036 | 151,832<br>4.5% | 2,761<br>0.8% | Nil | 504,900 |
| **Wade Hein, Vice-President, Operations** | 37,796<br>0.0% | 37,796 | 2,531 | 1,512 | 152,274<br>4.5% | 2,982<br>0.9% | Nil | 504,900 |
| **Edward (Ted) Brown, Corporate Secretary** | 511,583<br>0.2% | 511,583 | 34,260 | 20,463 | Nil | Nil | Nil | - |
| **Kevin Olson, Director** | 2,820,179<br>1.2% | 2,820,179 | 188,864 | 112,807 | Nil | Nil | 95,769<br>21.5% | - |
| **Chandra Henry, Director** | 620,000<br>0.3% | 620,000 | 41,521 | 24,800 | Nil | Nil | 68,609<br>15.4% | - |
| **Stephen Larke, Director** | 822,669<br>0.3% | 822,669 | 55,093 | 32,907 | Nil | Nil | 56,359<br>12.7% | - |
| **Kam Sandhar, Director** | 77,404<br>0.0% | 77,404 | 5,184 | 3,096 | Nil | Nil | 91,039<br>20.5% | - |

| Name and Position | Number / Percentage of Headwater Shares Owned or Controlled | Number of Securities Issuable Pursuant to the Arrangement in Exchange for Headwater Shares Owned or Controlled[1] | | | Number / Percentage of Headwater Performance Awards[3][6] | Number / Percentage of Headwater Restricted Awards[4][6] | Number / Percentage of Headwater DSUs[5][6] | Estimated Headwater Severance Amount ($)[7] |
|---|---|---|---|---|---|---|---|---|
| | | New Tamarack Shares | Tributary Shares[2] | Tributary Arrangement Warrants[2] | | | | |
| **Cheree Stephenson, Director** | 17,195<br>0.0% | 17,195 | 1,152 | 688 | Nil | Nil | 26,829<br>6.0% | - |
| **David Pearce, Director** | 650,000<br>0.3% | 650,000 | 43,530 | 26,000 | Nil | Nil | 85,469<br>19.2% | - |
| **Karen A. Nielsen, Director** | 8,000<br>0.0% | 8,000 | 536 | 320 | Nil | Nil | 20,744<br>4.7% | - |
| **Total** | **15,320,742<br>6.4%** | **15,320,742** | **1,026,013** | **612,828** | **3,137,945<br>93%** | **5,743<br>2%** | **444,818<br>100%** | **4,188,300** |

Notes:

(1) Reflects the aggregate number of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to be issued to such director or executive officer in exchange for the Headwater Shares owned or controlled by such person as at October 8, 2026 pursuant to the Arrangement, assuming there are 237,762,877 Headwater Shares issued and outstanding immediately prior to the Effective Date.

(2) Reflects the Tributary Shares and Tributary Arrangement Warrants on a post-Tributary Share Consolidation basis and prior to the completion of the Tributary Private Placement. See Appendix J – "*Information Concerning Tributary Exploration Inc.*" for information on the participation of such directors and officers in the Tributary Private Placement.

(3) As of October 8, 2026, there were 3,382,387 Headwater Performance Awards outstanding. The Arrangement will constitute a "Change of Control" pursuant to the Headwater Award Plan and the employment of each holder of Headwater Performance Awards with Headwater will be terminated at the Effective Time. As a result, all outstanding Headwater Performance Awards will become fully and unconditionally vested, applying the Payout Multipliers approved by the Headwater Board of 2.0x, 2.0x and 1.5x in respect of the 2024, 2025 and 2026 grants, respectively. Each Headwater Performance Award will be deemed surrendered to Headwater in exchange for a cash payment equal to the number of Headwater Performance Awards (after giving effect to the applicable performance multiplier and the Adjustment Ratio determined in accordance with the Headwater Award Plan) multiplied by the Settlement Price, less applicable withholdings. The amount of the cash payment to be received by each holder of Headwater Performance Awards is not known as of the date hereof as the Settlement Price will be based on the 5-day VWAP for the five trading days immediately prior to the Effective Time.

(4) As of October 8, 2026, there were 349,960 Headwater Restricted Awards outstanding. The Arrangement will constitute a "Change of Control" pursuant to the Headwater Award Plan and the employment of each holder of Headwater Restricted Awards with Headwater will be terminated at the Effective Time. As a result, all outstanding Headwater Restricted Awards will become fully and unconditionally vested and each Headwater Restricted Award will be deemed surrendered to Headwater in exchange for a cash payment equal to the number of Headwater Restricted Awards (after giving effect to the Adjustment Ratio determined in accordance with the Headwater Award Plan) multiplied by the Settlement Price, less applicable withholdings. The amount of the cash payment to be received by each holder of Headwater Restricted Awards is not known as of the date hereof as the Settlement Price will be based on the 5-day VWAP for the five trading days immediately prior to the Effective Time.

(5) As of October 8, 2026, there were 444,818 Headwater DSUs outstanding. Headwater DSUs held by a Headwater director shall be settled and redeemed in cash upon the resignation of such individual as a Headwater director in accordance with the terms of the Headwater DSU Plan. The payout amount for the Headwater DSUs will be equal to the number of Headwater DSUs held by the Headwater director (after giving effect to the Adjustment Ratio determined in accordance with the Headwater DSU Plan) multiplied by the Settlement Price, less applicable withholdings. The amount of the cash payment to be received by each holder of Headwater DSUs is not known as of the date hereof as the Settlement Price will be based on the 5-day VWAP for the five trading days immediately prior to the Effective Time.

(6) The number of Headwater Incentives reflected herein does not include the application of the Adjustment Ratio determined in accordance with the Headwater Award Plan and the Headwater DSU Plan, as applicable, which will be applied prior to the Effective Time and will account for all dividends paid from the grant date of such Headwater Incentives until the Effective Date, including the Headwater October Dividend.

(7) Reflects the applicable Headwater Severance Amount payable to such executive officer (before applicable withholdings) in connection with the completion of the Arrangement, assuming the termination of such executive officer's employment occurred on November 19, 2026 (being the anticipated closing date of the Arrangement).

(8) Each of Neil Roszell and Jason Jaskela has agreed to receive minimal termination and severance payments. The balance of the Headwater Severance Amounts to which they are otherwise entitled will be allocated to certain non-executive employees and contractors.

***Tamarack Shares***

As at October 8, 2026, Headwater did not beneficially own, control or direct, directly or indirectly, any Tamarack Shares. As at October 8, 2026, the directors and officers of Headwater, as a group, beneficially owned, controlled or directed, directly or indirectly less than 1% of the issued and outstanding Tamarack Shares.

**Tamarack**

***Tamarack Shares and Tamarack Incentives***

As at October 8, 2026, the directors and executive officers of Tamarack and their associates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 8,559,043 Tamarack Shares, representing approximately 2% of the outstanding Tamarack Shares.

Pursuant to the Tamarack Support Agreements, the directors and officers of Tamarack have agreed with Headwater to vote such Tamarack Shares in favour of the Tamarack Arrangement Resolution, Share Issuance Resolution, Tamarack Private Placement Resolution and Tamarack Option Plan Resolution and it is expected that the directors and officers of Tamarack will vote their Tamarack Shares in favour of all matters to be considered at the Tamarack Meeting. See "*Summary of Agreements in Connection with the Arrangement – Support Agreements*".

All of the Tamarack Shares held by such directors and executive officers of Tamarack and their associates will be treated in the same fashion under the Arrangement as Tamarack Shares held by any other Tamarack Shareholder. If the Arrangement is completed, the directors and executive officers of Tamarack and their associates will receive an aggregate of approximately 574,294 Tributary Shares, after giving effect to the Tributary Share Consolidation.

The Arrangement will not result in a change of control under the Tamarack Incentive Plans and Tamarack Incentives will continue to exist pursuant to the terms of such plans.

***Headwater Shares***

As at October 8, 2026, Tamarack did not beneficially own, control or direct, directly or indirectly, any Headwater Shares. As at October 8, 2026, the directors and executive officers of Tamarack, as a group, beneficially owned, controlled or directed, directly or indirectly less than 1% of the issued and outstanding Headwater Shares.

## DISSENT RIGHTS

**The following description of the Dissent Rights to which registered Headwater Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a Headwater Shareholder who seeks payment of the fair value of such Headwater Shareholder's Headwater Shares and is qualified in its entirety by reference to the full text of the Plan of Arrangement, the Interim Order and the text of section 191 of the ABCA, which are attached to this Information Circular as Appendix D, Appendix E and Appendix L, respectively. A Headwater Shareholder who intends to exercise Dissent Rights should carefully consider and strictly comply with the provisions of the ABCA, as modified by the Plan of Arrangement and by the Interim Order. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder.**

**In accordance with the Interim Order and the Arrangement Agreement, Tamarack Shareholders are not entitled to Dissent Rights under the Arrangement.**

Each Headwater Shareholder who might desire to exercise Dissent Rights should consult their own legal advisor.

The dissent procedures require that a registered Headwater Shareholder who wishes to dissent ensure that a written notice of objection to the Headwater Arrangement Resolution is sent to Headwater c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Ryan Algar or by email at: ralgar@bdplaw.com to be received no later than 5:00 p.m. (Calgary time) on November 10, 2026 or 5:00 p.m. (Calgary time) on the day which is five Business Days immediately preceding the date that any adjourned or postponed Headwater Meeting is reconvened or held, as the case may be, and must otherwise strictly comply with the dissent procedures described.

There can be no assurance that a Headwater Shareholder that dissents will receive consideration for his, her or its Headwater Shares of equal or greater value to the consideration such Headwater Shareholder would have received on completion of the Arrangement if such Headwater Shareholder did not exercise its Dissent Rights. Only registered Headwater Shareholders are entitled to dissent. Headwater Shareholders should carefully read this section in this Information Circular if they wish to exercise Dissent Rights and seek their own legal advice as failure to strictly comply with the dissent procedures in section 191 of the ABCA, as modified and supplemented by the Interim Order and the Plan of Arrangement, may result in the loss or unavailability of the right to dissent. See Appendices E and L, respectively to this Information Circular for a copy of the Interim Order and certain information relating to the Dissent Rights.

Dissenting Shareholders who are ultimately determined to be entitled to be paid the fair value of the Headwater Shares in respect of which they have exercised Dissent Rights will have their Headwater Shares transferred to Headwater and cancelled in exchange for the right to be paid by Headwater the fair value of their Headwater Shares. Each such Dissenting Shareholder will cease to be a holder of Headwater Shares, and their name will be deemed to be removed from the securities register for the Headwater Shares, as of the Effective Date.

Dissenting Shareholders who validly withdraw their Dissent Rights or who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Headwater Shares will be deemed to have participated in the Arrangement on the same basis as a non-Dissenting Shareholder and shall be entitled to receive Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants for the Headwater Shares formerly held by them in accordance with the Plan of Arrangement.

In addition to any other restrictions under section 191 of the ABCA, holders of Headwater Shares who vote in favour of the Headwater Arrangement Resolution, or have instructed a proxyholder to vote such Headwater Shares in favour of the Headwater Arrangement Resolution, shall not be entitled to exercise Dissent Rights and shall be deemed to have not exercised Dissent Rights in respect of such Headwater Shares.

No rights of dissent are available to holders of Headwater Incentives in connection with the Arrangement.

In no circumstances shall Tamarack, Headwater, Tributary or any of their respective successors or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Headwater Shares in respect of which such rights are sought to be exercised. **Only registered Headwater Shareholders may dissent. A Headwater Shareholder may only exercise its rights of dissent in respect of all, and not less than all, of its Headwater Shares. Headwater Shareholders who hold their Headwater Shares beneficially and who wish to dissent should be aware that they may only do so through the registered owner of such Headwater Shares. A registered Headwater Shareholder, such as a broker or CDS, who holds Headwater Shares as nominee for beneficial Headwater Shareholders, some of whom wish to dissent, must exercise the Dissent Right on behalf of such beneficial Headwater Shareholder with respect to all of the Headwater Shares held for such beneficial Headwater Shareholder. In such case, the written objection to the Headwater Arrangement Resolution should set forth the number of Headwater Shares covered by it.**

In no case shall Tamarack, Headwater, Tributary, the Depositary, the transfer agent in respect of the Headwater Shares or any other Person be required to recognize a Dissenting Shareholder as a holder of Headwater Shares after the Effective Time and the name of each Dissenting Shareholder shall be deleted from the register of holders of Headwater Shares as at the time those Headwater Shares are so transferred and such shares will be cancelled.

***Section 191 of the ABCA***

A brief summary of the provisions of Section 191 of the ABCA as modified by the Interim Order and Plan of Arrangement is set out below. This summary is qualified in its entirety by reference to the full text of the Plan of Arrangement, the Interim Order and the text of section 191 of the ABCA, which are attached to this Information Circular as Appendix D, Appendix E and Appendix L, respectively.

Registered Headwater Shareholders may exercise Dissent Rights in respect of the Arrangement and require Headwater to purchase the Headwater Shares held by such Headwater Shareholders at the fair value of such Headwater Shares.

The exercise of Dissent Rights does not deprive a registered Headwater Shareholder of the right to vote at the Headwater Meeting. However, a Headwater Shareholder is not entitled to exercise Dissent Rights in respect of the Headwater Arrangement Resolution if such holder votes any of the Headwater Shares beneficially held by such holder in favour of the Headwater Arrangement Resolution.

A Dissenting Shareholder is required to send a written objection to the Headwater Arrangement Resolution to Headwater prior to the Headwater Meeting. The execution or exercise of a proxy against the Headwater Arrangement Resolution, a vote against the Headwater Arrangement Resolution or not voting on the Headwater Arrangement Resolution does not constitute a written objection for purposes of the right to dissent under Section 191 of the ABCA.

An application may be made to the Court by Headwater or by a Dissenting Shareholder after adoption of the Headwater Arrangement Resolution to fix the fair value of the Dissenting Shareholder's Headwater Shares. If such an application to the Court is made by Headwater or a Dissenting Shareholder, Headwater must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay such Person an amount considered by the Headwater Board to be the fair value of the Headwater Shares formerly held by such Dissenting Shareholder. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least ten (10) days before the date on which the application is returnable, if Headwater is the applicant, or within ten (10) days after Headwater is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with Headwater for the purchase of such Dissenting Shareholder's Headwater Shares in the amount of Headwater's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Headwater Shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the Headwater Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against Headwater and in favour of each of those Dissenting Shareholders, and fixing the time within which Headwater must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a Headwater Shareholder until the date of payment.

At the Effective Time, or upon the making of an agreement between Headwater and the Dissenting Shareholder as to the payment to be made by Headwater to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a Headwater Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's Headwater Shares in the amount agreed to between Headwater and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw dissent, or if the Arrangement has not yet become effective Headwater may rescind the Headwater Arrangement Resolution, and, in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

Under the Plan of Arrangement, Headwater will be required to pay the fair value of such Headwater Shares held by a Dissenting Shareholder, and to offer to pay the Dissenting Shareholder an amount to which such Shareholder is entitled. Headwater shall not make a payment to a Dissenting Shareholder under Section 191 of the ABCA if there are reasonable grounds for believing that Headwater is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of Headwater would thereby be less than the aggregate of its liabilities. In such event, Headwater shall notify each Dissenting Shareholder that it is lawfully unable to pay Dissenting Shareholders for their Headwater Shares, in which case the Dissenting Shareholder may, by written notice to Headwater within 30 days after receipt of such notice, withdraw such holder's written objection, in which case such Dissenting Shareholder shall, in accordance with the Interim Order, be deemed to have participated in the Arrangement as a Headwater Shareholder. If the Dissenting Shareholder does not withdraw such holder's written objection, such Dissenting Shareholder retains status as a claimant against Headwater to be paid as soon as Headwater is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to creditors but prior to its shareholders.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Headwater Shares. Section 191 of the ABCA, other than as amended by the Plan of Arrangement and the Interim Order, requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, Headwater Shareholders who might desire to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of section 191 of the ABCA, the full text of which is set out in Appendix L to this Information Circular and consult their own legal advisor.**

**Unless otherwise waived, it is a condition to the obligation of Tamarack to complete the Arrangement that holders of not more than 5% of the issued and outstanding Headwater Shares shall have validly exercised Dissent Rights in respect of the Arrangement and not withdrawn such exercise as of the Effective Date.**

## OTHER MATTERS OF SPECIAL BUSINESS RELATING TO TRIBUTARY

### Tributary Private Placement

At the Tamarack Meeting and the Headwater Meeting, Tamarack Shareholders and Headwater Shareholders, respectively, will be asked to consider and, if deemed advisable, approve an ordinary resolution authorizing the Tributary Private Placement, which, if fully subscribed, is expected to result in aggregate gross proceeds of approximately $30 million.

Subscriptions for the Tributary Private Placement will be accepted prior to the completion of the Arrangement and the Tributary Share Consolidation; however, pursuant to the Arrangement, the Tributary Share Consolidation will be completed prior to the closing of the Tributary Private Placement and, accordingly, unless otherwise indicated, all references in this section to Tributary Shares, Tributary Private Placement Warrants and related prices are presented on a post-Tributary Share Consolidation basis.

Each Tributary Unit will consist of one Tributary Share and one Tributary Private Placement Warrant. Each Tributary Private Placement Warrant will entitle the holder to acquire one Tributary Share at an exercise price of $2.10 per Tributary Share (equivalent to $0.42 prior to giving effect to the Tributary Share Consolidation), subject to customary anti-dilution adjustments. The Tributary Private Placement Warrants will be exercisable for a period of four years following the closing of the Tributary Private Placement and will vest in three equal tranches as follows: (i) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume weighted average trading price of the Tributary Shares first equals or exceeds $3.25 (equivalent to $0.65 prior to giving effect to the Tributary Share Consolidation); (ii) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume weighted average trading price of the Tributary Shares first equals or exceeds $3.75 (equivalent to $0.75 prior to giving effect to the Tributary Share Consolidation); and (iii) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume weighted average trading price of the Tributary Shares first equals or exceeds $4.25 (equivalent to $0.85 prior to giving effect to the Tributary Share Consolidation). It is also anticipated that the Tributary Private Placement Warrants will allow the Tributary Board to accelerate the expiry date of the Tributary Private Placement Warrants in certain circumstances after all vesting thresholds have been satisfied.

Each Tributary Unit will be issued at a subscription price of $2.10 per Tributary Unit, reflecting the subscription price following the Tributary Share Consolidation to be completed immediately prior to the closing of the Tributary Private Placement. The subscription price is equivalent to $0.42 per Tributary Unit on a pre-Tributary Share Consolidation basis and represents the estimated net asset value of the Tributary Shares. In determining the subscription price, management of Headwater and the Headwater Board considered a number of factors, including the reserve value of Tributary, projected production and cash flows of Tributary, the net asset value of Tributary, financing completion risk and the trading prices of comparable public companies. The estimated net asset value of Tributary was determined as set out below.

| **Tributary Exploration net asset value** | **At Effective Time of Arrangement** |
|---|---|
| Total proved plus probable reserves (NPV10%AT)[(1)] | $88,324,000 |
| Undeveloped land[(2)] | $12,400,000 |
| Total Tributary net asset value | $100,724,000 |
| Total outstanding Tributary Shares prior to giving effect to the Tributary Share Consolidation[(3)] | 237,762,877 |
| Total outstanding Tributary Shares after giving effect to the Tributary Share Consolidation[(3)] | 47,552,575 |
| Net asset value per Tributary Share prior to giving effect to the Tributary Share Consolidation | $0.42 |
| Net asset value per Tributary Share after giving effect to the Tributary Share Consolidation | $2.10 |

Notes:

(1) Representing the net present value of total proved plus probable reserves discounted at 10% after-tax attributable to the Tributary Assets, as set forth in the 2026 Tributary Reserves Report. The 2026 Tributary Reserves Report utilizes forecast prices based on the average of McDaniel, Sproule (ERCE) and GLJ Ltd. forecasts as at July 1, 2026. The evaluation of the Tributary Assets was prepared in accordance with the COGE Handbook and NI 51-101. See Appendix J – "*Information Concerning Tributary Exploration Inc.*".

(2) Representing the undeveloped land value attributed to the Tributary Assets as internally estimated by management of Headwater and agreed to by Tamarack.

(3) Prior to giving effect to the completion of the Tributary Private Placement and the exercise of the Tributary Arrangement Warrants.

No finders' fees or commissions will be paid in connection with the Tributary Private Placement. The Tributary Private Placement will be subject to the approval of the TSX. Directors, officers, employees and consultants of Tributary as well as certain other investors will subscribe for all of the Tributary Private Placement. 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.

Historically, in transactions of this nature, securities issued pursuant to an initial private placement, when issued at a net asset value, subsequently traded at a premium to the subscription price under the private placement which is often at a greater discount to the market price than the maximum allowable discount permitted by the TSX. As a result, if the Tributary Shares trade at a premium to the estimated net asset value per Tributary Share following completion of the Arrangement, the subscription price of the Tributary Units and the exercise price of the Tributary Private Placement Warrants may represent a greater discount to the market price than the allowable discount permitted by the TSX. However, there can be no assurances that the Tributary Shares will trade at a premium to the issue price of the Tributary Shares pursuant to the Tributary Private Placement, if and when the Tributary Shares are listed and posted for trading on the TSX. The market price of the Tributary Shares may also be affected by the number of Tributary Shares issuable upon the exercise of the Tributary Arrangement Warrants and the Tributary Private Placement Warrants.

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. In addition, the Tributary Board believes that the Tributary Private Placement is important to Tributary: (i) to facilitate increased ownership in Tributary, at a fair price and in a manner which encourages continued performance; (ii) to align the interests of holders of Tributary Shares through the capital commitment being made under the Tributary Private Placement by Tributary employees; (iii) to allow Tributary to meet the challenges in retaining qualified personnel in a very competitive employment market, particularly in the context of Headwater's historical cash compensation levels; and (iv) to provide capital to Tributary as necessary to fund its operations.

In connection with Tributary's application to list the Tributary Shares on the TSX, the TSX may require that certain Tributary Shares issued pursuant to the Tributary Private Placement (including Tributary Shares issued upon exercise of Tributary Private Placement Warrants) be subject to escrow requirements or other contractual resale restrictions. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" in Appendix J for additional details regarding such potential restrictions.

See "*Tributary Private Placement*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*" for information on the participation of directors, officers and other employees in the Tributary Private Placement.

**Approval of the Headwater Private Placement Resolution and the Tamarack Private Placement Resolution is a condition to the obligation of Headwater to complete the Arrangement. Headwater may waive this condition but is under no obligation to do so. If either the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution is not approved and Headwater does not waive the condition, the Arrangement will not be completed.**

***Reasons for the Tributary Private Placement and Recommendation of the Boards***

The Tributary Private Placement is an integral part of the Arrangement. The terms on which Tributary will be created and capitalized, including the allocation of Tributary Shares between Headwater Shareholders and Tamarack Shareholders, the Tributary Arrangement Warrants to be received by Headwater Shareholders, the Tributary Private Placement and the Tributary Option Plan, were negotiated by Headwater and Tamarack as a single, integrated package and are reflected in the Arrangement Agreement. Each of these elements formed part of the overall allocation of value between Headwater Shareholders and Tamarack Shareholders that resulted in the one-for-one exchange ratio, and neither Headwater nor Tamarack would have agreed to the Arrangement on its current terms without the others. Headwater Shareholders and Tamarack Shareholders are therefore being asked to approve the Tributary Private Placement not as a stand-alone financing, but as one component of a transaction that the Headwater Board and the Tamarack Board have each unanimously approved and recommended.

In a typical acquisition, the shareholders of the acquiring company do not participate in a spin-out of the acquired company's non-core assets. Under the Arrangement, Tamarack Shareholders will receive approximately 66.5% of the Tributary Shares outstanding immediately following the Effective Time (prior to the exercise of any Tributary Arrangement Warrants and prior to closing of the Tributary Private Placement), being the same proportion as their ownership of the Combined Company, notwithstanding that the substantial majority of the Tributary Assets, including all of the reserves and production attributable to Tributary, are being contributed by Headwater. Tamarack negotiated this participation on behalf of Tamarack Shareholders in order to bridge the parties' respective views of relative value and to allow the Arrangement to proceed on the basis of a one-for-one exchange ratio. The Tamarack Board considers Tamarack Shareholders' interest in Tributary to be a benefit of the Arrangement that would not ordinarily be available to the shareholders of an acquiror. The Tributary Arrangement Warrants to be received by Headwater Shareholders, which are exercisable at the same net asset value price for a period of 60 days following the Effective Date, were negotiated by Headwater on behalf of Headwater Shareholders as the counterpart to that participation. Tamarack Shareholders are not offered participation in the Tributary Private Placement because it is intended to serve as the means by which the Tributary management team commits its own capital alongside all Tributary Shareholders, and its size has been limited

accordingly. Tamarack Shareholders will participate in the value created by that capital and by the efforts of the Tributary management team through their significant interest in Tributary.

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, including Tamarack Shareholders, for the following reasons:

*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.

*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 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.

*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.

*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.

**Approval of the Headwater Private Placement Resolution and the Tamarack Private Placement Resolution is a condition to Headwater's obligation to complete the Arrangement. Headwater may waive that condition but is under no obligation to do so. If either the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution is not approved and Headwater does not waive the condition, the Arrangement will not be completed and neither Headwater Shareholders nor Tamarack Shareholders will receive any of the benefits of the Arrangement described in this Information Circular, including, in the case of Tamarack Shareholders, their interest in Tributary, the expected accretion to free funds flow per share and the planned increase in Tamarack's quarterly dividend. See "*Risk Factors*".**

*Recommendation of the Boards.* The Tamarack Board, having considered the terms of the Tributary Private Placement as part of its evaluation of the Arrangement as a whole, unanimously determined that the Tributary Private Placement is in the best interests of Tamarack and unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Private Placement Resolution. The Headwater Board, on the unanimous recommendation of the Independent Committee, unanimously recommends that Headwater Shareholders vote FOR the Headwater Private Placement Resolution. None of the directors or officers of Tamarack will participate in the Tributary Private Placement.

***Approval Required***

*Headwater Shareholders*

At the Headwater Meeting, Headwater Shareholders will be asked to consider and, if deemed advisable, to approve the Headwater Private Placement Resolution in the following form:

> "BE IT RESOLVED as an ordinary resolution of the shareholders of Headwater Exploration Inc., that the non-brokered private placement of units ("**Tributary Units**") of Tributary Exploration Inc. ("**Tributary**") for aggregate gross proceeds of up to $30 million, at a subscription price of $2.10 per Tributary Unit (on a post-consolidation basis, assuming completion of the contemplated 5:1 consolidation of the common shares of Tributary), each Tributary Unit consisting of one common share and one common share purchase warrant of Tributary be, and the same is, hereby approved and authorized."

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by any Person who will participate in the Tributary Private Placement or his or her associates or affiliates. To Headwater's knowledge, as of the date hereof, the Participating Insiders and other Headwater Shareholders participating in the Tributary Private Placement hold an aggregate of 16,019,390 Headwater Shares, which will be excluded from such vote.

**Unless otherwise directed, the persons named in the accompanying forms of proxy for the Headwater Meeting intend to vote FOR the Headwater Private Placement Resolution.**

*Tamarack Shareholders*

At the Tamarack Meeting, Tamarack Shareholders will be asked to consider and, if deemed advisable, to approve the Tamarack Private Placement Resolution in the following form:

> "BE IT RESOLVED as an ordinary resolution of the shareholders of Tamarack Valley Energy Ltd., that the non-brokered private placement of units ("**Tributary Units**") of Tributary Exploration Inc. ("**Tributary**") for aggregate gross proceeds of up to $30 million, at a subscription price of $2.10 per Tributary Unit (on a post-consolidation basis, assuming completion of the contemplated 5:1 consolidation of the common shares of Tributary), each Tributary Unit consisting of one common share and one common share purchase warrant of Tributary be, and the same is, hereby approved and authorized."

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by any Person who will participate in the Tributary Private Placement or his or her associates or affiliates. To Headwater's knowledge, participants in the Tributary Private Placement (including directors, officers and employees) hold an aggregate of 64,359 Tamarack Shares, which will be excluded from such vote.

**Unless otherwise directed, the persons named in the accompanying forms of proxy for the Tamarack Meeting intend to vote FOR the Tamarack Private Placement Resolution.**

**Tributary Option Plan**

At the Tamarack Meeting and Headwater Meeting, Tamarack Shareholders and Headwater Shareholders, respectively, will be asked to consider and, if deemed advisable, approve the adoption by Tributary of the Tributary Option Plan which will authorize the Tributary Board to issue options to purchase Tributary Shares to directors, officers, employees and consultants of Tributary and its subsidiaries. Approval of the Tributary Option Plan will be required by the TSX. A copy of the Tributary Option Plan has been filed on Headwater's SEDAR+ issuer profile concurrently with the filing of this Information Circular under the category "*Other*", and the summary of the Tributary Option Plan contained in this Information Circular is subject to, in its entirety, the full text of 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.

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. 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.

***Reasons for the Tributary Option Plan and Recommendation of the Boards***

The Tributary Option Plan is a customary "rolling 10%" stock option plan of the type maintained by most TSX-listed junior oil and gas companies. The TSX requires that a security-based compensation arrangement be approved by the security holders of a listed issuer when it is instituted. Because the Tributary Shares will be distributed to both Headwater Shareholders and Tamarack Shareholders under the Arrangement, the TSX requires the Tributary Option Plan to be approved by both Headwater Shareholders and Tamarack Shareholders, as the persons who will become the shareholders of Tributary. No options have been or will be granted under the Tributary Option Plan before the Tributary Shares are listed, and options granted after listing will have an exercise price of not less than the market price of the Tributary Shares at the time of grant.

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, including Tamarack Shareholders, because: (i) 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; (ii) 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; (iii) 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 (iv) 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 6 years. See "*Tributary Option Plan"* in Appendix J – "*Information Concerning Tributary Exploration Inc.*" and the full text of the Tributary Option Plan which has been filed on Headwater's SEDAR+ issuer profile concurrently with the filing of this Information Circular under the category "*Other*".

Completion of the Arrangement is not conditional upon approval of the Tributary Option Plan. If, however, the Tributary Option Plan is not approved by both Headwater Shareholders and Tamarack Shareholders, Tributary will not have a security-based compensation arrangement in place when the Tributary Shares are listed and would be required to seek approval of a plan from Tributary Shareholders at a subsequent meeting of Tributary

Shareholders. The Headwater Board and the Tamarack Board each believe that this would impair Tributary's ability to retain and incentivize its management and employees during its initial period as a public company, to the detriment of all holders of Tributary Shares.

Recommendation of the Boards. The Tamarack Board unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Option Plan Resolution. The Headwater Board unanimously recommends that Headwater Shareholders vote FOR the Headwater Option Plan Resolution.

***Approval Required***

*Headwater Shareholders*

Headwater Shareholders will be asked at the Headwater Meeting to consider and, if thought advisable, to approve the Tributary Option Plan. Accordingly, at the Headwater Meeting, Headwater Shareholders will be asked to consider and, if thought fit, approve the Headwater Option Plan Resolution in the following form:

"BE IT RESOLVED as an ordinary resolution of the shareholders of Headwater Exploration Inc. ("**Headwater**") that:

1. the share option plan (the "**Option Plan**") of Tributary Exploration Inc. ("**Tributary**"), substantially in the form filed on Headwater's SEDAR+ issuer profile on October 19, 2026 under the category "*Other*" be and the same is hereby authorized and approved and adopted as the share option plan of Tributary;

2. Tributary shall have the ability to continue to grant options to purchase common shares of Tributary pursuant to the Option Plan until November 18, 2029, being the date that is three (3) years from the date of the meeting at which shareholder approval is being sought;

3. any one director or officer of Tributary be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and

4. notwithstanding that this resolution has been passed by the shareholders of Headwater, the directors of Tributary are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of Headwater or Tributary, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by Headwater Shareholders, in person (virtually) or by proxy, at the Headwater Meeting on such resolution.

**Unless otherwise directed, the persons named in the accompanying forms of proxy for the Headwater Meeting intend to vote FOR the Headwater Option Plan Resolution.**

*Tamarack Shareholders*

Tamarack Shareholders will be asked at the Tamarack Meeting to consider and, if thought advisable, to approve the Tributary Option Plan. Accordingly, at the Tamarack Meeting, Tamarack Shareholders will be asked to consider and, if thought fit, approve the Tamarack Option Plan Resolution:

"BE IT RESOLVED as an ordinary resolution of the shareholders of Tamarack Valley Energy Ltd. ("**Tamarack**") that:

1. the share option plan (the "**Option Plan**") of Tributary Exploration Inc. ("**Tributary**"), substantially in the form filed on Headwater's SEDAR+ issuer profile on October 19, 2026 under the category "*Other*" be and the same is hereby authorized and approved and adopted as the share option plan of Tributary;

2. Tributary shall have the ability to continue to grant options to purchase common shares of Tributary pursuant to the Option Plan until November 18, 2029, being the date that is three (3) years from the date of the meeting at which shareholder approval is being sought;

3. any one director or officer of Tributary be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and

4. notwithstanding that this resolution has been passed by the shareholders of Tamarack, the directors of Tributary are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of Tamarack or Tributary, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by Tamarack Shareholders, in person (virtually) or by proxy, at the Tamarack Meeting on such resolution.

**Unless otherwise directed, the persons named in the accompanying forms of proxy for the Tamarack Meeting intend to vote FOR the Tamarack Option Plan Resolution.**

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of BD&P and SE, counsel to Headwater and Tamarack, respectively (collectively, "**Counsel**"), the following is, as of the date of this Information Circular, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to Tamarack Shareholders and Headwater Shareholders who dispose of their Tamarack Shares and Headwater Shares pursuant to the Arrangement, and who at all relevant times, for purposes of the Tax Act, (i) beneficially own their Tamarack Shares and/or Headwater Shares, (ii) hold their Tamarack Shares and/or Headwater Shares, and will beneficially own and hold any Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, New Tamarack Shares, Tributary Shares (including those Tributary Shares received upon exercise of the Tributary Arrangement Warrants) and/or Tributary Arrangement Warrants (collectively the "**Securities**"), acquired pursuant to the Arrangement, as capital property, and (iii) deal at "arm's length" and are not "affiliated" (in each case, within the meaning of the Tax Act) with Tamarack, Headwater or Tributary (each such Tamarack Shareholder and Headwater Shareholder, a "**Holder**").

Generally, the Securities will be considered to be capital property to the holder thereof provided that they are not used or held in the course of carrying on a business of trading or dealing in securities and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "specified financial institution" (as defined in the Tax Act); (ii) that holds Tamarack Shares or Headwater Shares or will hold Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, Tamarack Shares or Headwater Shares as a "tax shelter" or an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that is, for purposes of certain rules (referred to as the mark-to-market rules) contained in the Tax Act, a "financial institution"; (iv) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (v) that has entered into, or will enter into, with respect to any Securities, a "derivative forward agreement", "synthetic disposition agreement" or "dividend rental arrangement" (each as defined in the Tax Act); (vi) that is a "foreign affiliate" (as defined in the Tax Act) of a taxpayer resident in Canada; or (vii) that is exempt from tax under Part I of the Tax Act. Such Holders should consult their own tax advisors. In addition, this summary does not address all issues that may be relevant to Holders who acquired their Tamarack Shares or Headwater Shares under an equity-based employment compensation arrangement or that acquire any securities pursuant to the Tributary Private Placement. Such Holders should consult their own tax advisors.

This summary is based on the facts set out in this Information Circular, the current provisions of the Tax Act, and Counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to a Holder in respect of the transactions described herein. The income or other tax consequences will vary depending on the particular circumstances of the Holder. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Holder. This summary does not discuss any non-Canadian income or other tax consequences of the Arrangement. Holders resident or subject to taxation in a jurisdiction other than Canada should be aware that the Arrangement may have tax consequences both in Canada and in such other jurisdiction. Such consequences are not described in this summary. Holders should consult their own legal and tax advisors for advice with respect to the tax consequences of the transactions described in this Information Circular based on their particular circumstances.**

**This Information Circular does not discuss any tax considerations applicable to holders of Headwater Incentives. Such persons should consult their own tax advisors regarding the consequences of the Arrangement to them in their particular circumstances.**

### Canadian Currency

Subject to certain exceptions that are not discussed herein, for the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of securities (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in a foreign currency must generally be converted into Canadian dollars based on the rate quoted by the Bank of Canada for the exchange of the foreign currency for Canadian dollars on the date such amounts arise, or such other rate of exchange as is acceptable to the Canada Revenue Agency.

### Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any Securities other than the Tributary Arrangement Warrants (and every other "Canadian security", as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. This election does not apply to the Tributary Arrangement

Warrants. Resident Holders whose Securities (other than Tributary Arrangement Warrants) might not otherwise be considered to be capital property should consult their own tax advisors concerning this election and whether it is advisable in their particular circumstances.

***Headwater Shareholders***

*Exchange of Headwater Shares for Tamarack C Shares*

For Headwater Shares that are exchanged for Tamarack C Shares, the Resident Holder will be deemed to have disposed of such Headwater Shares under a tax-deferred share-for-share exchange pursuant to section 85.1 of the Tax Act, unless the Resident Holder chooses to recognize all, but not a portion, of the capital gain (or capital loss) in computing its income for the taxation year in which the disposition takes place as discussed below.

Where a Resident Holder does not choose to recognize a capital gain (or capital loss) in respect of the exchange of Headwater Shares for Tamarack C Shares, the Resident Holder will be deemed to have disposed of its Headwater Shares for proceeds of disposition equal to the Resident Holder's adjusted cost base of the Headwater Shares, determined immediately before the exchange, and the Resident Holder will be deemed to have acquired the Tamarack C Shares at a cost equal to the adjusted cost base of such Headwater Shares. This cost will be averaged with the adjusted cost base of all other Tamarack C Shares held by the Resident Holder as capital property at that time for the purposes of determining the adjusted cost base of each Tamarack C Share held by the Resident Holder. For greater certainty, this cost will not be averaged with the adjusted cost base of shares of Tamarack other than Tamarack C Shares.

A Resident Holder may choose to recognize all, but not a portion, of the capital gain (or capital loss) on the exchange of Headwater Shares for Tamarack C Shares by including the capital gain (or capital loss) in computing the Resident Holder's income for the taxation year of the Resident Holder in which the Arrangement is completed. In such circumstances, the Resident Holder will recognize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the Tamarack C Shares received, net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of such Headwater Shares immediately before the exchange. For a description of the tax treatment of capital gains and capital losses, see "*Holders Resident in Canada – Taxation of Capital Gains and Losses*" below. The cost of the Tamarack C Shares received on the exchange for a Resident Holder choosing to recognize a capital gain (or capital loss) will be equal to the fair market value thereof at the time of the exchange. This cost will be averaged with the adjusted cost base of all other Tamarack C Shares held by the Resident Holder as capital property at that time for the purpose of determining the adjusted cost base of each Tamarack C Share held by the Resident Holder.

*Exchange of Tamarack C Shares for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants*

The Headwater Section 86 Exchange (being the exchange of Tamarack C Shares for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants pursuant to the Arrangement) is intended to qualify as a tax-deferred reorganization of capital under section 86 of the Tax Act. Provided the aggregate fair market value of the Tributary Shares and Tributary Arrangement Warrants received on the Headwater Section 86 Exchange by all holders of Tamarack C Shares does not exceed the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack C Shares immediately before the Headwater Section 86 Exchange, the receipt of the Tributary Shares by a Resident Holder on the Section 86 Exchange should not give rise to any deemed dividend to such Resident Holder. Headwater expects that the aggregate fair market value of the Tributary Shares and Tributary Arrangement Warrants to be received on the Headwater Section 86 Exchange by Tamarack C Shareholders will be less than the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack C Shares immediately before the Headwater Section 86 Exchange, and that no deemed dividend should therefore arise as a result of the Headwater Section 86 Exchange.

If the aggregate fair market value of the Tributary Shares and Tributary Arrangement Warrants received upon the Headwater Section 86 Exchange by holders of Tamarack C Shares does not exceed the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack C Shares immediately before the Headwater Section 86 Exchange, a Resident Holder whose Tamarack C Shares are exchanged for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants pursuant to the Headwater Section 86 Exchange will be deemed to have disposed of its Tamarack C Shares for proceeds of disposition equal to the greater of (i) the aggregate adjusted cost base to the Resident Holder of its Tamarack C Shares immediately before the Section 86 Exchange, and (ii) the aggregate fair market value, at the time of the exchange, of the Tributary Shares and Tributary Arrangement Warrants received by such Resident Holder.

Consequently, a Resident Holder will only realize a capital gain on the Headwater Section 86 Exchange if, and to the extent that, the aggregate fair market value of the Tributary Shares and Tributary Arrangement Warrants received by such Resident Holder on the exchange exceeds the aggregate adjusted cost base of such Resident Holder's Tamarack C Shares immediately before the Headwater Section 86 Exchange. See "*Holders Resident in Canada – Taxation of Capital Gains and Losses*" below for a general description of the treatment of capital gains and capital losses under the Tax Act.

The adjusted cost base to a Resident Holder of Tamarack A Shares acquired on the Headwater Section 86 Exchange will be equal to the amount, if any, by which the Resident Holder's aggregate adjusted cost base of its Tamarack C Shares immediately before the Section 86 Exchange exceeds the aggregate fair market value, at the time of the exchange, of the Tributary Shares and Tributary Arrangement Warrants acquired by such Resident Holder on the Headwater Section 86 Exchange. The cost to a Resident Holder of Tributary Shares and Tributary Arrangement Warrants acquired on the Section 86 Exchange will be equal to the respective fair market values, at the time of the Headwater Section 86 Exchange, of the Tributary Shares and Tributary Arrangement Warrants acquired by such Resident Holder on the Section 86 Exchange.

*Re-designation of Tamarack A Shares as New Tamarack Shares*

The re-designation of the Tamarack A Shares as "common shares" (such re-designated shares being the New Tamarack Shares) should not constitute a disposition of such Tamarack A Shares for purposes of the Tax Act and should not cause a Resident Holder to recognize a capital gain or capital loss.

The adjusted cost base to a Resident Holder of the New Tamarack Shares will be equal to the adjusted cost base that the Resident Holder maintained in their Tamarack A Shares.

***Tamarack Shareholders***

*Re-designation of Tamarack Shares as Tamarack B Shares*

The re-designation of the Tamarack Shares as Tamarack B Shares should not constitute a disposition of such Tamarack Shares for purposes of the Tax Act and should not cause a Resident Holder to recognize a capital gain or capital loss. The adjusted cost base to a Resident Holder of the Tamarack B Shares will be equal to the adjusted cost base that the Resident Holder maintained in their Tamarack Shares.

*Exchange of Tamarack B Shares for Tamarack A Shares and Tributary Shares*

The Tamarack Section 86 Exchange (being the exchange of Tamarack B Shares for Tamarack A Shares and Tributary Shares pursuant to the Arrangement) is intended to qualify as a tax-deferred reorganization of capital under section 86 of the Tax Act. Provided the aggregate fair market value of the Tributary Shares received on the Tamarack Section 86 Exchange by all holders of Tamarack B Shares who participate in the Arrangement does not exceed the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack B Shares immediately before the Tamarack Section 86 Exchange, the receipt of the Tributary Shares by a Resident Holder on the Tamarack Section 86 Exchange should not give rise to any deemed dividend to such Resident Holder. Tamarack expects that the aggregate fair market value of the Tributary Shares to be received on the Tamarack Section 86 Exchange by Tamarack B Shareholders who participate in the Arrangement will be less than the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack B Shares immediately before the Tamarack Section 86 Exchange, and that no deemed dividend should therefore arise as a result of the Tamarack Section 86 Exchange.

If the fair market value of the Tributary Shares received upon the Tamarack Section 86 Exchange by holders of Tamarack B Shares who participate in the Arrangement does not exceed the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack B Shares immediately before the Tamarack Section 86 Exchange, a Resident Holder whose Tamarack B Shares are exchanged for Tamarack A Shares and Tributary Shares pursuant to the Tamarack Section 86 Exchange will be deemed to have disposed of its Tamarack B Shares for proceeds of disposition equal to the greater of (i) the adjusted cost base to the Resident Holder of its Tamarack B Shares immediately before the Tamarack Section 86 Exchange, and (ii) the fair market value, at the time of the exchange, of the Tributary Shares received by such Resident Holder.

Consequently, a Resident Holder will only realize a capital gain on the Tamarack Section 86 Exchange if, and to the extent that, the fair market value of the Tributary Shares received by such Resident Holder on the exchange exceeds the adjusted cost base of such Resident Holder's Tamarack B Shares immediately before the Tamarack Section 86 Exchange. See "*Holders Resident in Canada – Taxation of Capital Gains and Losses*" below for a general description of the treatment of capital gains and capital losses under the Tax Act.

The adjusted cost base to a Resident Holder of Tamarack A Shares acquired on the Tamarack Section 86 Exchange will be equal to the amount, if any, by which the Resident Holder's adjusted cost base of its Tamarack B Shares immediately before the Tamarack Section 86 Exchange exceeds the fair market value, at the time of the exchange, of the Tributary Shares acquired by such Resident Holder on the Tamarack Section 86 Exchange. The cost to a Resident Holder of Tributary Shares acquired on the Tamarack Section 86 Exchange will be equal to the fair market value, at the time of the Tamarack Section 86 Exchange, of the Tributary Shares acquired by such Resident Holder on the Tamarack Section 86 Exchange.

*Re-designation of Tamarack A Shares as New Tamarack Shares*

The re-designation of the Tamarack A Shares as New Tamarack Shares should not constitute a disposition of such Tamarack A Shares for purposes of the Tax Act and should not cause a Resident Holder to recognize a capital gain or capital loss. The adjusted cost base to a Resident Holder of the New Tamarack Shares will be equal to the adjusted cost base that the Resident Holder maintained in their Tamarack A Shares.

***Holding and Disposing of New Tamarack Shares and Tributary Shares***

*Dividends Received on New Tamarack Shares and Tributary Shares*

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on the New Tamarack Shares or Tributary Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by Tamarack or Tributary, as the case may be, as eligible dividends in accordance with the provisions of the Tax Act. There may be limitations on the ability of Tamarack or Tributary to designate dividends as eligible dividends.

Taxable dividends received (or deemed to be received) by a Resident Holder that is an individual (other than certain trusts) may give rise to liability for alternative minimum tax to such Resident Holder under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

A dividend received (or deemed to be received) by a Resident Holder that is a corporation will generally be deductible in computing the corporation's taxable income. In certain circumstances, a taxable dividend received (or deemed to be received) by a Resident Holder that is a corporation may be

deemed by subsection 55(2) of the Tax Act to be a capital gain from the disposition of capital property or proceeds of disposition. Resident Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the New Tamarack Shares or Tributary Shares, as the case may be, to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year. This refundable tax will generally be refunded to an eligible Resident Holder based on the amount of taxable dividends paid while it is a private corporation, all in accordance with detailed rules contained in the Tax Act.

*Disposition of New Tamarack Shares and Tributary Shares*

Generally, on a disposition or deemed disposition of a New Tamarack Share or a Tributary Share (other than in a tax-deferred transaction or a disposition to Tamarack or Tributary, as the case may be, that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market), a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of a New Tamarack Share or a Tributary Share, as the case may be, immediately before the disposition or deemed disposition. The adjusted cost base to the Resident Holder of a New Tamarack Share or a Tributary Share at any particular time will be determined by averaging the cost of such New Tamarack Share or a Tributary Share, with the adjusted cost base of all other New Tamarack Shares or Tributary Shares, as the case may be, held by the Resident Holder as capital property at that time. See "*Holders Resident in Canada – Taxation of Capital Gains and Losses*" below for a general discussion of the treatment of capital gains and capital losses under the Tax Act.

***Holding and Disposing of Tributary Arrangement Warrants***

*Expiry of Tributary Arrangement Warrants*

The expiry of an unexercised Tributary Arrangement Warrant will constitute a disposition of that warrant for nil proceeds of disposition, resulting in the holder realizing a capital loss in an amount equal to the adjusted cost base of such Tributary Arrangement Warrant to the holder immediately prior to its expiry. The taxation of capital gains and capital losses is discussed below under the heading "*Taxation of Capital Gains and Losses*".

*Exercise of Tributary Arrangement Warrants*

No gain or loss will be realized by a Resident Holder upon the exercise of a Tributary Arrangement Warrant for a Tributary Share. The cost to the Resident Holder of each Tributary Share acquired upon the exercise of a Tributary Arrangement Warrant will be equal to the holder's adjusted cost base of such warrant immediately before the exercise thereof. The cost to the holder of each Tributary Share acquired upon the exercise of a Tributary Arrangement Warrant must then be averaged with the adjusted cost base of all other Tributary Shares held by the Resident Holder as capital property at the time of the exercise of the warrant for purposes of subsequently computing the adjusted cost base of each Tributary Share held by the Resident Holder.

*Sale of Tributary Arrangement Warrants*

A Resident Holder will realize a capital gain (or capital loss) on the disposition or deemed disposition of a Tributary Arrangement Warrant (other than by exercise) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the adjusted cost base to the Resident Holder of such warrant, plus any reasonable costs of disposition. The tax treatment of any capital gain (or capital loss) is the same as described below under "*Taxation of Capital Gains and Losses*."

***Taxation of Capital Gains and Losses***

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year and, subject to and in accordance with the provisions of the Tax Act, is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, in each case, against net taxable capital gains realized in such years.

The amount of any capital loss realized on the disposition or deemed disposition of a share by a Resident Holder that is a corporation may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such share to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly through one or more partnerships or trusts. Such Resident Holders should consult their own advisors.

Capital gains realized by a Resident Holder that is an individual (other than certain trusts) may give rise to liability for alternative minimum tax to such Resident Holder under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

***Refundable Tax***

A Resident Holder that is throughout a taxation year a "Canadian-controlled private corporation" or that is or is deemed to be, at any time in a taxation year, a "substantive CCPC", each as defined in the Tax Act, may be liable to pay a refundable tax on certain investment income, including taxable capital gains realized, dividends received or deemed to be received that are not deductible in computing taxable income and certain amounts in respect of interest.

***Eligibility for Investment***

The Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants received by Tamarack Shareholders and Headwater Shareholders pursuant to the Arrangement will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered education savings plans ("**RESP**"), registered disability savings plans ("**RDSP**"), tax-free savings accounts ("**TFSA**") or a first home savings account ("**FHSA**" and, together with RRSP, RRIF, RESP, RDSP, and TFSA "**Registered Plans**"), and deferred profit sharing plans ("**DPSP**"), provided that, in the case of the Tamarack A Shares, Tamarack B Shares, Tamarack C Shares and New Tamarack Shares, such shares, and in the case of the Tributary Shares and Tributary Arrangement Warrants, the Tributary Shares, (i) are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), or (ii) in respect of each company's issued shares, Tamarack or Tributary, as applicable, is a "public corporation" other than a "mortgage investment corporation" (each as defined in the Tax Act) and provided in the case of Tributary Arrangement Warrants, neither Tributary, nor any person with whom Tributary does not deal at arm's length for purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Registered Plan or DPSP, as the case may be.

Notwithstanding that the Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants may be qualified investments for a Registered Plan, the holder, subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act if such securities are a "prohibited investment" for the Registered Plan for purposes of the Tax Act. A security will generally be a "prohibited investment" for a Registered Plan if the holder, subscriber or annuitant, as the case may be, does not deal at arm's length with Tamarack or Tributary, as the case may be, for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act) in Tamarack or Tributary, as the case may be. In addition, the Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, New Tamarack Shares and Tributary Shares will generally not be a prohibited investment if such shares are "excluded property" as defined in the Tax Act for purposes of the prohibited investment rules.

Resident Holders who would receive pursuant to the Arrangement or plan to hold Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, New Tamarack Shares, Tributary Shares and/or Tributary Arrangement Warrants within a Registered Plan should consult their own tax advisors in this regard in advance of the Arrangement.

***Dissenting Resident Holders of Headwater Shares***

A Resident Holder that validly exercises Dissent Rights (a "**Dissenting Resident Holder**") will be deemed under the Arrangement to have transferred such Dissenting Resident Holder's Headwater Shares to Headwater, and will be entitled to receive a cash payment from Headwater in respect of the fair value of the Dissenting Resident Holder's Headwater Shares.

The Dissenting Resident Holder will generally be deemed to have received a taxable dividend from Headwater equal to the amount, if any, by which the amount paid to such Dissenting Resident Holder (less such portion of the amount in respect of interest, if any, awarded by the Court) exceeds the "paid-up capital" (as defined in the Tax Act) of such Dissenting Resident Holder's Headwater Shares immediately prior to the disposition to Headwater. In certain circumstances, a taxable dividend received by a Dissenting Resident Holder that is a corporation may be deemed by subsection 55(2) of the Tax Act to be a capital gain from the disposition of capital property or proceeds of disposition. Dissenting Resident Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

In addition, a Dissenting Resident Holder will be considered to have disposed of such Headwater Shares for proceeds of disposition equal to the amount paid to such Dissenting Resident Holder (less such portion of the amount in respect of interest, if any, awarded by the Court), less the amount of any dividend deemed to be received by the Dissenting Resident Holder as described above. The Dissenting Resident Holder will, in general, realize a capital gain (or capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to such Dissenting Resident Holder of their Headwater Shares immediately before the disposition to Headwater. Any such capital gain or capital loss will be subject to the same tax treatment as described below under "*Holders Resident in Canada – Taxation of Capital Gains and Losses*".

A Dissenting Resident Holder that is not ultimately determined to be entitled to be paid fair value for its Headwater Shares will be deemed to have participated in the Arrangement in the same manner as a Resident Holder that does not exercise Dissent Rights. In such circumstances, the Canadian federal income tax considerations as discussed above under the heading "*Holders Resident in Canada – Headwater Shareholders*" will generally apply to such Dissenting Resident Holder.

The exercise of Dissent Rights by a Dissenting Resident Holder will give rise to tax consequences to the Dissenting Resident Holder that are not discussed herein. A Resident Holder considering exercising Dissent Rights should consult with its own legal and tax advisors in order to fully understand the tax and other implications of the exercise of its Dissent Rights having regard to their own circumstances, including with respect to the treatment to such Dissenting Resident Holder of dividends, capital gains (or capital losses) and interest.

**Holders Not Resident in Canada**

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is not, and is not deemed to be, resident in Canada and does not, and will not, use or hold, and is not deemed to use or hold, the Headwater Shares, Tamarack Shares, Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, New Tamarack Shares, Tributary Shares or Tributary Arrangement Warrants in the course of carrying on a business of trading or dealing in securities and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade carried on in Canada (a "**Non-Resident Holder**"). In addition, this discussion does not apply to an insurer that is carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank" (as defined in the Tax Act).

For the purpose of this portion of the summary, it is assumed that, at all times prior to and after the Effective Time, more than 50% of the fair market value of the Headwater Shares and the Tamarack Shares will be derived directly or indirectly from one or any combination of: (i) real or immovable property situated in Canada; (ii) "Canadian resource properties" (for purposes of the Tax Act); (iii) "timber resource properties" (for purposes of the Tax Act); and (iv) options or interests, or for civil law purposes, rights in respect of property described in (i), (ii) or (iii) whether or not the property exists.

For the purpose of this portion of the summary, it is further assumed that, at all times prior to and after the Effective Time, each of the Tamarack Shares, Headwater Shares, Tamarack A Shares, Tamarack B Shares, Tamarack C Shares, New Tamarack Shares and Tributary Shares will be listed on a "designated stock exchange" (as defined in the Tax Act, which includes the TSX).

***Headwater Shareholders***

*Exchange of Headwater Shares for Tamarack C Shares*

A Non-Resident Holder will not generally be subject to tax under the Tax Act on any capital gain realized on an exchange of Headwater Shares for Tamarack C Shares pursuant to the Arrangement (or be entitled to recognize any capital loss in respect thereof) unless, at the Effective Time, the Headwater Shares are "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Holder and are not "treaty-protected property" (as defined in the Tax Act) of the Non-Resident Holder, including as a result of the application of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**").

A Non-Resident Holder whose Headwater Shares are taxable Canadian property as described below under the heading "*Holders Not Resident in Canada – Taxable Canadian Property*" and are not "treaty-protected property" for the purposes of the Tax Act, including as a result of the application of the MLI, will generally have the same Canadian federal income tax considerations as those described above under "*Holders Resident in Canada – Headwater Shareholders*", including the potential for the automatic deferral pursuant to section 85.1 of the Tax Act of any capital gain (or capital loss) that would otherwise be realized on the exchange of their Headwater Shares for Tamarack C Shares under the Arrangement.

Non-Resident Holders whose Headwater Shares are, or may be, "taxable Canadian property" (as defined in the Tax Act) should consult their own tax advisors with respect to the Canadian federal income tax considerations applicable to such Non-Resident Holders in respect of the disposition of Headwater Shares pursuant to the Arrangement, including any resulting Canadian reporting obligations.

*Exchange of Tamarack C Shares for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants*

The exchange of Tamarack C Shares for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants pursuant to the Arrangement is intended to qualify as a tax-deferred reorganization of capital pursuant to section 86 of the Tax Act. The discussion above under the heading "*Holders Resident in Canada – Exchange of Tamarack C Shares for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants*" with respect to the deemed dividend potentially resulting from the receipt of Tributary Shares by a Resident Holder applies equally to a Non-Resident Holder. If a dividend is deemed to have been received by a Non-Resident Holder as a result of the Headwater Section 86 Exchange, it is expected that such deemed dividend would be subject to the same tax treatment as described below under the heading "*Dividends Received on New Tamarack Shares and Tributary Shares*". As noted in the above discussion, Tamarack does not expect a deemed dividend to arise as a result of the Headwater Section 86 Exchange.

If the aggregate fair market value of the Tributary Shares and Tributary Arrangement Warrants distributed to holders of Tamarack C Shares upon the Headwater Section 86 Exchange does not exceed the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack C Shares disposed of by holders of Tamarack C Shares that participate in the Arrangement immediately before the Headwater Section 86 Exchange, a Non-Resident Holder whose Tamarack C Shares are exchanged for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants pursuant to the Headwater Section 86 Exchange will be deemed to have disposed of its Tamarack C Shares for proceeds of disposition equal to the greater of (i) the adjusted cost base to the Non-Resident Holder of its Tamarack C Shares immediately before the Headwater Section 86 Exchange, and (ii) the aggregate fair market value, at the time of the Headwater Section 86 Exchange, of the Tributary Shares and Tributary Arrangement Warrants received by such Non-Resident Holder. Consequently, a Non-Resident Holder will only realize a capital gain on the Headwater Section 86 Exchange if, and to the extent that, the aggregate fair market value of the Tributary Shares and Tributary Arrangement Warrants received by such Non-Resident Holder on the Section 86 Exchange exceeds the adjusted cost base of such Non-Resident Holder's Tamarack C Shares immediately before the Headwater Section 86 Exchange and such Tamarack C Shares constitute or are deemed to constitute "taxable Canadian property" (as defined in the Tax Act) and are not "treaty-protected property" for the purposes of the Tax Act, including as a result of the application of the MLI.

A Non-Resident Holder will generally not be subject to tax under the Tax Act on any capital gain, or be entitled to deduct any capital loss, realized on the Headwater Section 86 Exchange unless such Tamarack C Shares are (or are deemed to be) "taxable Canadian property" (as defined in the Tax Act)

of the Non-Resident Holder at the time of such exchange and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

If the Tamarack C Shares are or are deemed to be "taxable Canadian property" to a Non-Resident Holder and such Non-Resident Holder is not eligible for relief pursuant to an applicable income tax treaty or convention, including as a result of the application of the MLI, then the exchange of such Non-Resident Holder's Tamarack C Shares pursuant to the Arrangement will generally be subject to the same Canadian tax consequences applicable to a Resident Holder with respect to the exchange of such Resident Holder's Tamarack C Shares pursuant to the Arrangement as discussed above under the heading "*Holders Resident in Canada – Exchange of Tamarack C Shares for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants*".

The cost to a Non-Resident Holder of the Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants acquired on the exchange of Tamarack C Shares pursuant to the Arrangement will be computed in the same manner as described above with respect to a Resident Holder under the heading "*Holders Resident in Canada – Exchange of Tamarack C Shares for Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants*".

*Re-designation of Tamarack A Shares as New Tamarack Shares*

The re-designation of the Tamarack A Shares as "common shares" (such re-designated shares being the New Tamarack Shares) should not constitute a disposition of such Tamarack A Shares for purposes of the Tax Act and should not cause a Non-Resident Holder to recognize a capital gain or capital loss. The adjusted cost base to a Non-Resident Holder of the New Tamarack Shares will be equal to the adjusted cost base that the Non-Resident Holder maintained in their Tamarack A Shares.

***Tamarack Shareholders***

*Re-designation of Tamarack Shares as Tamarack B Shares*

The re-designation of the Tamarack Shares as Tamarack B Shares should not constitute a disposition of such Tamarack Shares for purposes of the Tax Act and should not cause a Non-Resident Holder to recognize a capital gain or capital loss. The adjusted cost base to a Non-Resident Holder of the Tamarack B Shares will be equal to the adjusted cost base that the Non-Resident Holder maintained in their Tamarack Shares.

*Exchange of Tamarack B Shares for Tamarack A Shares and Tributary Shares*

The exchange of Tamarack B Shares for Tamarack A Shares and Tributary Shares pursuant to the Arrangement is intended to qualify as a tax-deferred reorganization of capital pursuant to section 86 of the Tax Act. The discussion above under the heading "*Holders Resident in Canada – Exchange of Tamarack B Shares for Tamarack A Shares and Tributary Shares*" with respect to the deemed dividend potentially resulting from the receipt of Tributary Shares by a Resident Holder applies equally to a Non-Resident Holder. If a dividend is deemed to have been received by a Non-Resident Holder as a result of the Tamarack Section 86 Exchange, it is expected that such deemed dividend would be subject to the same tax treatment as described below under the heading "*Dividends Received on New Tamarack Shares and Tributary Shares*". As noted in the above discussion, Tamarack does not expect a deemed dividend to arise as a result of the Tamarack Section 86 Exchange.

If the aggregate fair market value of the Tributary Shares distributed to holders of Tamarack B Shares upon the Tamarack Section 86 Exchange does not exceed the aggregate "paid-up capital" (as determined for purposes of the Tax Act) of all of the issued and outstanding Tamarack B Shares disposed of by holders of Tamarack B Shares that participate in the Arrangement immediately before the Tamarack Section 86 Exchange, a Non-Resident Holder whose Tamarack B Shares are exchanged for Tamarack A Shares and Tributary Shares pursuant to the Tamarack Section 86 Exchange will be deemed to have disposed of its Tamarack B Shares for proceeds of disposition equal to the greater of (i) the adjusted cost base to the Non-Resident Holder of its Tamarack B Shares immediately before the Tamarack Section 86 Exchange, and (ii) the aggregate fair market value, at the time of the Tamarack Section 86 Exchange, of the Tributary Shares received by such Non-Resident Holder. Consequently, a Non-Resident Holder will only realize a capital gain on the Tamarack Section 86 Exchange if, and to the extent that, the fair market value of the Tributary Shares received by such Non-Resident Holder on the Tamarack Section 86 Exchange exceeds the adjusted cost base of such Non-Resident Holder's Tamarack B Shares immediately before the Tamarack Section 86 Exchange and such Tamarack B Shares constitute or are deemed to constitute "taxable Canadian property" (as defined in the Tax Act) and are not "treaty-protected property" for the purposes of the Tax Act, including as a result of the application of the MLI.

A Non-Resident Holder will generally not be subject to tax under the Tax Act on any capital gain, or be entitled to deduct any capital loss, realized on the Tamarack Section 86 Exchange unless such Tamarack B Shares are (or are deemed to be) "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of such exchange and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

If the Tamarack B Shares are or are deemed to be "taxable Canadian property" (as defined in the Tax Act) to a Non-Resident Holder and such Non-Resident Holder is not eligible for relief pursuant to an applicable income tax treaty or convention, including as a result of the application of the MLI, then the exchange of such Non-Resident Holder's Tamarack B Shares pursuant to the Arrangement will generally be subject to the same Canadian tax consequences applicable to a Resident Holder with respect to the exchange of such Resident Holder's Tamarack B Shares pursuant to the Arrangement as discussed above under the heading "*Holders Resident in Canada – Exchange of Tamarack B Shares for Tamarack A Shares and Tributary Shares*".

The cost to a Non-Resident Holder of the Tamarack A Shares, Tributary Shares and Tributary Arrangement Warrants acquired on the exchange of Tamarack B Shares pursuant to the Arrangement will be computed in the same manner as described above with respect to a Resident Holder under the heading "*Holders Resident in Canada – Exchange of Tamarack B Shares for Tamarack A Shares and Tributary Shares*".

*Re-designation of Tamarack A Shares as New Tamarack Shares*

The re-designation of the Tamarack A Shares as New Tamarack Shares should not constitute a disposition of such Tamarack A Shares for purposes of the Tax Act and should not cause a Non-Resident Holder to recognize a capital gain or capital loss. The adjusted cost base to a Non-Resident Holder of the New Tamarack Shares will be equal to the adjusted cost base that the Non-Resident Holder maintained in their Tamarack A Shares.

***Holding and Disposing of New Tamarack Shares and Tributary Shares***

*Dividends Received on New Tamarack Shares and Tributary Shares*

Dividends paid or credited, or deemed to be paid or credited, to a Non-Resident Holder on New Tamarack Shares or Tributary Shares will be subject to Canadian non-resident withholding tax. Under the Tax Act, the rate of withholding is 25% of the gross amount of the dividend. The withholding rate may be reduced pursuant to the provisions of an applicable income tax treaty or convention, subject to the application of the MLI. Under the Canada–United States Tax Convention (1980), as amended (the "**Canada–US Tax Treaty**"), the withholding rate on any such dividend beneficially owned by a Non-Resident Holder that is a resident of the United States for purposes of the Canada–US Tax Treaty and fully entitled to the benefits of such treaty (a "**U.S. Treaty Holder**") is generally reduced to 15% (or 5% in the case of a U.S. Treaty Holder that is a company beneficially owning at least 10% of the voting shares of Tamarack or Tributary, as applicable).

*Disposition of New Tamarack Shares and Tributary Shares*

A Non-Resident Holder who, following the completion of the Arrangement, disposes, or is deemed to dispose, of a New Tamarack Share or Tributary Share will generally not be subject to tax under the Tax Act on any capital gain, or be entitled to deduct any capital loss, realized on such disposition unless, at the time of disposition, such share is or is deemed to be "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention, including as a result of the application of the MLI.

Tributary has applied to list Tributary Shares (including all Tributary Shares issuable upon exercise of Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. The listing of the Tributary Shares on the TSX is not a condition to the completion of the Arrangement.

In the event the New Tamarack Shares or Tributary Shares are (or are deemed to be) "taxable Canadian property" (as defined in the Tax Act) to a particular Non-Resident Holder, such Non-Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the adjusted cost base of the New Tamarack Shares or Tributary Shares, as the case may be, to the Non-Resident Holder. The tax consequences of realizing a capital gain or loss, which are described above under the heading "*Holders Resident in Canada – Taxation of Capital Gains and Losses*", generally will apply, subject to the comments below.

***Taxable Canadian Property***

Generally, the Securities will not be "taxable Canadian property" (as defined in the Tax Act) to a Non-Resident Holder at the time of their disposition provided that: (a) the particular Securities are listed on a "designated stock exchange" (as defined in the Tax Act, which includes the TSX) within the meaning of the Tax Act at that time; (b) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length, one or more partnerships in which the Non-Resident Holder or such persons hold a membership interest directly or indirectly through one or more partnerships, or any combination of the foregoing, did not own 25% or more of the issued shares of any class or series of the capital stock of Headwater, Tamarack, or Tributary, as the case may be, at any time during the 60-month period immediately preceding that time; and (c) such Securities are not deemed to be taxable Canadian property to the Non-Resident Holder for purposes of the Tax Act. Pursuant to Proposed Amendments released by the Department of Finance (Canada) on July 23, 2026 (the "**TCP Proposals**"), shares that are listed on a designated stock exchange would be deemed to include an option, an interest or right in such shares, whether or not such shares exist, such that any such options, interests or rights held by a Non-Resident Holder (or other persons or partnerships described in (b) above) would be included in determining whether such Non-Resident Holder exceeds the 25% threshold described in (a) above. The TCP Proposals are proposed to come into force on Royal Assent.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, a Non-Resident Holder's Securities could be deemed to be taxable Canadian property.

Even if the Securities are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the exchange or disposition of such shares under the Arrangement will not be included in computing the Non-Resident Holder's income for the purposes of the Tax Act if the Securities constitute "treaty-protected property", subject to the application of the MLI of which Canada is a signatory and which affects many of Canada's bilateral tax treaties (but not the Canada-US Tax Treaty), including the ability to claim benefits thereunder. Securities owned by a Non-Resident Holder will generally be treaty-protected property of a Non-Resident Holder if the gain from the disposition of such Securities would, because of an applicable income tax treaty, be exempt from tax under the Tax Act.

A Non-Resident Holder who disposes of taxable Canadian property may have to file a Canadian income tax return for the year in which the disposition occurs, regardless of whether the Non-Resident Holder is liable to tax under the Tax Act in respect of such disposition. **Non-Resident Holders whose Securities may be taxable Canadian property should consult with their own tax advisors.**

***Dissenting Non-Resident Holders of Headwater Shares***

A Non-Resident Holder that validly exercises Dissent Rights (a "**Dissenting Non-Resident Holder**") will be deemed under the Arrangement to have transferred such Dissenting Non-Resident Holder's Headwater Shares to Headwater, and will be entitled to receive a cash payment from Headwater in respect of the fair value of the Dissenting Non-Resident Holder's Headwater Shares.

The Dissenting Non-Resident Holder will generally be deemed to have received a taxable dividend from Headwater equal to the amount, if any, by which the amount paid to such Dissenting Non-Resident Holder (less such portion of the amount in respect of interest, if any, awarded by the Court) exceeds the "paid-up capital" (as defined in the Tax Act) of such Dissenting Non-Resident Holder's Headwater Shares immediately prior to the disposition to Headwater.

Dividends deemed to be paid or credited by Headwater to a Dissenting Non-Resident Holder will generally be subject to the tax considerations described above under the heading "*Holders Not Resident in Canada – Holding and Disposing of New Tamarack Shares and Tributary Shares – Dividends Received on New Tamarack Shares and Tributary Shares*".

In addition, the Dissenting Non-Resident Holder will be considered to have disposed of such Headwater Shares for proceeds of disposition equal to the amount paid to such Dissenting Non-Resident Holder less such portion of the amount in respect of interest, if any, awarded by the Court and less the amount of any dividend deemed to be received by the Dissenting Non-Resident Holder on such Headwater Shares as described above. As discussed above under "*Holders Not Resident in Canada – Exchange of Headwater Shares for Tamarack C Shares*", any resulting capital gain would only be subject to tax under the Tax Act if the Dissenting Non-Resident Holder's Headwater Shares are taxable Canadian property to the Dissenting Non-Resident Holder at the Effective Time and are not treaty-protected property of the Dissenting Non-Resident Holder at that time, including pursuant to the application of the MLI.

Generally, an amount paid or credited in respect of interest awarded by the Court to a Dissenting Non-Resident Holder will not be subject to Canadian withholding tax under the Tax Act.

## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Headwater Shareholders and Tamarack Shareholders subject to United States federal income taxation should be aware that the Arrangement and the ownership and disposition of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants acquired pursuant to the Arrangement, as well as the ownership and disposition of any Tributary Shares issued upon the subsequent exercise of Tributary Arrangement Warrants, may have material tax consequences in the United States. This Information Circular does not contain a summary of the United States federal income tax considerations of the Arrangement applicable to Headwater Shareholders and Tamarack Shareholders who are subject to United States federal income tax. Headwater Shareholders and Tamarack Shareholders are advised to consult their own tax advisors to determine the United States tax implications to them of participating in the Arrangement and the ownership and disposition of such securities, including any associated filing requirements.

## RISK FACTORS

Headwater Shareholders voting in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution, and Tamarack Shareholders voting in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution will be choosing to, among other things, combine the businesses of Headwater and Tamarack, complete the transfer and conveyance of the Tributary Assets to Tributary, complete the Tributary Private Placement and implement the Tributary Option Plan. The Arrangement (including the transfer and conveyance of the Tributary Assets to Tributary) and the Tributary Private Placement, and the completion thereof involve numerous risks. In addition to the risk factors present in each of Headwater's and Tamarack's businesses, described under the heading "*Risk Factors*" in the Headwater AIF and the Tamarack AIF, each of which is incorporated by reference herein, Headwater Shareholders and Tamarack Shareholders should carefully consider the following additional risk factors in evaluating whether to approve the Headwater Arrangement Resolution, the Headwater Private Placement Resolution, the Headwater Option Plan Resolution, the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution, as applicable. Readers are cautioned that such risk factors are not exhaustive. These risk factors should be considered in conjunction with the other information included elsewhere in this Information Circular, including Appendices H, I, J and K, the documents incorporated by reference herein and the documents filed by Tamarack and Headwater pursuant to Applicable Canadian Securities Laws. See Appendix J – "*Information Concerning Tributary Exploration Inc*." for additional risk factors related to Tributary, including the Tributary Assets and the Tributary Private Placement.

***Possible Failure to Realize Anticipated Benefits of the Arrangement***

Headwater and Tamarack are proposing to complete the Arrangement to create the opportunity to realize certain anticipated benefits including, among other things, those set forth in this Information Circular under the headings "*The Arrangement – Reasons for the Arrangement – Headwater Board*", "*The Arrangement – Reasons for the Arrangement – Tamarack Board*", "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*", information in Appendix H – "*Pro Forma Information Concerning the Combined Company*" and Appendix J – "*Information Concerning Tributary Exploration Inc.*". The Arrangement is subject to normal commercial risks that such transaction may not be completed on the terms negotiated

or at all. Headwater and Tamarack are proposing to complete the Arrangement to create a premier North American oil company that combines top-tier profitability with an unmatched position as the only publicly-traded pure-play Clearwater producer.

The Combined Company is expected to be the largest Clearwater producer, creating 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. Achieving the benefits of the Arrangement depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Combined Company's ability to realize the anticipated growth opportunities and synergies from integrating the respective businesses of Headwater and Tamarack following completion of the Arrangement.

Tamarack and Headwater expect the Combined Company to realize run-rate synergies of more than $50 million per year through the integration of operations, marketing and corporate offices and the consolidation of exploration and development programs beginning in 2027. These estimates are based on assumptions about the combined operations that may prove incorrect. The synergies may not be realized in the amounts or within the timeframes anticipated, or at all, and integration costs may exceed current estimates.

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. However, there is no certainty that Tributary will successfully exploit such emerging exploration and development opportunities or successfully acquire new oil and gas assets that are commercially profitable.

***The Value of the Tributary Shares may be Less Than Expected***

For the purposes of the Arrangement Agreement and the Arrangement, the Tributary Shares have been valued at $2.10 (equivalent to $0.42 prior to completion of the Tributary Share Consolidation). The value of the Tributary Shares is based on value determined by the Parties for the Tributary Assets of approximately $100 million and that there will be 47,552,575 Tributary Shares outstanding immediately after the Effective Time (before giving effect to the Tributary Private Placement and the exercise of any Tributary Arrangement Warrants but after giving effect to the Tributary Share Consolidation). The actual trading price of the Tributary Shares on the TSX following the commencement of trading of the Tributary Shares following closing of the Arrangement may be less than $2.10 per Tributary Share. There are a number of factors that could result in the trading price being less than $2.10 per Tributary Share including if commodity prices decline between now and the Effective Time. For other factors that may impact the trading price of the Tributary Shares, see "*Risk Factors – Risks Relating to Tributary and the Tributary Assets*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

***Entry into New Business Activities***

Completion of the Arrangement will result in a combination of the business operations and activities currently carried on by each of Headwater and Tamarack as separate entities. The combination of these operations and activities into the Combined Company may expose Headwater Shareholders and Tamarack Shareholders to different business risks than those to which they were exposed prior to the Arrangement. As a result of the changing risk profile of the companies or other factors, the credit ratings attributable to Tamarack or the Combined Company and/or their debt may be subject to review, which may result in a downgrade or negative outlook being assigned.

The integration of Headwater and Tamarack will require the dedication of substantial effort, time and resources on the part of management which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. In addition, the integration process could result in disruption of existing relationships with suppliers, employees, customers and other constituencies and business partners of each company. There can be no assurance that management will be able to integrate the operations and assets of each of the businesses successfully or achieve any of the synergies or other benefits that are anticipated to result from the Arrangement. Most operational and strategic decisions and certain staffing decisions with respect to integration have not yet been made. These decisions and the integration of the two companies will present challenges to management, including the integration of systems and personnel of the two companies, unanticipated liabilities and unanticipated costs. It is possible that the integration process could result in the loss of key employees, the disruption of the respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of management to maintain relationships with customers, suppliers, employees or to achieve some or all of the anticipated benefits of the Arrangement. The performance of the Combined Company's operations after completion of the Arrangement could be adversely affected if the Combined Company cannot retain key employees to assist in the integration and operation of Headwater and Tamarack.

Any inability of management to successfully integrate the personnel, operations, and assets could have a material adverse effect on the business, financial condition and results of operations of the Combined Company.

After the completion of the Arrangement, Tamarack will generally face the same risks that each of Headwater and Tamarack currently face, in addition to other risks.

***While the Arrangement is Pending, Headwater and Tamarack are Restricted from Taking Certain Actions***

The Arrangement Agreement restricts Headwater and Tamarack from taking specified actions until the Arrangement is completed or the termination of the Arrangement Agreement, as applicable, without the consent of the Other Party. These restrictions may prevent Headwater and/or Tamarack from pursuing attractive business opportunities that may arise prior to completion of the Arrangement.

See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties*".

***Headwater Dissent Rights***

Headwater Shareholders have the right to exercise certain Dissent Rights and demand payment of the fair value of their Headwater Shares in cash in connection with the Arrangement in accordance with the ABCA. If there are a significant number of Dissenting Shareholders, either a substantial cash payment may be required to be made to such Headwater Shareholders which could have an adverse effect on the Combined Company's financial condition and cash resources if the Arrangement is completed, or Tamarack may determine not to proceed with the Arrangement if Dissent Rights are validly exercised and not withdrawn in respect of more than 5% of the Headwater Shares.

***Consents and Approvals***

Completion of the Arrangement is conditional upon receiving certain consents and regulatory approvals. A substantial delay in obtaining satisfactory approvals or the imposition of unfavourable terms or conditions in the regulatory approvals could adversely affect the business, financial condition or results of operations of Tamarack, Headwater, Tributary or the Combined Company.

***Trading Access***

The Headwater Shares are currently listed on the TSX. Following completion of the Arrangement, it is anticipated that the Headwater Shares will be delisted from the TSX two to three Business Days following the Effective Date. Tributary has applied to list the Tributary Shares (including all Tributary Shares issuable upon exercise of the Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. There can be no assurance that an active and liquid market for the Tributary Shares will develop and a holder may find it difficult to resell its Tributary Shares. Also see "*Listing of the Tributary Shares and Securities Law Matters*" and "*Risk Factors – No Prior Public Market for Tributary Shares*" in Appendix J – "*Information Concerning Tributary Exploration Inc.*".

It is also a condition to the completion of the Arrangement that the TSX will have conditionally approved the listing of the New Tamarack Shares to be issued pursuant to the Arrangement.

***Potential Undisclosed Liabilities Associated with the Arrangement***

In connection with the Arrangement, there may be liabilities that Tamarack or Headwater failed to discover or did not accurately quantify in their respective due diligence, which was conducted prior to the execution of the Arrangement Agreement. It is possible that Headwater or Tamarack may not be indemnified for some or all of such undisclosed liabilities.

***The Financial Position, Business and Assets of Headwater and/or Tamarack may be Significantly and Adversely Affected before the Completion of the Arrangement***

The financial position, business and assets of Headwater and/or Tamarack may be significantly and adversely affected before the completion of the Arrangement. Any change in financial position, business and/or assets to a Party which does not amount to a Material Adverse Effect will not result in any right to terminate the Arrangement Agreement and the Other Party must otherwise complete the Arrangement.

***Reduced Ownership Interest in Tamarack***

The issuance of New Tamarack Shares to Headwater Shareholders pursuant to the Arrangement, if completed, will reduce a Tamarack Shareholder's ownership interest in the Combined Company.

***Pro Forma Financial Statements and Pro Forma Financial and Operational Information may not be Indicative of the Combined Company's Financial Condition, or Performance or Results of Operations following the Arrangement***

The *Pro Forma* Financial Statements and *pro forma* operational information contained in this Information Circular are presented for illustrative purposes only as of their respective dates or for their respective periods and may not be indicative of the future financial condition, performance or results of operations of the Combined Company following completion of the Arrangement for several reasons. The *Pro Forma* Financial Statements have been derived from the respective historical financial statements of Tamarack and Headwater, and certain adjustments and assumptions made as of the dates indicated therein have been made to give effect to the Arrangement that may prove not to be accurate. The information upon which these adjustments and assumptions have been made is preliminary and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the *Pro Forma* Financial Statements do not include, among other things, estimated costs or synergies, adjustments related to restructuring or integration activities, future acquisitions or disposals not yet known or probable, or impacts of Arrangement-related change in control provisions that are currently not factually supportable and/or likely to occur. The information upon which these *pro forma* adjustments and assumptions have been made is preliminary and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Therefore, the *Pro Forma* Financial Statements and *pro forma* operational information contained herein are presented for informational purposes only and is not necessarily indicative of what the Combined Company's actual financial condition, performance or results of operations would have been had the Arrangement

been completed on the date indicated. Accordingly, the combined business, assets, results of operations and financial condition or performance may differ significantly from those indicated in the *Pro Forma* Financial Statements and the *pro forma* operational information. See Schedule A to Appendix H – "*Pro Forma Information Concerning the Combined Company*".

***Income Tax Laws***

There can be no assurance that the Canada Revenue Agency or other applicable taxing authorities will agree with the Canadian federal income tax consequences of the Arrangement, as applicable, as summarized in this Information Circular. Furthermore, there can be no assurance that applicable Canadian income tax Laws, regulations or tax treaties will not be changed or interpreted in a manner, or that applicable taxing authorities will not take administrative positions, that are adverse to Headwater Shareholders or Tamarack Shareholders in respect of the Arrangement or to Tamarack and its securityholders following completion of the Arrangement. Such taxation authorities may also disagree with how Tamarack or Headwater calculate or have in the past calculated their income for income tax purposes. In addition, the Arrangement and related transactions may restrict the ability of the Combined Company to use certain pre-combination tax attributes of either or both of Tamarack and Headwater. Any such events could adversely affect the Combined Company, its share price or the dividends or other payments to be paid to Tamarack's Shareholders following completion of the Arrangement.

***Future Dividends on the Combined Company's Shares***

There can be no assurance as to future dividend payments by the Combined Company, and the level thereof, following completion of the Arrangement, including the planned increase in Tamarack's quarterly dividend to $0.06 per share, which is contingent on completion of the Arrangement and remains subject to the discretion of the Combined Company Board, as the Combined Company's dividend policy and the funds available for the payment of dividends from time to time will be dependent upon, among other things, operating cash flow generated by the Combined Company and its subsidiaries, financial requirements for the Combined Company's operations, the execution of its growth strategy and the satisfaction of solvency tests imposed by the ABCA for the declaration and payment of dividends. If approved, future dividends on the shares of the Combined Company could be less than that forecasted or currently paid.

***Tamarack, Headwater and Tributary may be the Targets of Legal Claims, Securities Class Actions, Derivative Lawsuits and Other Claims***

Tamarack, Headwater and Tributary may be the targets of securities class actions and derivative lawsuits as a result of the Arrangement which could result in substantial costs and may delay or prevent the Arrangement from being completed. Third parties may also attempt to bring claims against Tamarack, Headwater and Tributary seeking to restrain the Arrangement or seeking monetary compensation or other remedies. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert the time and resources of management. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Arrangement, then that injunction may delay or prevent the Arrangement from being completed.

In addition, political and public attitudes towards the Arrangement could result in negative press coverage and other adverse public statements affecting Tamarack, Headwater and Tributary. Adverse press coverage and other adverse statements could lead to investigations by regulators, legislators and law enforcement officials or in legal claims or otherwise negatively impact the ability of Tamarack, Headwater, the Combined Company or Tributary to take advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a Material Adverse Effect on Tamarack, Headwater, the Combined Company or Tributary.

***Tamarack and Headwater Directors and Officers may have Interests in the Arrangement different from the Interests of Tamarack Shareholders and Headwater Shareholders***

Certain of the directors and executive officers of Tamarack and Headwater were involved with negotiating the terms of the Arrangement Agreement. The Tamarack Board has unanimously recommended that Tamarack Shareholders vote in favour of the Tamarack Arrangement Resolution, the Share Issuance Resolution, Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution. The Headwater Board has unanimously recommended that Headwater Shareholders vote in favour of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution. These directors and executive officers may have interests in the Arrangement that are different from, or in addition to, those of Tamarack Shareholders and Headwater Shareholders generally. These interests include, but are not limited to, the continued employment of the executive officers of Tamarack by the Combined Company, the continued service of certain directors of Tamarack and Headwater as directors of the Combined Company, the continued employment of the executive officers of Headwater by Tributary, the continued service of certain directors of Headwater as directors of Tributary, the receipt of payment for the acceleration of the vesting and settlement of the Headwater Incentives, as applicable, and payment of the Headwater Severance Amounts to officers of Headwater. Certain directors and executive officers of Tamarack also hold Headwater Shares and will receive the same consideration for those shares as all other Headwater Shareholders. See "*Interests of Certain Persons or Companies in the Arrangement – Tamarack – Headwater Shares*". Additionally, the Tributary Private Placement is being offered to the Participating Insiders, which includes certain directors and officers of Headwater. See "*Effect of the Arrangement – Headwater Incentives*", "*Interests of Certain Persons or Companies in the Arrangement – Headwater – Summary of Interests of Headwater Directors and Officers in the Arrangement*", "*Procedure for the Arrangement to Become Effective – Securities Law Matters – Canada – MI 61-101*" and "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*".

Tamarack Shareholders and Headwater Shareholders should be aware of these interests when they consider their respective board of directors' recommendations. The Tamarack Board and the Headwater Board were each aware of, and considered, these interests when they declared the advisability of the Arrangement Agreement and unanimously recommended that Tamarack Shareholders approve the Tamarack Arrangement Resolution, the Share Issuance Resolution, Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution, and that Headwater

Shareholders approve the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution, as applicable.

***Completion of the Arrangement will Trigger Change of Control or Other Provisions in Certain Material Agreements***

The completion of the Arrangement will trigger change of control or other similar provisions in certain agreements to which Headwater is a party. If Headwater is unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under such agreements, potentially terminating such agreements, or seeking payments, consents on certain terms or monetary damages. Even if Headwater is able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate such agreements on terms less favourable to Headwater.

The conveyance of the Tributary Assets to Tributary will require that certain contracts associated with the Tributary Assets to be assigned to Tributary. If Headwater is unable to negotiate assignment of those agreements, Tributary may not get the benefit of such agreements which could have a material adverse impact on the ability of Tributary to conduct its business as currently contemplated.

Tamarack is unaware of any change of control triggers under its existing contracts that would materially impact the Combined Company.

***Satisfaction of Conditions Precedent to Arrangement***

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Headwater and Tamarack. Among other things, completion of the Arrangement is subject to the approval of the Court, TSX approval, approval by the Headwater Shareholders of the Headwater Arrangement Resolution and the Headwater Private Placement Resolution, approval by the Tamarack Shareholders of the Tamarack Arrangement Resolution, the Share Issuance Resolution and the Tamarack Private Placement Resolution, and obtaining Competition Act Approval (which was received on September 21, 2026). A substantial delay in satisfying any such condition or the imposition of unfavourable terms or conditions in connection therewith could delay the Effective Date and may adversely affect the business, financial condition or results of Headwater, Tamarack, or the Combined Company. There is no certainty, nor can Headwater or Tamarack provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If for any reason the Arrangement is not completed, or is materially delayed, the market price of the Headwater Shares or the Tamarack Shares may be adversely affected. In addition, if the Arrangement is not completed, Headwater or Tamarack could be subject to litigation related to the failure to complete the Arrangement or to require Headwater or Tamarack to perform their respective obligations under the Arrangement Agreement.

Although Competition Act Approval has been received, there can be no assurance that governmental authorities will not seek to challenge the Arrangement or any aspect thereof, or that additional regulatory proceedings, reviews or conditions will not arise in connection with or following completion of the Arrangement. Any such challenge, proceeding or condition could result in delays, additional costs, required undertakings or other remedies and may adversely affect the business and affairs of the Combined Company or the trading price of the New Tamarack Shares after completion of the Arrrangement.

Even if all approvals and orders are obtained and conditions precedent to the completion of the Arrangement are satisfied, no assurance can be made as to the terms, conditions and timing of such approvals, orders and consents. If such approvals, orders or consents require an extended period of time to be obtained, such extended period of time could increase the chance that an adverse event occurs with respect to Tamarack or Headwater. Such extended period of time may also increase the chance that other adverse effects with respect to Tamarack or Headwater could occur, such as the loss of key personnel. Each Party's obligation to complete the Arrangement is also subject to the accuracy of the representations and warranties of the Other Party (subject to certain qualifications and exceptions) and the performance in all material respects of the Other Party's covenants under the Arrangement Agreement. As a result of these conditions, the Parties cannot provide assurance that the Arrangement will be completed on the terms or timeline contemplated in the Arrangement Agreement, or at all.

***Market Price of Shares***

If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the Headwater Shares and/or the Tamarack Shares may be materially adversely affected. The trading prices of the Tamarack Shares, both before and after the completion of the Arrangement, and the Headwater Shares may be subject to material fluctuations and may increase or decrease in response to a number of events and factors, including: (i) changes in the market price of the commodities that Headwater and Tamarack and, following completion of the Arrangement, the Combined Company, sell and purchase; (ii) current events, including the effects and uncertainties of United States and Canadian government policies, tariffs and trade relations between Canada and the United States, and their resulting impacts on the economic situation in Canada, the United States and internationally; (iii) trends in the national, North American and global oil and natural gas industry; (iv) regulatory and/or government actions, rulings or policies; (v) changes in financial estimates and recommendations by securities analysts or rating agencies; (vi) acquisitions and financings; (vii) the economics of current and future projects of Headwater, Tamarack or, following completion of the Arrangement, the Combined Company; (viii) quarterly variations in operating results; and (ix) the operating and share price performance of other companies, including those that investors may consider to be comparable.

***Tributary Shares Subject to Escrow and Contractual Restrictions on Transfer***

In connection with Tributary's application to list the Tributary Shares on the TSX, the TSX may require that certain Tributary Shares issued pursuant to the Tributary Private Placement (including Tributary Shares issued upon exercise of Tributary Private Placement Warrants) be subject to escrow requirements or other contractual resale restrictions. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" in Appendix J for additional details regarding such potential restrictions.

***Hold Period Agreements and Post-Closing Sales of New Tamarack Shares***

Directors and officers of Headwater who hold more than 100,000 Headwater Shares will enter into Hold Period Agreements under which the New Tamarack Shares they receive are released from transfer restrictions in three equal tranches at three, six and nine months after the Effective Date. The release of each tranche, and the sale of New Tamarack Shares by former Headwater Shareholders who are not subject to any hold period, could result in selling pressure on the New Tamarack Shares and adversely affect their market price.

***The Arrangement Agreement may be Terminated***

Each of Headwater and Tamarack has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can either of Headwater or Tamarack provide any assurance, that the Arrangement Agreement will not be terminated by either Headwater or Tamarack before the completion of the Arrangement. For instance, Headwater and Tamarack have the right, in certain circumstances, to terminate the Arrangement Agreement upon Headwater or Tamarack accepting a Superior Proposal or upon the occurrence of a Headwater Disposition Event or a Tamarack Disposition Event.

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Headwater and Tamarack even if the Arrangement is not completed.

Under the Arrangement Agreement, if the Arrangement is not completed, Headwater or Tamarack are required to pay the Tamarack Termination Amount or the Headwater Termination Amount, as applicable, in certain circumstances. The Tamarack Termination Amount and the Headwater Termination Amount may discourage other parties from attempting to enter into a business transaction with a Party, even if those parties would otherwise be willing to enter into an agreement with Headwater or Tamarack for a business combination and would be prepared to pay consideration with a higher price per share or cash market value than the per share market value proposed to be received or realized in the Arrangement.

If the Arrangement is not completed for any reason, including in the event the Headwater Shareholders or Tamarack Shareholders, respectively, do not approve the matters before them at the Meetings in respect of the Arrangement or the Tributary Private Placement, the ongoing businesses of Tamarack and Headwater may be adversely affected and, without realizing any of the anticipated benefits of having completed the Arrangement, Headwater and Tamarack would be subject to a number of risks, including the following:

- Headwater and Tamarack may experience negative reactions in the capital markets, including a decline of their share prices (which may reflect a market assumption that the Arrangement will be completed);
- Headwater and Tamarack may experience negative reactions from their shareholders and the investment community, their customers, suppliers, regulators and employees and other partners in the business community;
- Headwater and Tamarack may be required to pay certain costs relating to the Arrangement, whether or not the Arrangement is completed; and
- matters relating to the Arrangement will have required substantial commitments of time and other resources by Tamarack and Headwater management, which would otherwise have been devoted to day-to-day operations and strategic opportunities that may have been beneficial to Headwater and Tamarack had the Arrangement not been contemplated.

See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Termination Amounts*".

***Another Attractive Sale, Merger or Arrangement may not be Available if the Arrangement is not Completed***

If the Arrangement is not completed and is terminated, there can be no assurance that Headwater or Tamarack will be able to find a party willing to enter an equivalent or more attractive agreement than that provided in the Arrangement or be willing to proceed at all with a similar transaction or any alternative transaction.

***Timing of the Meetings, the Final Order and the Anticipated Effective Date may be Changed or Delayed***

Any change in the timing of the Meetings, the Final Order and the anticipated Effective Date may cause uncertainty for the Parties and could result in negative outcomes.

***Forward-looking Information may Prove Inaccurate***

Shareholders are cautioned not to place undue reliance on the forward-looking information included in this Information Circular or any appendix hereto. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See "*Forward-Looking Statements*".

## INFORMATION CONCERNING HEADWATER EXPLORATION INC.

See Appendix I attached to this Information Circular for detailed information concerning Headwater.

## INFORMATION CONCERNING TRIBUTARY EXPLORATION INC.

See Appendix J attached to this Information Circular for detailed information concerning Tributary.

## INFORMATION CONCERNING TAMARACK VALLEY ENERGY LTD.

See Appendix K attached to this Information Circular for detailed information concerning Tamarack.

## PRO FORMA INFORMATION CONCERNING THE COMBINED COMPANY

### General

The Arrangement will result in a strategic business combination of Tamarack and Headwater, pursuant to which Tamarack will acquire all of the issued and outstanding Headwater Shares. Pursuant to the Arrangement, among other things, Headwater Shareholders will exchange their Headwater Shares for New Tamarack Shares on the basis of one New Tamarack Share for each Headwater Share held.

Current Tamarack Shareholders are expected to own approximately 66.5% of the issued and outstanding shares of the Combined Company immediately after completion of the Arrangement. Former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding shares of the Combined Company upon completion of the Arrangement.

### Organizational Structure

Immediately following completion of the Arrangement, Headwater will be a wholly-owned subsidiary of Tamarack and the Combined Company will continue the business and operations of Tamarack and Headwater on a combined basis.

### Narrative Description of the Business

The Combined Company will operate as "Tamarack Valley Energy Ltd." and remain headquartered in Calgary, Alberta. The Combined Company will carry on the business and operations of Tamarack and Headwater on a combined basis. For a detailed description of the businesses, operations and assets of Tamarack and Headwater, including the historical development of their respective businesses, operations and respective assets, see the Tamarack AIF and the Headwater AIF, each of which is incorporated by reference in this Information Circular.

For the Combined Company's attributes, see "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*".

### Notice to Reader

Additional information about the Combined Company following completion of the Arrangement is found in Appendix H – "*Pro Forma Information Concerning the Combined Company*" and should be read in conjunction with documents incorporated by reference in this Information Circular and the information concerning Headwater and Tamarack, as applicable, appearing elsewhere in this Information Circular. See Appendix I – "*Information Concerning Headwater Exploration Inc.*" and Appendix K – "*Information Concerning Tamarack Valley Energy Ltd.*".

## MATTERS TO BE CONSIDERED AT THE HEADWATER MEETING

At the Headwater Meeting, Headwater Shareholders will be asked to consider the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

Headwater Shareholders are urged to carefully review this Information Circular when considering the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.

### Headwater Arrangement Resolution

The full text of the Headwater Arrangement Resolution is set forth in Appendix A to this Information Circular. In accordance with the Interim Order, to pass, the Headwater Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person (virtually) or represented by proxy at the Headwater Meeting, excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to MI 61-101, being the votes cast with respect to the Headwater Shares beneficially owned or over which control or direction is exercised by the Participating Insiders.

It is a condition to the completion of the Arrangement that the Headwater Arrangement Resolution be approved by Headwater Shareholders.

**Headwater Private Placement Resolution**

See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" for the full text of the Headwater Private Placement Resolution and additional information. The Headwater Private Placement Resolution must be approved by a simple majority of the votes cast by Headwater Shareholders, present in person (virtually) or represented by proxy at the Headwater Meeting, after excluding any votes of Headwater Shareholders who are participating in the Tributary Private Placement.

The Tributary Private Placement forms part of the negotiated terms of the Arrangement and it is a condition to the completion of the Arrangement that the Headwater Private Placement Resolution be approved by Headwater Shareholders. **If the Headwater Private Placement Resolution is not approved and Headwater does not waive the condition in its favour, the Arrangement will not be completed. The Headwater Board unanimously recommends that Headwater Shareholders vote FOR the Headwater Private Placement Resolution.** See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Reasons for the Tributary Private Placement and Recommendation of the Boards*".

**Headwater Option Plan Resolution**

See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan*" for the full text of the Headwater Option Plan Resolution and additional information. The Headwater Option Plan Resolution must be approved by a simple majority of the votes cast by Headwater Shareholders, present in person (virtually) or represented by proxy at the Headwater Meeting.

Completion of the Arrangement is not conditional upon approval of the Headwater Option Plan Resolution; however, the Headwater Board believes that approval of the Tributary Option Plan is in the interests of Headwater Shareholders as future holders of Tributary Shares and unanimously recommends that Headwater Shareholders vote FOR the Headwater Option Plan Resolution. See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Reasons for the Tributary Option Plan and Recommendation of the Boards*".

**Unless otherwise directed, the persons named in the accompanying forms of proxy for the Headwater Meeting intend to vote FOR the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.**

## MATTERS TO BE CONSIDERED AT THE TAMARACK MEETING

At the Tamarack Meeting, Tamarack Shareholders will be asked to consider the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

Tamarack Shareholders are urged to carefully review this Information Circular when considering the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.

**Tamarack Arrangement Resolution**

The full text of the Tamarack Arrangement Resolution is set out in Appendix B to this Information Circular. In accordance with the Interim Order, to pass, the Tamarack Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by Tamarack Shareholders, present in person (virtually) or represented by proxy at the Tamarack Meeting.

It is a condition to the completion of the Arrangement that the Tamarack Arrangement Resolution be approved by Tamarack Shareholders.

**Share Issuance Resolution**

The full text of the Share Issuance Resolution is set forth in Appendix C to this Information Circular. As a condition to its acceptance of an issue or potential issue of listed shares as consideration for an acquisition, pursuant to section 611(c) of the TSX Company Manual, the TSX requires shareholder approval if the number of listed shares so issued or made issuable in payment of the purchase price for an acquisition, or otherwise in connection with the acquisition, exceeds 25% of the number of shares of the listed issuer which are outstanding on a non-diluted basis prior to the acquisition. For TSX purposes, the Arrangement constitutes an acquisition transaction for which Tamarack Shares are issued or made issuable, and shareholder approval is required because the maximum number of Tamarack Shares potentially issuable as a result of or in connection with the Arrangement exceeds 25% of the currently outstanding Tamarack Shares on a non-diluted basis.

As at October 13, 2026, there were 237,762,877 Headwater Shares issued and outstanding (on a non-diluted basis). At the Effective Time and assuming there are no Dissenting Shareholders, Tamarack would therefore issue 237,762,877 New Tamarack Shares to acquire all of the outstanding Headwater Shares in connection with the Arrangement.

Tamarack Shareholders will be asked to approve the issuance of up to 240,140,506 New Tamarack Shares, being 237,762,877 New Tamarack Shares issuable to Headwater Shareholders pursuant to the Plan of Arrangement and up to 2,377,629 additional New Tamarack Shares (approximately 1% of such number) to account for rounding and clerical and administrative matters, or approximately 50.9% of the outstanding Tamarack Shares in connection with the Arrangement. If the Share Issuance Resolution is approved, the TSX will generally not require further shareholder approval for the issuance of up to an additional 60,035,126 New Tamarack Shares in connection with the Arrangement, such number being 25% of the number of New Tamarack Shares approved pursuant to the Share Issuance Resolution.

To pass, the Share Issuance Resolution must be approved by a simple majority of the votes cast by Tamarack Shareholders, present in person (virtually) or represented by proxy at the Tamarack Meeting.

It is a condition to the completion of the Arrangement that the Share Issuance Resolution be approved by Tamarack Shareholders. **If the Tamarack Shareholders do not approve the Share Issuance Resolution the Arrangement may not proceed.**

**Tamarack Private Placement Resolution**

See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" for the full text of the Tamarack Private Placement Resolution and additional information. The Tamarack Private Placement Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement. No Tamarack insiders are participating in the Tributary Private Placement.

The Tributary Private Placement forms part of the negotiated terms of the Arrangement and it is a condition to the completion of the Arrangement that the Tamarack Private Placement Resolution be approved by Tamarack Shareholders. **If the Tamarack Private Placement Resolution is not approved and Headwater does not waive the condition in its favour, the Arrangement will not be completed. The Tamarack Board unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Private Placement Resolution.** See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement – Reasons for the Tributary Private Placement and Recommendation of the Boards*".

**Tamarack Option Plan Resolution**

See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan*" for the full text of the Tamarack Option Plan Resolution and additional information. The Tamarack Option Plan Resolution must be approved by a simple majority of the votes cast by Tamarack Shareholders, present in person (virtually) or represented by proxy at the Tamarack Meeting.

Completion of the Arrangement is not conditional upon approval of the Tamarack Option Plan Resolution; however, the Tamarack Board believes that approval of the Tributary Option Plan is in the interests of Tamarack Shareholders as future holders of Tributary Shares and unanimously recommends that Tamarack Shareholders vote FOR the Tamarack Option Plan Resolution. See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan – Reasons for the Tributary Option Plan and Recommendation of the Boards*".

**Unless otherwise directed, the persons named in the accompanying form of proxy for the Tamarack Meeting intend to vote FOR the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.**

## GENERAL PROXY MATTERS – HEADWATER

**Solicitation of Proxies**

**This Information Circular is delivered in connection with the solicitation by or on behalf of management of Headwater and Tamarack of proxies for use at the Headwater Meeting and the Tamarack Meeting, as applicable.** The solicitation of proxies for use at the Headwater Meeting will be done primarily by mail and electronic means, but may also be in person or by telephone, email or oral communication by directors, officers, employees or agents of Headwater who may be specifically remunerated therefor. The costs of such solicitation, and of preparing and distributing this Information Circular, the Headwater Meeting materials and the Tamarack Meeting materials will be borne by Headwater and Tamarack, as applicable. In addition, Headwater has engaged Laurel Hill as a proxy solicitation agent to assist management of Headwater with the solicitation of proxies from Headwater Shareholders, among additional advisory services, for a fee of $125,000, plus a fee for calls made to Headwater Shareholders and out-of-pocket expenses.

At the Headwater Meeting, Headwater Shareholders will consider and vote upon the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution and such other business as may properly come before the Headwater Meeting. See "*Matters to be Considered at the Headwater Meeting*".

The information set forth below generally applies to registered holders of Headwater Shares. If a Headwater Shareholder is a beneficial holder (i.e. its Headwater Shares are held through a broker, financial institution or other nominee), see "*Information for Beneficial Holders of Headwater Shares*" below.

**Meeting and Voting Details and Instructions**

The Headwater Meeting will be held in a virtual-only format conducted via webcast. While Headwater Shareholders and duly appointed proxyholders will not be able to physically attend the Headwater Meeting in person, regardless of geographic location and ownership, Headwater Shareholders will have an equal opportunity to participate at the Headwater Meeting and vote on the matters to be considered at the Headwater Meeting.

Registered Headwater Shareholders may attend the Headwater Meeting in person (virtually) or may be represented by proxy. If a Headwater Shareholder is unable to attend the Headwater Meeting or any adjournment or postponement thereof in person (virtually), such Headwater Shareholder

should date, sign and return the enclosed form of proxy for use at the Headwater Meeting or any adjournment or postponement thereof to Headwater's transfer agent and registrar, Odyssey, as soon as possible but not later than 9:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Headwater Meeting (the "**Headwater Proxy Deadline**"). All instructions are listed in the enclosed form of proxy. The time limit for the deposit of proxies may be waived or extended by the Chair of the Headwater Meeting at his discretion without notice.

Registered Headwater Shareholders will be able to sign in to the Headwater Meeting using the control number provided with the meeting materials and password "HWX2026" (case-sensitive).

Beneficial Headwater Shareholders can appoint themselves or a proxyholder to participate in the Headwater Meeting. See "*General Proxy Matters – Headwater – Information for Beneficial Holders of Headwater Shares*".

Registered Headwater Shareholders who appoint a proxyholder, and beneficial Headwater Shareholders who appoint themselves or a proxyholder to participate in the Headwater Meeting, must also email appointee@odysseytrust.com to register their or their proxyholder's name and email address so that, after the Headwater Proxy Deadline, Odyssey can send via email a Username that will be required (with case-sensitive password "HWX2026") to log into the Headwater Meeting. **If a Headwater Shareholder does not follow both of these steps, such Headwater Shareholder or its proxyholder will only be able to enter the meeting as a guest.**

A proxy will not be valid unless it is deposited with Odyssey, Trader's Bank Building, 1100 67 Yonge Street, Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America) or by internet at https://vote.odysseytrust.com no later than 9:00 a.m. (Calgary time) on November 16, 2026 or, if the Headwater Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) before the beginning of any adjourned or postponed Headwater Meeting. All instructions are listed in the enclosed form of proxy.

**Non-registered or beneficial Headwater Shareholders who do not hold Headwater Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the voting instruction form in order to have such Headwater Shares voted at the Headwater Meeting on their behalf.**

**Registered Headwater Shareholders and duly appointed proxyholders (including beneficial Headwater Shareholders who have duly appointed themselves as proxyholders) who attend the Headwater Meeting will be able to listen to the Headwater Meeting, ask questions and vote, all in real-time, provided that they are connected to the internet. Guests, including beneficial Headwater Shareholders who have not duly appointed themselves as proxyholder, can log in to the Headwater Meeting as set out below and can listen to the Headwater Meeting but will not be able to communicate or vote. See "*How to Participate at the Headwater Meeting*" below.**

**If a registered Headwater Shareholder or proxyholder attends and wishes to vote at the Headwater Meeting, it is important that such registered Headwater Shareholder or proxyholder remain connected to the internet at all times during the Headwater Meeting. It is such registered Headwater Shareholder or proxyholder's responsibility to ensure connectivity for the duration of the Headwater Meeting and to allow ample time to check into the Headwater Meeting online and complete the related procedures, as set forth below. For any questions regarding participation or voting at the Headwater Meeting, please contact Odyssey, Headwater's registrar and transfer agent, at 888-290-1175.**

The instrument appointing a proxy must be in writing and must be executed by the Headwater Shareholders or such Headwater Shareholder's attorney authorized in writing or, if a Headwater Shareholder is a company, by a duly authorized officer or attorney of the company.

The persons named in the enclosed form of proxy for Headwater Shareholders are officers of Headwater. **Headwater Shareholders have the right to appoint a person or company, who need not be a Headwater Shareholder, to represent such Headwater Shareholder at the Headwater Meeting.** To exercise this right, a Headwater Shareholder should insert the name of the desired representative in the blank space provided on its form of proxy.

The following applies to a registered Headwater Shareholder who wishes to appoint a proxyholder other than those named in the form of proxy.

**A Headwater Shareholder who wishes to appoint as its proxyholder an individual other than those named in the form of proxy to attend virtually and participate in the Headwater Meeting, MUST submit the form of proxy appointing such individual as proxyholder AND register such proxyholder online, as described below. Registering a proxyholder is an additional step to be completed AFTER a Headwater Shareholder has submitted its proxy. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Headwater Meeting.**

**Step 1: Submit the form of proxy:** To appoint someone other than the Headwater individuals named in the form of proxy as proxyholder, insert that person's name in the blank space provided in the form of proxy and follow the instructions for submitting such form of proxy. If a Headwater Shareholder votes through the internet, it may also appoint another person to be its proxyholder at https://vote.odysseytrust.com and follow the instructions. This must be completed before registering such proxyholder, which is an additional step to be completed once the form of proxy has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the Headwater Shareholder must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of Headwater Shares appointed and name of the registered Headwater Shareholder) no later than 9:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Headwater Meeting, so that Odyssey may

provide the proxyholder with a control number via e-mail. Without a control number, proxyholders will not be able to vote at the Headwater Meeting but will be able to participate as guests.

**Information for Beneficial Holders of Headwater Shares**

The information set forth in this section is of significant importance to Headwater Shareholders who do not hold their Headwater Shares in their own name. Only proxies deposited by Headwater Shareholders whose names appear on the records of Headwater as the registered holders of such Headwater Shares can be recognized and acted upon at the Headwater Meeting. If a Headwater Shareholder's Headwater Shares are listed in an account statement provided by such Headwater Shareholder's broker, then in almost all cases those Headwater Shares will not be registered in the name of the Headwater Shareholder on Headwater's records. Such Headwater Shares will likely be registered under the name of such Headwater Shareholder's broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for CDS, which acts as nominee for many Canadian brokerage firms. Headwater Shares held by a Headwater Shareholder's broker or their nominee can only be voted in accordance with the Headwater Shareholder's instructions. Without specific instructions, such Headwater Shareholder's broker or their nominee is prohibited from voting such Headwater Shares. Headwater does not know for whose benefit the Headwater Shares registered in the name of CDS & Co. are held. The majority of shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the United States equivalent of CDS.

Applicable regulatory policy requires brokers to seek voting instructions from Headwater Shareholders in advance of the Headwater Meeting. Every broker has its own mailing procedures and provides its own return instructions, which beneficial Headwater Shareholders should carefully follow in order to ensure that their Headwater Shares are voted at the Headwater Meeting. Often, the form of proxy or voting instruction form supplied by a broker is identical to the form of proxy provided to registered Headwater Shareholders. However, its purpose is limited to instructing the registered Headwater Shareholder how to vote on the beneficial Headwater Shareholder's behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge, which mails a scannable voting instruction form in lieu of the form of proxy. Beneficial Headwater Shareholders are asked to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, beneficial Headwater Shareholders can call their toll-free telephone number provided on the voting instruction form or access the internet to vote their Headwater Shares. Additionally, Headwater Shareholders may utilize the Broadridge QuickVote™ service to allow eligible "non-objecting beneficial owners" to vote with Laurel Hill by telephone or by written confirmation.

Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of such Headwater Shares to be represented at the Headwater Meeting. If a beneficial Headwater Shareholder receives a voting instruction form from Broadridge it cannot be used as a proxy to vote Headwater Shares directly at the Headwater Meeting, as the voting instruction form must be returned to Broadridge well in advance of the Headwater Meeting in order to have the Headwater Shares voted.

Although beneficial Headwater Shareholders may not be recognized directly at the Headwater Meeting for the purposes of voting Headwater Shares registered in the name of their broker, beneficial Headwater Shareholders may attend the Headwater Meeting (virtually) as a proxyholder for the registered holder and vote their Headwater Shares in that capacity. If a beneficial Headwater Shareholder wishes to attend the Headwater Meeting (virtually) and vote their Headwater Shares, such beneficial Headwater Shareholder must do so as proxyholder for the registered holder. To do this, a beneficial Headwater Shareholder should enter their own name in the blank space on the form of proxy or voting instruction form provided by the intermediary and return the document to such beneficial Headwater Shareholder's broker or the agent of such broker in accordance with the instructions provided by such broker well in advance of the Headwater Meeting. Please also see further instructions on accessing and voting at the virtual Headwater Meeting under the heading "*How to Participate at the Headwater Meeting*" below.

If a beneficial Headwater Shareholder located in the United States wishes to vote at the Headwater Meeting or, if permitted, appoint a third party as its proxyholder, then, in addition to the steps described above, it must obtain a valid legal proxy from its intermediary. After obtaining a valid legal proxy from its intermediary, it must then submit such legal proxy to Odyssey. Requests for registration from beneficial Headwater Shareholders located in the United States that wish to vote at the Headwater Meeting or, if permitted, appoint third parties as their proxyholders must be sent by email or by courier to: proxy@odysseytrust.com (if by email), or Odyssey Trust Company, Trader's Bank Building, 1100, 67 Yonge Street, Toronto, Ontario, Canada M5E 1J8, Attention: Proxy Department (if by courier), and in both cases, must be labelled "Legal Proxy" and received no later than the Headwater Proxy Deadline. Headwater's solicitation of proxies for use at the Headwater Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that disclosure requirements under Canadian laws are different from those of the United States applicable to proxy statements under the U.S. Exchange Act.

Registering the beneficial Headwater Shareholder or another individual as proxyholder is an additional step to be completed AFTER the beneficial Headwater Shareholder has submitted the voting instruction form to its intermediary. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Headwater Meeting.

**Step 1: Submit the Voting Instruction Form:** To appoint the beneficial Headwater Shareholder or someone other than the individuals named in the voting instruction form as proxyholder, insert that person's name in the blank space provided in the voting instruction form and follow the instructions for submitting such voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once the voting instruction form has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the beneficial Headwater Shareholder's intermediary must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of

Headwater Shares appointed and name of the broker where the Headwater Shares are held) no later than 9:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Headwater Meeting, so that Odyssey may provide the proxyholder with a control number via e-mail. Without a control number, proxyholders will not be able to vote at the Headwater Meeting but will be able to participate as guests.

**How to Participate at the Headwater Meeting**

The Headwater Meeting is being held in a virtual, audio only, webcast format. Registered Headwater Shareholders and duly appointed proxyholders may only attend and participate in the Headwater Meeting virtually via live audio webcast, including asking questions during the question and answer session and voting online, provided they follow the instructions herein.

- Registered Headwater Shareholders and duly appointed proxyholders who participate by attending online will be able to listen to the proceedings of the Headwater Meeting, ask questions and vote during the specified times, provided they remain connected to the internet.

- Beneficial Headwater Shareholders who wish to vote Headwater Shares online during the Headwater Meeting must follow the instructions above under "*Information for Beneficial Holders of Headwater Shares*". Beneficial Headwater Shareholders who have not duly appointed themselves as proxyholders may still attend the Headwater Meeting virtually as guests, but will not be able to vote or ask questions.

- Guests, including beneficial Headwater Shareholders who have not duly appointed themselves as proxyholder, will be able to login and listen to the proceedings of the Headwater Meeting but will not be able to vote or ask questions.

- Attendees can login to the Headwater Meeting by following the instructions below:

    - Login online at https://meetings.lumiconnect.com/400-740-097-516. The latest versions of Chrome, Safari, Microsoft Edge or Firefox will be needed. Headwater recommends that attendees login at least 15 minutes before the Headwater Meeting starts. Attendees should allow ample time to login to the Headwater Meeting to check compatibility and complete the related procedures.

    - For registered Headwater Shareholders and duly appointed proxyholders, select "I have a login" and enter the control number and password. The password to the meeting is "HWX2026" (case-sensitive).

    OR

    - Click "I am a guest" and then complete the required information to access the Headwater Meeting.

For registered Headwater Shareholders: The control number located on the form of proxy or in the e-mail notification delivered for the Headwater Meeting is the control number to login to the Headwater Meeting.

For duly appointed proxyholders: Odyssey will provide the proxyholder with a control number by e-mail after the proxy voting deadline has passed, provided that the proxyholder has been duly appointed and registered as described in the Information Circular.

To attend the Headwater Meeting, it is important to remain connected to the internet at all times in order to vote. It is the responsibility of Headwater Shareholders to ensure internet connectivity is maintained for the duration of the Headwater Meeting. If a Headwater Shareholder loses connectivity once the Headwater Meeting has commenced, there may be insufficient time to resolve the issue before voting is completed. Therefore, even if a Headwater Shareholder's current plan is to access the Headwater Meeting and vote during the live webcast, such Headwater Shareholder should consider voting its Headwater Shares in advance or by proxy so that its vote will be counted in the event the Headwater Shareholder experiences any technical difficulties or is otherwise unable to access the Headwater Meeting. Headwater Shareholders with questions regarding the virtual Headwater Meeting portal or requiring assistance accessing the Headwater Meeting website may visit https://support.lumiglobal.com/knowledge/virtual for common troubleshooting or to speak to a virtual assistant.

**Notice-and-Access**

Headwater has elected to use the Notice-and-Access Provisions for the Headwater Meeting in respect of mailings to beneficial Headwater Shareholders but not in respect of mailings to registered Headwater Shareholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

Headwater has also elected to use procedures known as 'stratification' in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular to some shareholders together with a notice of a meeting of its shareholders. In relation to the Headwater Meeting, registered Headwater Shareholders will receive a paper copy of this Notice of Special Meeting, the Information Circular and a form of proxy, whereas beneficial Headwater Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a voting instruction form.

**Revocability of Proxy**

A Headwater Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends the Headwater Meeting virtually at which such proxy is to be voted, voting at the Headwater Meeting will revoke such person's previous proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Headwater Shareholder or the Headwater Shareholder's attorney authorized in writing AND deposited either at the registered office of Headwater at any time up to and including the last Business Day preceding the day of the Headwater Meeting or any adjournment or postponement thereof or in any other manner permitted by law, including pursuant to the provisions of the ABCA.

**Exercise of Discretion by Proxy**

The Headwater Shares represented by proxy in favour of management nominees shall be voted on each item of business at the Headwater Meeting and, where the Headwater Shareholder specifies a choice with respect to any matter to be acted upon, the Headwater Shares shall be voted for or against/withheld from voting on each item of business in accordance with the specification so made.

**In the absence of such specification, the Headwater Shares will be voted in favour of the matters to be acted upon. The persons appointed under the form of proxy furnished by Headwater are conferred with discretionary authority with respect to amendments or variations of those matters specified in the enclosed form of proxy, this Notice of Special Meeting and the Information Circular. At the time of printing the Information Circular, management of Headwater knows of no such amendment, variation or other matter.**

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote FOR each of the Headwater Arrangement Resolution, the Headwater Private Placement Resolution and the Headwater Option Plan Resolution.**

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Headwater Shareholder should be delivered to Odyssey by e-mail at proxy@odysseytrust.com.

**If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor. Headwater Shareholders may also contact Laurel Hill Advisory Group, the proxy solicitation agent retained by Headwater, by calling 1-877-452-7184 (toll-free in Canada and the United States), or 1-416-304-0211 (outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com.**

**Headwater Letter of Transmittal**

Registered Headwater Shareholders should also complete and return the enclosed Headwater Letter of Transmittal which, when properly completed and returned together with the certificate(s) (if applicable) representing Headwater Shares and all other required documents, will enable each Headwater Shareholder to obtain the New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants that the Headwater Shareholder is entitled to receive under the Arrangement. See "*Procedure for the Arrangement to Become Effective – Procedure for Exchange of Share Certificates or DRS Advices*".

**Voting Securities of Headwater and Principal Holders thereof**

As at October 8, 2026, there were 237,762,877 Headwater Shares issued and outstanding which are its only outstanding voting securities. Each Headwater Share entitles the holder thereof to one vote on a ballot at the Headwater Meeting.

Headwater Shareholders are entitled to vote if they were a holder of Headwater Shares at the close of business on October 8, 2026, being the Headwater Record Date. Headwater will prepare, as of the Headwater Record Date, a list of Headwater Shareholders entitled to receive the Notice of Special Meeting of Headwater Shareholders and showing the number of Headwater Shares held by each such Headwater Shareholder. Headwater Shareholders whose names have been entered in the register of holders of Headwater Shares at the close of business on the Headwater Record Date will be entitled to receive notice of and to vote the Headwater Shares shown opposite such Headwater Shareholder's name at the Headwater Meeting.

To the knowledge of the directors and officers of Headwater, as of October 8, 2026, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the voting rights attached to all of the outstanding Headwater Shares.

## GENERAL PROXY MATTERS – TAMARACK

**Solicitation of Proxies**

**This Information Circular is delivered in connection with the solicitation by or on behalf of management of Headwater and Tamarack of proxies for use at the Headwater Meeting and the Tamarack Meeting, as applicable.** The solicitation of proxies for use at the Tamarack Meeting will be done primarily by mail and electronic means, but may also be in person or by telephone, email or oral communication by directors, officers, employees or agents of Tamarack who may be specifically remunerated therefor. The costs of such solicitation, and of preparing and distributing this Information Circular, the Headwater Meeting materials and the Tamarack Meeting materials will be borne by Headwater and Tamarack, as applicable.

At the Tamarack Meeting, Tamarack Shareholders will consider and vote upon the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution and such other business as may properly come before the Tamarack Meeting. See "*Matters to be Considered at the Tamarack Meeting*".

The information set forth below generally applies to registered holders of Tamarack Shares. If a Tamarack Shareholder is a beneficial holder (i.e. its Tamarack Shares are held through a broker, financial institution or other nominee), see "*Information for Beneficial Holders of Tamarack Shares*" below.

**Meeting and Voting Details and Instructions**

The Tamarack Meeting will be held in a virtual-only format conducted via webcast. While Tamarack Shareholders and duly appointed proxyholders will not be able to physically attend the Tamarack Meeting in person, regardless of geographic location and ownership, Tamarack Shareholders will have an equal opportunity to participate at the Tamarack Meeting and vote on the matters to be considered at the Tamarack Meeting.

Registered Tamarack Shareholders may attend the Tamarack Meeting in person (virtually) or may be represented by proxy. If a Tamarack Shareholder is unable to attend the Tamarack Meeting or any adjournment or postponement thereof in person (virtually), such Tamarack Shareholder should date, sign and return the enclosed form of proxy for use at the Tamarack Meeting or any adjournment or postponement thereof to its transfer agent and registrar, Odyssey, as soon as possible but not later than 10:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Tamarack Meeting (the "**Tamarack Proxy Deadline**"). All instructions are listed in the enclosed form of proxy. The time limit for the deposit of proxies may be waived or extended by the Chair of the Tamarack Meeting at his discretion without notice.

Registered Tamarack Shareholders will be able to sign in to the Tamarack Meeting using the control number provided with the meeting materials and password "TVE2026" (case-sensitive).

Beneficial Tamarack Shareholders can appoint themselves or a proxyholder to participate in the Tamarack Meeting. See "*General Proxy Matters – Tamarack – Information for Beneficial Holders of Tamarack Shares*".

Registered Tamarack Shareholders who appoint a proxyholder, and beneficial Tamarack Shareholders who appoint themselves or a proxyholder to participate in the Tamarack Meeting, must also email appointee@odysseytrust.com to register their or their proxyholder's name and email address so that, after the Tamarack Proxy Deadline, Odyssey can send via email a Username that will be required (with case-sensitive password "TVE2026") to log into the Tamarack Meeting. **If a Tamarack Shareholder does not follow both of these steps, such Tamarack Shareholder or its proxyholder will only be able to enter the meeting as a guest.**

A proxy will not be valid unless it is deposited with Odyssey, Trader's Bank Building, 1100 67 Yonge Street, Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America) or by internet at https://vote.odysseytrust.com no later than 10:00 a.m. (Calgary time) on November 16, 2026 or, if the Tamarack Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) before the beginning of any adjourned or postponed Tamarack Meeting. All instructions are listed in the enclosed form of proxy.

**Non-registered or beneficial Tamarack Shareholders who do not hold Tamarack Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the voting instruction form in order to have such Tamarack Shares voted at the Tamarack Meeting on their behalf.**

**Registered Tamarack Shareholders and duly appointed proxyholders (including beneficial Tamarack Shareholders who have duly appointed themselves as proxyholders) who attend the Tamarack Meeting will be able to listen to the Tamarack Meeting, ask questions and vote, all in real-time, provided that they are connected to the internet. Guests, including beneficial Tamarack Shareholders who have not duly appointed themselves as proxyholder, can log in to the Tamarack Meeting as set out below and can listen to the Tamarack Meeting but will not be able to communicate or vote. See "*How to Participate at the Tamarack Meeting*" below.**

**If a registered Tamarack Shareholder or proxyholder attends and wishes to vote at the Tamarack Meeting, it is important that such registered Tamarack Shareholder or proxyholder remain connected to the internet at all times during the Tamarack Meeting. It is such registered Tamarack Shareholder or proxyholder's responsibility to ensure connectivity for the duration of the Tamarack Meeting and to allow ample time to check into the Tamarack Meeting online and complete the related procedures, as set forth below. For any questions regarding participation or voting at the Tamarack Meeting, please contact Odyssey, Tamarack's registrar and transfer agent, at 888-290-1175.**

The instrument appointing a proxy must be in writing and must be executed by the Tamarack Shareholders or such Tamarack Shareholder's attorney authorized in writing or, if a Tamarack Shareholder is a company, by a duly authorized officer or attorney of the company.

The persons named in the enclosed form of proxy for Tamarack Shareholders are officers of Tamarack. **Tamarack Shareholders have the right to appoint a person or company, who need not be a Tamarack Shareholder, to represent such Tamarack Shareholder at the Tamarack Meeting.** To exercise this right, a Tamarack Shareholder should insert the name of the desired representative in the blank space provided on its form of proxy.

The following applies to a registered Tamarack Shareholder who wishes to appoint a proxyholder other than those named in the form of proxy.

**A Tamarack Shareholder who wishes to appoint as its proxyholder an individual other than those named in the form of proxy to attend virtually and participate in the Tamarack Meeting, MUST submit the form of proxy appointing such individual as proxyholder AND register such proxyholder online, as described below. Registering a proxyholder is an additional step to be completed AFTER a Tamarack Shareholder has submitted its proxy. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Tamarack Meeting.**

**Step 1: Submit the form of proxy:** To appoint someone other than the Tamarack individuals named in the form of proxy as proxyholder, insert that person's name in the blank space provided in the form of proxy and follow the instructions for submitting such form of proxy. If a Tamarack Shareholder votes through the internet, it may also appoint another person to be its proxyholder at https://vote.odysseytrust.com and follow the instructions. This must be completed before registering such proxyholder, which is an additional step to be completed once the form of proxy has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the Tamarack Shareholder must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of Tamarack Shares appointed and name of the registered Tamarack Shareholder) no later than 10:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Tamarack Meeting, so that Odyssey may provide the proxyholder with a control number via e-mail. Without a control number, proxyholders will not be able to vote at the Tamarack Meeting but will be able to participate as guests.

**Information for Beneficial Holders of Tamarack Shares**

The information set forth in this section is of significant importance to Tamarack Shareholders who do not hold their Tamarack Shares in their own name. Only proxies deposited by Tamarack Shareholders whose names appear on the records of Tamarack as the registered holders of such Tamarack Shares can be recognized and acted upon at the Tamarack Meeting. If a Tamarack Shareholder's Tamarack Shares are listed in an account statement provided by such Tamarack Shareholder's broker, then in almost all cases those Tamarack Shares will not be registered in the name of the Tamarack Shareholder on Tamarack's records. Such Tamarack Shares will likely be registered under the name of such Tamarack Shareholder's broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for CDS, which acts as nominee for many Canadian brokerage firms. Tamarack Shares held by a Tamarack Shareholder's broker or their nominee can only be voted in accordance with the Tamarack Shareholder's instructions. Without specific instructions, such Tamarack Shareholder's broker or their nominee is prohibited from voting such Tamarack Shares. Tamarack does not know for whose benefit the Tamarack Shares registered in the name of CDS & Co. are held. The majority of shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the United States equivalent of CDS.

Applicable regulatory policy requires brokers to seek voting instructions from Tamarack Shareholders in advance of the Tamarack Meeting. Every broker has its own mailing procedures and provides its own return instructions, which beneficial Tamarack Shareholders should carefully follow in order to ensure that their Tamarack Shares are voted at the Tamarack Meeting. Often, the form of proxy or voting instruction form supplied by a broker is identical to the form of proxy provided to registered Tamarack Shareholders. However, its purpose is limited to instructing the registered Tamarack Shareholder how to vote on the beneficial Tamarack Shareholder's behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge, which mails a scannable voting instruction form in lieu of the form of proxy. Beneficial Tamarack Shareholders are asked to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, beneficial Tamarack Shareholders can call their toll-free telephone number provided on the voting instruction form or access the internet to vote their Tamarack Shares.

Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of such Tamarack Shares to be represented at the Tamarack Meeting. If a beneficial Tamarack Shareholder receives a voting instruction form from Broadridge it cannot be used as a proxy to vote Tamarack Shares directly at the Tamarack Meeting, as the voting instruction form must be returned to Broadridge well in advance of the Tamarack Meeting in order to have the Tamarack Shares voted.

Although beneficial Tamarack Shareholders may not be recognized directly at the Tamarack Meeting for the purposes of voting Tamarack Shares registered in the name of their broker, beneficial Tamarack Shareholders may attend the Tamarack Meeting (virtually) as a proxyholder for the registered holder and vote their Tamarack Shares in that capacity. If a beneficial Tamarack Shareholder wishes to attend the Tamarack Meeting (virtually) and vote their Tamarack Shares, such beneficial Tamarack Shareholder must do so as proxyholder for the registered holder. To do this, a beneficial Tamarack Shareholder should enter their own name in the blank space on the form of proxy or voting instruction form provided by the intermediary and return the document to such beneficial Tamarack Shareholder's broker or the agent of such broker in accordance with the instructions provided by such broker well in advance of the Tamarack Meeting. Please also see further instructions on accessing and voting at the virtual Tamarack Meeting under the heading "*How to Participate at the Tamarack Meeting*" below.

If a beneficial Tamarack Shareholder located in the United States wishes to vote at the Tamarack Meeting or, if permitted, appoint a third party as its proxyholder, then, in addition to the steps described above, it must obtain a valid legal proxy from its intermediary. After obtaining a valid legal proxy from its intermediary, it must then submit such legal proxy to Odyssey. Requests for registration from beneficial Tamarack Shareholders located in the United States that wish to vote at the Tamarack Meeting or, if permitted, appoint third parties as their proxyholders must be sent by email or by courier to: proxy@odysseytrust.com (if by email), or Odyssey Trust Company, Trader's Bank Building, 1100, 67 Yonge Street, Toronto, Ontario, Canada M5E 1J8, Attention: Proxy Department (if by courier), and in both cases, must be labelled "Legal Proxy" and received no later than the Tamarack Proxy Deadline. Tamarack's solicitation of proxies for use at the Tamarack Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United

States should be aware that disclosure requirements under Canadian laws are different from those of the United States applicable to proxy statements under the U.S. Exchange Act.

Registering the beneficial Tamarack Shareholder or another individual as proxyholder is an additional step to be completed AFTER the beneficial Tamarack Shareholder has submitted the voting instruction form to its intermediary. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the Tamarack Meeting.

**Step 1: Submit the Voting Instruction Form:** To appoint the beneficial Tamarack Shareholder or someone other than the individuals named in the voting instruction form as proxyholder, insert that person's name in the blank space provided in the voting instruction form and follow the instructions for submitting such voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once the voting instruction form has been submitted.

**Step 2: Register the proxyholder:** To register a third-party proxyholder, the beneficial Tamarack Shareholder's intermediary must register such proxyholder by sending an e-mail to appointee@odysseytrust.com (indicating the name of the proxyholder, their e-mail address, the number of Tamarack Shares appointed and name of the broker where the Tamarack Shares are held) no later than 10:00 a.m. (Calgary time) on November 16, 2026, or 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of any adjournment or postponement of the Tamarack Meeting, so that Odyssey may provide the proxyholder with a control number via e-mail. Without a control number, proxyholders will not be able to vote at the Tamarack Meeting but will be able to participate as guests.

**How to Participate at the Tamarack Meeting**

The Tamarack Meeting is being held in a virtual, audio only, webcast format. Registered Tamarack Shareholders and duly appointed proxyholders may only attend and participate in the Tamarack Meeting virtually via live audio webcast, including asking questions during the question and answer session and voting online, provided they follow the instructions herein.

- Registered Tamarack Shareholders and duly appointed proxyholders who participate by attending online will be able to listen to the proceedings of the Tamarack Meeting, ask questions and vote during the specified times, provided they remain connected to the internet.

- Beneficial Tamarack Shareholders who wish to vote Tamarack Shares online during the Tamarack Meeting must follow the instructions above under "*Information for Beneficial Holders of Tamarack Shares*". Beneficial Tamarack Shareholders who have not duly appointed themselves as proxyholders may still attend the Tamarack Meeting virtually as guests, but will not be able to vote or ask questions.

- Guests, including beneficial Tamarack Shareholders who have not duly appointed themselves as proxyholder, will be able to login and listen to the proceedings of the Tamarack Meeting but will not be able to vote or ask questions.

- Attendees can login to the Tamarack Meeting by following the instructions below:

    - Login online at https://meetings.lumiconnect.com/400-336-899-017. The latest versions of Chrome, Safari, Microsoft Edge or Firefox will be needed. Tamarack recommends that attendees login at least 15 minutes before the Tamarack Meeting starts. Attendees should allow ample time to login to the Tamarack Meeting to check compatibility and complete the related procedures.

    - For registered Tamarack Shareholders and duly appointed proxyholders, select "I have a login" and enter the control number and password. The password to the meeting is "TVE2026" (case-sensitive).

    OR

    - Click "I am a guest" and then complete the required information to access the Tamarack Meeting.

For registered Tamarack Shareholders: The control number located on the form of proxy or in the e-mail notification delivered for the Tamarack Meeting is the control number to login to the Tamarack Meeting.

For duly appointed proxyholders: Odyssey will provide the proxyholder with a control number by e-mail after the proxy voting deadline has passed, provided that the proxyholder has been duly appointed and registered as described in the Information Circular.

To attend the Tamarack Meeting, it is important to remain connected to the internet at all times in order to vote. It is the responsibility of Tamarack Shareholders to ensure internet connectivity is maintained for the duration of the Tamarack Meeting. If a Tamarack Shareholder loses connectivity once the Tamarack Meeting has commenced, there may be insufficient time to resolve the issue before voting is completed. Therefore, even if a Tamarack Shareholder's current plan is to access the Tamarack Meeting and vote during the live webcast, such Tamarack Shareholder should consider voting its Tamarack Shares in advance or by proxy so that its vote will be counted in the event the Tamarack Shareholder experiences any technical difficulties or is otherwise unable to access the Tamarack Meeting. Tamarack Shareholders with questions regarding the virtual Tamarack Meeting portal or requiring assistance accessing the Tamarack Meeting website may visit https://support.lumiglobal.com/knowledge/virtual for common troubleshooting or to speak to a virtual assistant.

**Notice-and-Access**

Tamarack has elected to use the Notice-and-Access Provisions for the Tamarack Meeting in respect of mailings to beneficial Tamarack Shareholders but not in respect of mailings to registered Tamarack Shareholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

Tamarack has also elected to use procedures known as 'stratification' in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular to some shareholders together with a notice of a meeting of its shareholders. In relation to the Tamarack Meeting, registered Tamarack Shareholders will receive a paper copy of this Notice of Special Meeting, the Information Circular and a form of proxy, whereas beneficial Tamarack Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a voting instruction form.

**Revocability of Proxy**

A Tamarack Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends the Tamarack Meeting virtually at which such proxy is to be voted, voting at the Tamarack Meeting will revoke such person's previous proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Tamarack Shareholder or the Tamarack Shareholder's attorney authorized in writing AND deposited either at the registered office of Tamarack at any time up to and including the last Business Day preceding the day of the Tamarack Meeting or any adjournment or postponement thereof or in any other manner permitted by law, including pursuant to the provisions of the ABCA.

**Exercise of Discretion by Proxy**

The Tamarack Shares represented by proxy in favour of management nominees shall be voted on each item of business at the Tamarack Meeting and, where the Tamarack Shareholder specifies a choice with respect to any matter to be acted upon, the Tamarack Shares shall be voted for or against/withheld from voting on each item of business in accordance with the specification so made.

**In the absence of such specification, the Tamarack Shares will be voted in favour of the matters to be acted upon. The persons appointed under the form of proxy furnished by Tamarack are conferred with discretionary authority with respect to amendments or variations of those matters specified in the enclosed form of proxy, this Notice of Special Meeting and the Information Circular. At the time of printing the Information Circular, management of Tamarack knows of no such amendment, variation or other matter.**

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote FOR each of the Tamarack Arrangement Resolution, the Share Issuance Resolution, the Tamarack Private Placement Resolution and the Tamarack Option Plan Resolution.**

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Tamarack Shareholder should be delivered to Odyssey by e-mail at proxy@odysseytrust.com.

**If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor.**

**Tamarack Letter of Transmittal**

Registered Tamarack Shareholders should also complete and return the enclosed Tamarack Letter of Transmittal which, when properly completed and returned together with the certificate(s) (if applicable) representing Tamarack Shares and all other required documents, will enable each Tamarack Shareholder to obtain the New Tamarack Shares and Tributary Shares that the Tamarack Shareholder is entitled to receive under the Arrangement. See "*Procedure for the Arrangement to Become Effective – Procedure for Exchange of Share Certificates or DRS Advices*".

**Voting Securities of Tamarack and Principal Holders thereof**

As at October 8, 2026, there were 471,399,454 Tamarack Shares issued and outstanding which are its only outstanding voting securities. Each Tamarack Share entitles the holder thereof to one vote on a ballot at the Tamarack Meeting.

Tamarack Shareholders are entitled to vote if they were a holder of Tamarack Shares at the close of business on October 8, 2026, being the Tamarack Record Date. Tamarack will prepare, as of the Tamarack Record Date, a list of Tamarack Shareholders entitled to receive the Notice of Special Meeting of Tamarack Shareholders and showing the number of Tamarack Shares held by each such Tamarack Shareholder. Tamarack Shareholders whose names have been entered in the register of holders of Tamarack Shares at the close of business on the Tamarack Record Date will be entitled to receive notice of and to vote the Tamarack Shares shown opposite such Tamarack Shareholder's name at the Tamarack Meeting.

To the knowledge of the directors and officers of Tamarack, as of October 8, 2026, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the voting rights attached to all of the outstanding Tamarack Shares.

## QUESTIONS AND OTHER ASSISTANCE

If you are a Headwater Shareholder or a Tamarack Shareholder and you have any questions about the information contained in this Information Circular or require assistance in completing your form of proxy, voting instruction form, Headwater Letter of Transmittal or Tamarack Letter of Transmittal, as applicable, please contact your financial, legal, tax or other professional advisors.

Headwater Shareholders may also direct questions to Laurel Hill, the proxy solicitation agent retained by Headwater, by calling 1-877-452-7184 (toll-free in Canada and the United States), or 1-416-304-0211 (outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com.

**CONSENT OF PETERS & CO. LIMITED**

TO: The Board of Directors (the "**Board**") of Headwater Exploration Inc. ("**Headwater**")

RE: Joint Management Information Circular of Headwater and Tamarack Valley Energy Ltd. dated October 13, 2026 (the **"Information Circular**")

We consent to the reference to our firm name and reference to and summary description of our fairness opinion dated September 7, 2026 (the "**Peters & Co. Fairness Opinion**") in the Information Circular and to the inclusion of the full text of the Peters & Co. Fairness Opinion as Appendix F-1 to the Information Circular. The Peters & Co. Fairness Opinion was given as of September 7, 2026 and was based upon and remains subject to the assumptions, qualifications and limitations contained therein. In providing such consent, we do not intend that any person other than the Board may rely or shall be entitled to rely upon the Peters & Co. Fairness Opinion.

Yours very truly,

**PETERS & CO. LIMITED**

(signed) "*Peters & Co. Limited*"

October 13, 2026
Calgary, Alberta

**CONSENT OF BMO NESBITT BURNS INC.**

TO: The Corporate Development Committee of the Board of Directors (the "**Independent Committee**") of Headwater Exploration Inc. ("**Headwater**")

RE: Joint Management Information Circular of Headwater and Tamarack Valley Energy Ltd. dated October 13, 2026 (the "**Information Circular**")

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We refer to the full text of the written fairness opinion dated September 7, 2026 (the "**BMO Fairness Opinion**"), which we prepared for the Independent Committee in connection with Headwater's strategic combination with Tamarack as further set out in the arrangement agreement dated September 7, 2026 between Headwater and Tamarack (as described in the Information Circular).

We hereby consent to the references in the Information Circular to our firm name and to the BMO Fairness Opinion contained under the headings "*Letter to the Headwater Shareholders – Headwater Fairness Opinions*", "*Letter to the Headwater Shareholders – Recommendation of the Headwater Board*", "*Glossary of Terms*", "*Summary – Headwater Fairness Opinions – BMO Fairness Opinion*", "*Summary – Recommendation of the Headwater Board*", "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Reasons for the Arrangement*", "*The Arrangement – Headwater Fairness Opinions*", "*The Arrangement – Recommendation of the Headwater Board*" and the inclusion of the full text of the BMO Fairness Opinion as "Appendix F-2" of the Information Circular and the filing thereof with the applicable Canadian regulatory authorities.

Our fairness opinion was given as at September 7, 2026 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Independent Committee may rely or shall be entitled to rely upon the BMO Fairness Opinion.

Yours very truly,

**BMO NESBITT BURNS INC.**

(signed) "*BMO Nesbitt Burns Inc.*"

October 13, 2026
Calgary, Alberta

**CONSENT OF NATIONAL BANK FINANCIAL INC.**

TO: The Board of Directors (the "**Board**") of Tamarack Valley Energy Ltd. ("**Tamarack**")

RE: Joint Management Information Circular of Tamarack and Headwater Exploration Inc. dated October 13, 2026 (the "**Information Circular**")

We consent to the reference to our firm name and reference to and summary description of our fairness opinion dated September 7, 2026 (the "**NBF Fairness Opinion**") in the Information Circular and to the inclusion of the full text of the NBF Fairness Opinion as Appendix G to the Information Circular. The NBF Fairness Opinion was given as of September 7, 2026 and was based upon and remains subject to the assumptions, qualifications and limitations contained therein. In providing such consent, we do not intend that any person other than the Board may rely or shall be entitled to rely upon the NBF Fairness Opinion.

Yours very truly,

**NATIONAL BANK FINANCIAL INC.**

(signed) "*National Bank Financial Inc.*"

October 13, 2026
Calgary, Canada

**APPENDIX A**
**HEADWATER ARRANGEMENT RESOLUTION**

**BE IT RESOLVED THAT:**

1. The arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**"), involving Headwater Exploration Inc. ("**Headwater**"), Tamarack Valley Energy Ltd. ("**Tamarack**"), Tributary Exploration Inc. ("**Tributary**"), the holders of common shares of Headwater (the "**Headwater Shareholders**") and the holders of common shares of Tamarack (the "**Tamarack Shareholders**"), all as more particularly described and set forth in the joint management information circular of Headwater and Tamarack dated on or about October 13, 2026, accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with the terms of the Arrangement Agreement), and all transactions contemplated thereby, be and are hereby authorized, approved and adopted.

2. The plan of arrangement (the "**Plan of Arrangement**") involving Headwater, Tamarack, Tributary, the Headwater Shareholders and the Tamarack Shareholders, implementing the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement (as defined herein), as such Plan of Arrangement may be modified or amended in accordance with its terms, be and is hereby approved and adopted.

3. The arrangement agreement (the "**Arrangement Agreement**") between Headwater and Tamarack dated as of September 7, 2026, as the same may be modified, amended or amended and restated from time to time, and all the transactions contemplated therein, the actions of the directors of Headwater in approving the Arrangement Agreement, and the actions of the directors and officers of Headwater in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements to any of the foregoing, and any transactions contemplated by any of the foregoing, are hereby confirmed, authorized, ratified and approved;

4. Notwithstanding that this resolution has been duly passed (and the Plan of Arrangement adopted) by the Headwater Shareholders or that the Arrangement has been approved by the Court of King's Bench of Alberta, the directors of Headwater are hereby authorized and empowered, without further notice to, or approval of, the Headwater Shareholders: (i) to amend the Arrangement Agreement or the Plan of Arrangement (or any documents or agreements delivered in connection therewith), to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, as applicable; or (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and revoke this resolution at any time prior to the Effective Time (as defined in the Plan of Arrangement).

5. Any one director or officer of Headwater be and is hereby authorized and directed, for and on behalf of Headwater, to execute, or cause to be executed, and to deliver, or cause to be delivered, to the Registrar under the ABCA for filing, the articles of arrangement and such other documents as are necessary or advisable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

6. Any one director or officer of Headwater is hereby authorized and directed, for and on behalf and in the name of Headwater, to execute, or cause to be executed, and to deliver, or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument or the doing of any such act or thing.

**APPENDIX B**
**TAMARACK ARRANGEMENT RESOLUTION**

**BE IT RESOLVED THAT:**

1. The arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**"), involving Headwater Exploration Inc. ("**Headwater**"), Tamarack Valley Energy Ltd. ("**Tamarack**"), Tributary Exploration Inc. ("**Tributary**"), the holders of common shares of Headwater (the "Headwater Shareholders") and the holders of common shares of Tamarack (the "**Tamarack Shareholders**"), all as more particularly described and set forth in the joint management information circular of Headwater and Tamarack dated on or about October 13, 2026, accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with the terms of the Arrangement Agreement), and all transactions contemplated thereby, be and are hereby authorized, approved and adopted.

2. The plan of arrangement (the "**Plan of Arrangement**") involving Headwater, Tamarack, Tributary, the Headwater Shareholders and the Tamarack Shareholders, implementing the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement (as defined herein), as such Plan of Arrangement may be modified or amended in accordance with its terms, be and is hereby approved and adopted.

3. The arrangement agreement (the "**Arrangement Agreement**") between Headwater and Tamarack dated as of September 7, 2026, as the same may be modified, amended or amended and restated from time to time, and all the transactions contemplated therein, the actions of the directors of Tamarack in approving the Arrangement Agreement, and the actions of the directors and officers of Tamarack in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements to any of the foregoing, and any transactions contemplated by any of the foregoing, are hereby confirmed, authorized, ratified and approved;

4. Notwithstanding that this resolution has been duly passed (and the Plan of Arrangement adopted) by the Tamarack Shareholders or that the Arrangement has been approved by the Court of King's Bench of Alberta, the directors of Tamarack are hereby authorized and empowered, without further notice to, or approval of, the Tamarack Shareholders: (i) to amend the Arrangement Agreement or the Plan of Arrangement (or any documents or agreements delivered in connection therewith), to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, as applicable; or (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and revoke this resolution at any time prior to the Effective Time (as defined in the Plan of Arrangement).

5. Any one director or officer of Tamarack be and is hereby authorized and directed, for and on behalf of Tamarack, to execute, or cause to be executed, and to deliver, or cause to be delivered, to the Registrar under the ABCA for filing, the articles of arrangement and such other documents as are necessary or advisable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

6. Any one director or officer of Tamarack is hereby authorized and directed, for and on behalf and in the name of Tamarack, to execute, or cause to be executed, and to deliver, or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument or the doing of any such act or thing.

**APPENDIX C**
**SHARE ISSUANCE RESOLUTION**

**BE IT RESOLVED THAT:**

1. The issuance of up to 240,140,506 common shares ("**Tamarack Shares**") in the capital of Tamarack Valley Energy Ltd. ("**Tamarack**") pursuant to an Arrangement (the "**Arrangement**") by way of a plan of arrangement ("**Plan of Arrangement**") under section 193 of the *Business Corporations Act*, RSA 2000, c B-9 involving, Headwater Exploration Inc. ("**Headwater**"), Tamarack, Tributary Exploration Inc. ("**Tributary**"), the holders of common shares of Headwater (the "**Headwater Shareholders**") and the holders of common shares of Tamarack, all as more particularly described and set forth in the joint management information circular of Headwater and Tamarack dated on or about October 13, 2026, accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with the terms of the arrangement agreement between Tamarack and Headwater dated September 7, 2026), is hereby authorized and approved, such number of Tamarack Shares consisting of: (i) up to 237,762,877 Tamarack Shares issuable to Headwater Shareholders pursuant to the Plan of Arrangement; and (ii) up to 2,377,629 additional Tamarack Shares, representing approximately 1% of the number of Tamarack Shares referred to in (i), to account for rounding and clerical and administrative matters.

2. Any one director or officer of Tamarack is hereby authorized and directed, for and on behalf of Tamarack, to execute or cause to be executed, under the corporate seal of Tamarack or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such director's or officer's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**APPENDIX D**
**PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT UNDER SECTION 193**
**OF THE**
***BUSINESS CORPORATIONS ACT* (ALBERTA)**

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

Whenever used in this Plan of Arrangement, unless there is something in the context or subject matter inconsistent therewith, the following defined words and terms have the indicated meanings and grammatical variations of such words and terms have corresponding meanings:

"**ABCA**" means the *Business Corporations Act*, RSA 2000, c B-9;

"**Aggregate Newco Arrangement Warrants**" means 47,552,575 Newco Arrangement Warrants;

"**Agreement Date**" means the date of the execution of the Arrangement Agreement;

"**Applicable Canadian Securities Laws**" means, collectively, the securities acts or similar statutes of each of the provinces and territories of Canada and the respective rules and regulations under such laws, together with applicable published national, multilateral and local policy statements, instruments, notices and blanket orders of the provinces and territories of Canada and all rules, by-laws and regulations governing any applicable Recognized Exchange;

"**Applicable Laws**" means, in any context that refers to one or more Persons or its or their respective businesses, activities, properties, assets, undertakings or securities, the Laws that apply to such Person or Persons or its or their respective businesses, activities, properties, assets, undertakings or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their respective businesses, activities, properties, assets, undertakings or securities and, for greater certainty, includes Applicable Canadian Securities Laws and Applicable U.S. Securities Laws;

"**Applicable U.S. Securities Laws**" means federal and state securities legislation of the United States (including the U.S. Securities Act and the U.S. Exchange Act) and all rules, regulations and orders promulgated thereunder;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Plan of Arrangement required under section 193(4.1) of the ABCA to be sent to the Registrar after the Final Order has been granted and all other conditions precedent to the Arrangement have been satisfied or waived, to give effect to the Arrangement;

"**Arrangement**" means the arrangement involving Tamarack, Headwater, Newco, Tamarack Shareholders and Headwater Shareholders to be completed by way of an arrangement pursuant to section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement, as may be supplemented, modified, amended, or amended and restated from time to time;

"**Arrangement Agreement**" means the arrangement agreement dated September 7, 2026 between Tamarack and Headwater with respect to the Arrangement (including the Schedules thereto), as supplemented, modified or amended;

"**Business Day**" means, with respect to any action to be taken, any day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta;

"**Certificate**" means the proof of filing issued by the Registrar pursuant to section 193(11) of the ABCA giving effect to the Plan of Arrangement;

"**Court**" means the Court of King's Bench of Alberta;

"**Depositary**" means such Person as Headwater and Tamarack shall mutually agree (acting reasonably) to appoint to act as depositary in connection with the Arrangement;

"**Dissent Rights**" means the rights of dissent granted in favour of registered Headwater Shareholders in accordance with Article 4 of this Plan of Arrangement;

"**Dissenting Shareholder**" means any registered Headwater Shareholder who has duly and validly exercised its Dissent Rights with respect to the Headwater Arrangement Resolution pursuant to Article 4 of this Plan of Arrangement and the Interim Order, and has not withdrawn or been deemed to have been withdrawn such exercise of Dissent Rights;

"**DRS Advice**" means a direct registration system (DRS) advice;

"**Effective Date**" means the date the Arrangement becomes effective in accordance with the ABCA;

"**Effective Time**" means the time on the Effective Date at which the Articles of Arrangement are filed in accordance with section 193(4.1) of the ABCA;

"**Encumbrance**" means, any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"**Final Order**" means the order of the Court approving the Arrangement pursuant to section 193(4) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction prior to the Effective Time;

"**Governmental Authority**" means any: (i) domestic or foreign federal, territorial, provincial, state, regional, municipal or local governmental, regulatory or administrative authority, department, court, commission, board or tribunal, arbitral body, bureau, ministry, agency or instrumentality or official, including any political subdivision thereof; (ii) quasi-governmental or private body exercising regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iii) any stock exchange;

"**Headwater**" means Headwater Exploration Inc., a corporation existing under the ABCA;

"**Headwater Arrangement Resolution**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Headwater Asset Value**" means $99,862,000;

"**Headwater Conveyance Agreement**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Headwater Letter of Transmittal**" means the letter of transmittal to be sent to Headwater Shareholders for use in connection with the Arrangement;

"**Headwater Meeting**" means the special meeting of Headwater Shareholders to be called and held in accordance with the Arrangement Agreement and the Interim Order to permit the Headwater Shareholders to consider the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution and related matters, and any adjournment(s) or postponement(s) thereof;

"**Headwater Option Plan Resolution**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Headwater Private Placement Resolution**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Headwater Shareholders**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Headwater Shares**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Interim Order**" means the interim order of the Court concerning the Arrangement under section 193(4) of the ABCA, containing declarations and directions with respect to the Arrangement and the holding of the Headwater Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction prior to the Effective Time;

"**Laws**" means all laws (including, for greater certainty, common law), statutes, regulations, bylaws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices and directions enacted by a Governmental Authority (including all Applicable Canadian Securities Laws and all Applicable U.S. Securities Laws) and the terms and conditions of any grant of approval, permission, judgment, decision, ruling, award, authority or license of any Governmental Authority or self-regulatory authority;

"**Letter of Transmittal**" means collectively the Headwater Letters of Transmittal and the Tamarack Letters of Transmittal or, individually, a Headwater Letter of Transmittal or a Tamarack Letter of Transmittal, as the context requires;

"**Newco**" means a corporation to be incorporated under the ABCA prior to the Effective Time under the name "Tributary Exploration Inc.";

"**Newco Arrangement Warrants**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Newco Headwater Assets**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Newco HWX Shares**" means 79,613,379 Newco Shares;

"**Newco Shares**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Newco Tamarack Assets**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Newco TVE Shares**" means 158,149,498 Newco Shares;

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

"**Plan of Arrangement**" means this plan of arrangement, as supplemented, modified or amended from time to time in accordance with the terms of the Arrangement Agreement and the terms hereof or at the direction of the Court in the Final Order;

"**Recognized Exchange**" means the TSX or the TSX Venture Exchange;

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under section 263 of the ABCA;

"**Share Issuance Resolution**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Tamarack**" means Tamarack Valley Energy Ltd., a corporation existing under the ABCA;

"**Tamarack Arrangement Resolution**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Tamarack A Shares**" means the Class A common shares of Tamarack created pursuant to Section 3.1(b)(ii);

"**Tamarack Asset Value**" means $862,000;

"**Tamarack B Shares**" means the Tamarack Common Shares as redesignated pursuant to Section 3.1(b)(i);

"**Tamarack C Shares**" means the Class C common shares of Tamarack created pursuant to Section 3.1(b)(iii);

"**Tamarack Common Shares**" means the common shares of Tamarack as authorized prior to the Effective Time;

"**Tamarack Conveyance Agreement**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Tamarack Letter of Transmittal**" means the letter of transmittal to be sent to Tamarack Shareholders for use in connection with the Arrangement;

"**Tamarack Meeting**" means the special meeting of Tamarack Shareholders to be called to permit the Tamarack Shareholders to consider the Tamarack Arrangement Resolution, Share Issuance Resolution, Tamarack Private Placement Resolution and Tamarack Option Plan Resolution and related matters, and any adjournment(s) or postponement(s) thereof;

"**Tamarack Option Plan Resolution**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Tamarack Promissory Note**" means a non-interest-bearing demand promissory note, issued by Tamarack in favour of Headwater, with a principal amount equal to the Headwater Asset Value;

"**Tamarack Private Placement Resolution**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Tamarack Shareholders**" means the holders of Tamarack Shares;

"**Tamarack Shares**" means collectively, the Tamarack Common Shares, Tamarack A Shares, Tamarack B Shares and Tamarack C Shares and individually, a Tamarack Common Share, Tamarack A Share, Tamarack B Share or Tamarack C Share, as the context requires;

"**Tax Act**" means the *Income Tax Act*, RSC 1985, c 1 (5th Supp);

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

"**Withholding Taxes**" has the meaning ascribed thereto under Section 5.4 of this Plan of Arrangement.

**1.2 Interpretation Not Affected by Headings, etc.**

The division of this Plan of Arrangement into articles and sections is for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto" and "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

**1.3 Number, etc.**

Words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders. Where the word "including" or "includes" is used in this Plan of Arrangement, it means "including (or includes) without limitation".

**1.4 Date for Any Action**

If any date on which any action is required to be taken hereunder is not a Business Day, such action shall be taken on the next succeeding day that is a Business Day.

**1.5 Currency**

Unless otherwise indicated, all sums of money referred to in this Plan of Arrangement are expressed in lawful money of Canada.

**1.6 References to Legislation**

References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## ARTICLE 2
## THE ARRANGEMENT AGREEMENT

**2.1 Plan Pursuant to the Arrangement Agreement**

This Plan of Arrangement is made pursuant to the Arrangement Agreement. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement, the provisions of this Plan of Arrangement shall govern.

**2.2 Binding Effect**

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, shall become effective at, and be binding as and from, the Effective Time, on: (a) Headwater; (b) Tamarack; (c) all registered and beneficial holders of Headwater Shares, including Dissenting Shareholders; (d) all registered and beneficial holders of Tamarack Shares; (e) Newco; (f) the Depositary; and (g) all other Persons, without any further act or formality required on the part of any Person except as expressly provided herein.

**2.3 Filing of the Articles of Arrangement**

The Articles of Arrangement shall be filed with the Registrar with the purpose and intent that none of the provisions of this Plan of Arrangement shall become effective unless all of the provisions of this Plan of Arrangement shall have become effective in the sequence provided herein. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the steps, events or transactions set out in Section 3.1 have become effective in the sequence and at the times set out therein.

## ARTICLE 3
## PLAN OF ARRANGEMENT

**3.1 Arrangement**

Commencing at the Effective Time, each of the steps, events or transactions set out in this Section 3.1 shall, except for steps, events or transactions deemed to occur concurrently with other steps, events or transactions as set out below, occur and shall be deemed to occur consecutively in two minute intervals in the following order (or in such other manner, order or times as the parties to the Arrangement Agreement may agree in writing) without any further act or formality, except as otherwise provided herein:

***Dissenting Shareholders***

(a) the Headwater Shares held by Dissenting Shareholders shall be transferred to Headwater, and:

(i) such Dissenting Shareholders shall cease to be the holders of the Headwater Shares so transferred and to have any rights as Headwater Shareholders other than the right to be paid fair value for such Headwater Shares as set out in Section 4.1;

(ii) such Dissenting Shareholders' name shall be removed from the register of holders of Headwater Shares maintained by or on behalf of Headwater as it relates to the Headwater Shares so transferred; and

(iii) all such Headwater Shares shall be cancelled;

***Amendment of Tamarack Articles***

(b) in the course of a reorganization of Tamarack's authorized and issued share capital, the articles of Tamarack shall be amended and shall be deemed to be amended to:

(i) pursuant to section 173(1)(e) of the ABCA, change: (A) the designation of the Tamarack Common Shares from "common shares" to "Class B common shares" and, (B) the voting rights attached thereto from one (1) vote per share to 0.5 of a vote per share;

(ii) pursuant to section 173(1)(d) of the ABCA, create a new class of shares designated as "Class A common shares", having the same rights, privileges, restrictions and conditions attaching to the Tamarack Common Shares immediately prior to the Effective Time; and

(iii) pursuant to section 173(1)(d) of the ABCA, create a new class of shares designated as "Class C common shares", having the same rights, privileges, restrictions and conditions attaching to the Tamarack Common Shares immediately prior to the Effective Time except that each "Class C common share" shall be entitled to 0.4999999 votes per share;

***Acquisition of Headwater Shares by Tamarack***

(c) each Headwater Shareholder (other than a Dissenting Shareholder) shall simultaneously transfer to Tamarack all Headwater Shares held by such Headwater Shareholder in exchange for an equal number of Tamarack C Shares, and:

(i) such Headwater Shareholder shall cease to be the holder of the Headwater Shares so transferred and to have any rights as a Headwater Shareholder other than the right to receive the number of Tamarack C Shares issuable to such holder on the basis set forth in this Section 3.1(c);

(ii) such Headwater Shareholder's name shall be removed from the register of holders of Headwater Shares maintained by or on behalf of Headwater as it relates to the Headwater Shares so transferred;

(iii) Tamarack shall be deemed to be the transferee of the Headwater Shares so transferred and shall, in respect of such Headwater Shares, be added to the register of holders of Headwater Shares maintained by or on behalf of Headwater;

(iv) Tamarack shall allot and issue to such Headwater Shareholder the number of Tamarack C Shares issuable to such holder on the basis set forth in this Section 3.1(c), and such Headwater Shareholder's name shall be added to the register of holders of Tamarack C Shares maintained by or on behalf of Tamarack in respect of such issued Tamarack C Shares;

(v) all of such Tamarack C Shares shall be deemed to be duly authorized, validly issued and fully paid and non-assessable; and

(vi) an amount equal to the lesser of (A) the "paid-up capital", within the meaning of the Tax Act, of the Headwater Shares so transferred pursuant to this Section 3.1(c), and (B) the fair market value of the Headwater Shares so transferred pursuant to this Section 3.1(c), shall be added to the stated capital account maintained by Tamarack for the Tamarack C Shares.

***Tamarack Conveyance Agreement***

(d) the Newco Tamarack Assets will be transferred from Tamarack to Newco and Newco will issue 2,034,782 Newco Shares (less the number of Newco Shares that have been issued to Tamarack prior to the Effective Time, if any) and 406,956 Newco Arrangement Warrants to Tamarack pursuant to the Tamarack Conveyance Agreement and Newco shall add an amount equal to the Tamarack Asset Value (less the fair market value of the Newco Arrangement Warrants issued pursuant to this Section 3.1(d)) to the stated capital account maintained by Newco for the Newco Shares;

***Headwater Conveyance Agreement***

(e) the Newco Headwater Assets will be transferred from Headwater to Newco and Newco will issue 235,728,095 Newco Shares (less the number of Newco Shares that have been issued to Headwater prior to the Effective Time, if any) and 47,145,619 Newco Arrangement Warrants to Headwater pursuant to the Headwater Conveyance Agreement and Newco shall add an amount equal to the Headwater Asset Value (less the fair market value of the Newco Arrangement Warrants issued pursuant to this Section 3.1(e)) to the stated capital account maintained by Newco for the Newco Shares;

***Transfer of Newco Shares from Headwater to Tamarack***

(f) all of the Newco Shares and Newco Arrangement Warrants held by Headwater shall be transferred to Tamarack in exchange for the Tamarack Promissory Note;

***Tamarack Share Exchange***

(g) each issued and outstanding Tamarack B Share shall be transferred to Tamarack, in exchange for:

(i) one (1) Tamarack A Share; and

(ii) that number of Newco TVE Shares equal to the total number of Newco TVE Shares divided by the total number of Tamarack Common Shares issued and outstanding immediately prior to the Effective Time;

(h) each issued and outstanding Tamarack C Share shall be transferred to Tamarack, in exchange for:

(i) one (1) Tamarack A Share;

(ii) that number of Newco HWX Shares equal to the total number of Newco HWX Shares divided by the total number of Tamarack C Shares issued pursuant to Section 3.1(c);

(iii) that number of Newco Arrangement Warrants equal to Aggregate Newco Arrangement Warrants divided by the total number of Tamarack C Shares issued pursuant to Section 3.1(c);

(i) each holder of Tamarack B Shares and Tamarack C Shares, as the case may be, shall cease to be the holder of such Tamarack B Shares and Tamarack C Shares, as the case may be, so transferred and to have any rights as a holder of Tamarack B Shares or Tamarack C Shares, as the case may be, other than the right to receive the number of Tamarack A Shares, Newco Shares or Newco Arrangement Warrants issuable to such holder pursuant to Section 3.1(g) or (h), and:

(i) such Tamarack B Shares and Tamarack C Shares shall be cancelled;

(ii) such holder's name shall be removed from the register of holders of Tamarack B Shares or Tamarack C Shares, as applicable, maintained by or on behalf of Tamarack as it relates to the Tamarack Shares so transferred;

(iii) Tamarack shall allot and issue to such holder the number of Tamarack A Shares issuable to such holder on the basis set forth in Section 3.1(g) or (h), and such holder's name shall be added to the register of holders of Tamarack A Shares maintained by or on behalf of Tamarack in respect of such issued Tamarack A Shares;

(iv) all of such Tamarack A Shares shall be deemed to be duly authorized, validly issued and fully paid and non-assessable;

(v) an amount equal to the lesser of (A) the "paid-up capital", within the meaning of the Tax Act, of the Tamarack B Shares and Tamarack C Shares so transferred pursuant to Section 3.1(g) and (h), and (B) the fair market value of the Tamarack B Shares and Tamarack C Shares so transferred pursuant to Section 3.1(g) and (h), shall be added to the stated capital account maintained by Tamarack for the Tamarack A Shares;

(vi) on the basis set forth in Section 3.1(g)(ii) or 3.1(h)(ii), such holder's name shall be added to the register of holders of Newco Shares maintained by or on behalf of Newco in respect of such issued Newco Shares;

(vii) all of such Newco Shares shall be deemed to be duly authorized, validly issued and fully paid and non-assessable;

(viii) on the basis set forth in Section 3.1(h)(iii), such holder's name shall be added to the register of holders of Newco Arrangement Warrants maintained by or on behalf of Newco in respect of such issued Newco Arrangement Warrants;

***Amendment of Tamarack Articles***

(j) in the course of a reorganization of Tamarack's authorized and issued share capital, the articles of Tamarack shall be amended pursuant to section 173(1)(h) and section 173(1)(e) of the ABCA to cancel the Tamarack B Shares and Tamarack C Shares and to redesignate the Tamarack A Shares as "common shares";

***Consolidation of Newco Shares***

(k) the articles of Newco shall be amended pursuant to section 173(1)(f) to consolidate the Newco Shares on a five-to-one basis; and

***Appointment of Directors of Newco***

(l) the Board of Directors of Newco shall be reconstituted such that it consists of the following individuals: Neil Roszell, Jason Jaskela, Chandra Henry, Stephen Larke, Kevin Olson, Kam Sandhar and Cheree Stephenson.

**3.2 No Fractional Securities**

No fractional Tamarack Shares, Newco Shares or Newco Arrangement Warrants shall be issued under the Arrangement. In the event that a Headwater Shareholder or Tamarack Shareholder would otherwise be entitled to a fractional Tamarack Share, Newco Share or Newco Arrangement Warrant hereunder, the number of Tamarack Shares, Newco Shares or Newco Arrangement Warrants issuable to such Headwater Shareholder will be rounded up to the next whole number of Tamarack Shares, Newco Shares or Newco Arrangement Warrants if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next whole number of Tamarack Shares, Newco Shares or Newco Arrangement Warrants if the fractional entitlement is less than 0.5. In calculating fractional interests: (i) all Headwater Shares registered in the name of or beneficially held by such Headwater Shareholder or its nominee(s), shall be aggregated; and (ii) all Tamarack Shares registered in the name of or beneficially held by such Tamarack Shareholder or its nominee(s), shall be aggregated.

**3.3 Adjustment to Consideration**

The number of Tamarack Shares, Newco Shares and Newco Arrangement Warrants to which a Headwater Shareholder or a Tamarack Shareholder is entitled pursuant to the Plan of Arrangement shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Tamarack Shares or Headwater Shares, other than stock dividends paid in lieu of ordinary course dividends), consolidation, reclassification, reorganization, recapitalization or other like change with respect to Tamarack Shares or Headwater Shares occurring after the Agreement Date and prior to the Effective Time.

**3.4 U.S. Securities Act Exemption**

Notwithstanding any provision herein to the contrary, Headwater and Tamarack agree that this Plan of Arrangement will be carried out with the intention that all the Tamarack Shares, Newco Shares and Newco Arrangement Warrants to be issued to Persons on completion of this Plan of Arrangement will be issued by Tamarack and Newco in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by section 3(a)(10) thereof and pursuant to exemptions from registration under any applicable state securities laws.

## ARTICLE 4
## RIGHTS OF DISSENT

**4.1 Headwater Rights of Dissent**

Registered Headwater Shareholders may exercise Dissent Rights with respect to the Headwater Shares held by such holders in connection with the Arrangement pursuant to and in the manner set forth in section 191 of the ABCA, as modified by the Interim Order and this Section 4.1; provided that notwithstanding section 191(5) of the ABCA, the written notice setting forth a registered Headwater Shareholder's objection to the Headwater Arrangement Resolution must be received in accordance with the Interim Order by no later than 5:00 p.m. (Calgary time) on the Business Day which is five Business Days immediately preceding the date of the Headwater Meeting. Dissenting Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Headwater Shares held by them and in respect of which Dissent Rights have been validly exercised to Headwater without any further act or formality at the effective time of Section 3.1(a) notwithstanding the provisions of section 191 of the ABCA, and if they:

(a) ultimately are entitled to be paid fair value for such Headwater Shares they: (i) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(a)); (ii) shall be paid by Headwater the fair value of such Headwater Shares which fair value shall be determined as of the close of business, in respect of the Headwater Shares, on the last Business Day before the Headwater Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Headwater Shares; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Headwater Shares they shall be deemed to have participated in the Arrangement, commencing at the Effective Time, on the same basis as a non-dissenting holder of Headwater Shares notwithstanding the provisions of section 191 of the ABCA, and such holder shall receive Tamarack Shares, Newco Shares and Newco Arrangement Warrants for such holder's Headwater Shares on the basis set forth in Sections 3.1(c) and 3.1(h).

**4.2 Recognition of Dissenting Shareholders**

(a) In no circumstances shall Headwater, Tamarack, Newco or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of the Headwater Shares in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall Headwater, Tamarack, Newco or any other Person be required to recognize Dissenting Shareholders as holders of Headwater Shares in respect of which Dissent Rights have been validly exercised after the effective time of Section 3.1(a).

**4.3 Other Dissent Provisions**

(a) In addition to any other restrictions in section 191 of the ABCA, Headwater Shareholders who have voted in favour of the Headwater Arrangement Resolution shall not be entitled to exercise Dissent Rights.

(b) A Person may only exercise Dissent Rights in respect of all, and not less than all, of such Person's Headwater Shares.

## ARTICLE 5
## CERTIFICATES AND DELIVERY OF CONSIDERATION

**5.1 Delivery of Consideration**

(a) Tamarack and Newco shall, on the Effective Date, prior to the sending of the Articles of Arrangement to the Registrar, deposit, or cause to be deposited, in escrow with the Depositary pending completion of the Arrangement, certificates representing, or other evidence regarding the issuance of, the Tamarack A Shares, Newco Shares and Newco Arrangement Warrants that Tamarack Shareholders and Headwater Shareholders are entitled to receive under the Arrangement pursuant to Sections 3.1(g) and 3.1(h) (after reflecting the redesignation of the Tamarack A Shares as "common shares" pursuant to Section 3.1(j) and the consolidation of the Newco Shares pursuant to Section 3.1(k)) and, which certificates, or other evidence, shall be held, as of the effective time of Section 3.1(g) or 3.1(h), as the case may be, by the Depositary as agent and nominee for the Tamarack Shareholders and Headwater Shareholders in accordance with the provisions of this Article 5.

(b) Forthwith following the effective time of Sections 3.1(g) and 3.1(h), subject to Section 5.1(d), Tamarack shall cause to be issued to each Tamarack Shareholder and Headwater Shareholder the number of Tamarack A Shares issuable pursuant to Sections 3.1(g) and 3.1(h) (after reflecting the redesignation of the Tamarack A Shares as "common shares" pursuant to Section 3.1(j)).

(c) Forthwith following the effective time of Sections 3.1(g) and 3.1(h), subject to Section 5.1(d), Newco shall cause to be issued to each Tamarack Shareholder and Headwater Shareholder the number of Newco Shares and Newco Arrangement Warrants issuable pursuant to Sections 3.1(g) and 3.1(h) (after reflecting the consolidation of the Newco Shares pursuant to Section 3.1(k)).

(d) The Depositary shall deliver the consideration to which former Tamarack Shareholders and Headwater Shareholders are entitled in respect of those Tamarack Common Shares and Headwater Shares that were transferred or deemed to be transferred pursuant to Sections 3.1(c) and 3.1(g) which are held through CDS or another book-entry-only system, less any amounts withheld pursuant to Section 5.4, in accordance with normal industry practice for payments relating to securities held through a book-entry-only system. With respect to all other Tamarack Common Shares and Headwater Shares, upon receipt by the Depositary of a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, and, in the case of Tamarack Common Shares and Headwater Shares represented by certificates which, immediately prior to the Effective Time, represented outstanding Tamarack Common Shares and Headwater Shares that were transferred or deemed to be transferred pursuant to Sections 3.1(c) and 3.1(g), upon surrender to the Depositary for cancellation of such certificate or certificates (as applicable), each such former holder of Tamarack Common Shares and Headwater Shares shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder as directed in the Letter of Transmittal, the consideration which such former holder has the right to receive under this Plan of Arrangement for such Tamarack Common Shares and Headwater Shares less any amounts withheld pursuant to Section 5.4, and any certificate(s) so surrendered (if applicable) shall forthwith be cancelled.

(e) Until surrendered as contemplated by Section 5.1(d) (which, for the purposes of this Section 5.1(e) shall be deemed to apply to Dissenting Shareholders) each certificate or DRS Advice evidencing Tamarack Common Shares or Headwater Shares immediately prior to the Effective Time shall be deemed after the Effective Time to represent only the right to receive upon such surrender (or, in the case of a DRS Advice, delivery of the documentation required pursuant to Section 5.1(d)) the consideration to which such former holders of such Tamarack Common Shares or Headwater Shares are entitled under the Arrangement, less any amounts withheld pursuant to Section 5.4, or as to those held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1, to receive the fair value of the Tamarack Common Shares or Headwater Shares, as the case may be, represented thereby.

(f) Subject to any Applicable Laws relating to unclaimed personal property, if a former holder of Tamarack Common Shares or Headwater Shares has not delivered the documents required pursuant to Section 5.1(d), including, if applicable, any certificate formerly representing Tamarack Common Shares or Headwater Shares, on or before the last Business Day before the third anniversary of the Effective Date, any right or claim by or interest of any kind or nature, including the right of a Tamarack Shareholder or Headwater Shareholder to receive certificates, DRS Advices or or other evidence of issuance representing Tamarack A Shares, Newco Shares and Newco Arrangement Warrants to which such holder is entitled pursuant to the Arrangement, shall terminate and be deemed to be surrendered and forfeited to Tamarack or Newco, as the case may be, for no consideration, together with all entitlements to dividends, distributions and interest thereon. In such case, the applicable Tamarack A Shares shall be returned to Tamarack for cancellation and the applicable Newco Shares and Newco Arrangement Warrants shall be returned to Newco for cancellation.

(g) No Tamarack Shareholder or Headwater Shareholder shall be entitled to receive any consideration with respect to the Tamarack Shares or Headwater Shares other than the consideration to which the holder is entitled to receive under the Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividend, premium or other payment in connection therewith, except as expressly provided in Section 5.3.

(h) No new share certificates, DRS Advices or other evidence of issuance will be issued with respect to the Tamarack B Shares or Tamarack C Shares issued in connection with the Arrangement. No new share certificates will be issued with respect to the Tamarack A Shares prior to the redesignation of the Tamarack A Shares as "common shares" pursuant to Section 3.1(j). No certificates, DRS Advices or other evidence of issuance will be issued with respect to the Newco Shares and Newco Arrangement Warrants prior to the consolidation of the Newco Shares pursuant to Section 3.1(k).

**5.2 Lost Certificates**

If any certificate which immediately prior to the Effective Time represented an interest in one or more outstanding Tamarack Common Shares or Headwater Shares that were transferred pursuant to Section 3.1 has been lost, stolen or destroyed, upon satisfying such reasonable requirements as may be imposed by Tamarack or Headwater, as the case may be, and the Depositary in relation to such lost, stolen or destroyed certificate, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement, deliverable in accordance with such holder's Letter of Transmittal. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to each of Tamarack, Headwater and their respective transfer agents in such form as is satisfactory to Tamarack, Headwater and their respective transfer agents, or shall otherwise indemnify Tamarack, Headwater and their respective transfer agents, to the reasonable satisfaction of such parties, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

**5.3 Distributions with Respect to Unsurrendered Shares**

No dividend or other distribution declared or made after the Effective Time with respect to Tamarack Shares with a record date after the Effective Time shall be delivered to any former holder of Headwater Shares or Tamarack Common Shares, whose Headwater Shares or Tamarack Common Shares, as applicable, were represented by a certificate or DRS Advice, unless and until such holder has complied with the provisions of Section 5.1 or Section 5.2. Subject to Applicable Law and to Section 5.4, at the time of such compliance, a Headwater Shareholder or Tamarack Shareholder entitled to receive Tamarack A Shares shall receive, in addition to the delivery of a certificate or DRS Advice representing the Tamarack A Shares a cheque for the amount of the dividend or other distribution with a record date after the Effective Time, without interest, theretofore paid with respect to such Tamarack A Shares.

**5.4 Withholdings**

Headwater, Tamarack, Newco and the Depositary shall be entitled to deduct or withhold from any amounts payable (including from any shares issuable) to any Person, pursuant to the Arrangement, such amounts (whether in cash or Tamarack Shares) as Headwater, Tamarack, Newco or the Depositary reasonably determines it is required to deduct or withhold with respect to such payment, issuance or transfer, as the case may be, under the Tax Act or any provision of federal, provincial, territorial, state, local or foreign tax law ("**Withholding Taxes**"). To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated, for all purposes hereof, as having been paid or delivered to such Person in respect of whom such deduction or withholding was made, provided that such deducted or withheld amounts (or net proceeds therefrom) are timely remitted to the appropriate Governmental Authority. Any of Headwater, Tamarack, Newco or the Depositary is hereby authorized to sell or otherwise dispose of any shares or other securities issuable pursuant to the Arrangement as is necessary to provide sufficient funds to Headwater, Tamarack, Newco or the Depositary, as the case may be, to enable it to comply with all deduction or withholding requirements applicable to it, and none of Headwater, Tamarack, Newco or the Depositary shall be liable to any Person for any deficiency in respect of any proceeds received, and Headwater, Tamarack, Newco or the Depositary, as applicable, shall notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

**5.5 No Encumbrances**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be and shall be deemed to be free and clear of any Encumbrances or other claims of third parties of any kind.

**5.6 Paramountcy**

From and after the Effective Time:

(a) this Plan of Arrangement shall take precedence and priority over any and all rights related to Tamarack Common Shares and Headwater Shares issued or outstanding prior to the Effective Time;

(b) the rights and obligations of Headwater, Tamarack, Newco, the Depositary, the Headwater Shareholders (including Dissenting Shareholders), the Tamarack Shareholders and any trustee, transfer agent or other depositary therefor, shall be solely as provided for in this Plan of Arrangement; and

(c) all actions, causes of action, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to any Tamarack Common Shares and Headwater Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

**5.7 Illegality of Delivery of Tamarack Shares**

Notwithstanding the foregoing, if it appears to Tamarack or Headwater that it would be contrary to Applicable Law to issue Tamarack Shares, Newco Shares or Newco Arrangement Warrants pursuant to the Arrangement to a Person that is not a resident of Canada, the Tamarack Shares, Newco Shares and Newco Arrangement Warrants that otherwise would be issued to that Person will be issued to the Depositary for sale by the Depositary or a nominee of the Depositary acceptable to Headwater and Tamarack, each acting reasonably, on behalf of that Person. The Tamarack Shares so issued to the Depositary will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the Depositary determines in its sole discretion. The Newco Shares so issued to the Depositary will be pooled and sold as soon as practicable after the Effective Date, on such dates

and at such prices as the Depositary determines in its sole discretion. The Newco Arrangement Warrants so issued to the Depositary will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the Depositary determines in its sole discretion. The Depositary or its nominee shall not be obligated to seek or obtain a minimum price for any of the Tamarack Shares, Newco Shares or Newco Arrangement Warrants sold by it. Each such Person will receive a pro rata share of the cash proceeds from the sale of the Tamarack Shares, Newco Shares or Newco Arrangement Warrants sold by the Depositary (less commissions, other reasonable expenses incurred in connection with the sale of the Tamarack Shares, Newco Shares or Newco Arrangement Warrants and any amount deducted or withheld in respect of Withholding Taxes) in lieu of the Tamarack Shares, Newco Shares or Newco Arrangement Warrants themselves. None of Headwater, Tamarack, Newco or the Depositary will be liable for any loss arising out of any such sales.

## ARTICLE 6
## AMENDMENTS

### 6.1 Amendment of this Plan of Arrangement

(a) Headwater and Tamarack may amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be: (i) set out in writing; (ii) approved by both Headwater and Tamarack, each acting reasonably; (iii) filed with the Court and, if made following the Tamarack Meeting and/or the Headwater Meeting, approved by the Court; and (iv) communicated to the Tamarack Shareholders and Headwater Shareholders, if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Headwater or Tamarack at any time prior to or at the Tamarack Meeting or the Headwater Meeting (provided that Headwater or Tamarack, as applicable, shall have consented thereto in writing, acting reasonably) with or without any other prior notice or communication and, if so proposed and accepted by the Persons voting at the Tamarack Meeting or Headwater Meeting (other than as may be required by the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Tamarack Meeting or Headwater Meeting shall be effective only: (i) if it is consented to in writing by each of Headwater and Tamarack (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by some or all of the Tamarack Shareholders or Headwater Shareholders, as the case may be, voting in the manner directed by the Court.

(d) This Plan of Arrangement may be amended, modified or supplemented following the Effective Time upon agreement of Tamarack and Newco, provided that it concerns a matter which, in the reasonable opinion of Tamarack and Newco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of the Tamarack Shareholders or former Headwater Shareholders.

**APPENDIX E**
**INTERIM ORDER**

[See attached.]

CERTIFIED Wayne Lepine
by the Court Clerk as a true copy of the document digitally filed on Oct 13, 2026

Clerk's Stamp:

JUDICIAL CENTRE OF CALGARY
FILED DIGITALLY
2601 18339
Oct 13, 2026
2:33 PM
CLERK OF THE COURT

| | |
|---|---|
| COURT FILE NUMBER | 2601 – 18339 |
| COURT | COURT OF KING'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| MATTER | IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED<br><br>AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING HEADWATER EXPLORATION INC., TAMARACK VALLEY ENERGY LTD., TRIBUTARY EXPLORATION INC., THE SHAREHOLDERS OF HEADWATER EXPLORATION INC. AND THE SHAREHOLDERS OF TAMARACK VALLEY ENERGY LTD. |
| APPLICANTS | **HEADWATER EXPLORATION INC. AND TAMARACK VALLEY ENERGY LTD.** |
| RESPONDENTS | Not Applicable |
| DOCUMENT | **INTERIM ORDER** |


| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | For Headwater Exploration Inc.: | For Tamarack Valley Energy Ltd.: |
|---|---|---|
| | **Burnet, Duckworth & Palmer LLP**<br>2400, 525 – 8th Avenue S.W.<br>Calgary, Alberta T2P 1G1<br>Attention: Ryan Algar<br><br>Phone Number: (403) 260-0126<br>Fax Number: (403) 260-0332<br>Email: ralgar@bdplaw.com<br>File No. 76059-30 | **Stikeman Elliott LLP**<br>4200, 888 3rd Street SW<br>Calgary, AB T2P 5C5<br>Attention: Matti Lemmens<br><br>Phone Number: 403-266-9064<br>Fax Number: 403-266-9034<br>Email: mlemmens@stikeman.com |


| | |
|---|---|
| **DATE ON WHICH ORDER WAS PRONOUNCED:** | October 13, 2026 |
| **NAME OF JUDGE WHO MADE THIS ORDER:** | The Honourable Justice M.H. Bourque |
| **LOCATION OF HEARING:** | Edmonton, Alberta – via Webex |

**UPON** the Originating Application (the "**Originating Application**") of Headwater Exploration Inc. ("**Headwater**") and Tamarack Valley Energy Ltd. ("**Tamarack**" and together with Headwater, the "**Applicants**") for an Order under Section 193(4) of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the "***ABCA***") in respect of a plan of arrangement under Section 193(1) of the *ABCA*;

**AND UPON** reading the Originating Application, the Affidavit No. 1 of Jason Jaskela, President and Chief Executive Officer of Headwater, sworn October 8, 2026 ("**Headwater Affidavit No. 1**"), and Affidavit No.1 of Steven Buytels, President of Tamarack, sworn October 9, 2026 and the documents referred to therein;

**AND UPON** being advised that the approval of the Arrangement (as defined herein) by this Court will constitute the basis for an exemption from the registration requirement of the *United States Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of New Tamarack Shares, Tributary Shares and Tributary Arrangement Warrants to holders ("**Headwater Shareholders**") of common shares ("**Headwater Shares**") of Headwater and holders ("**Tamarack Shareholders**") of common shares ("**Tamarack Shares**") of Tamarack, as applicable, pursuant to the Arrangement;

**AND UPON** being advised that notice of the Originating Application has been given to the Registrar (the "**Registrar**") appointed under Section 263 of the *ABCA*;

**AND UPON** hearing counsel for each of the Applicants;

**FOR THE PURPOSES OF THIS ORDER:**

(a) the capitalized terms not defined in this Order (the "**Order**") shall have the meanings attributed to them in the draft joint management information circular of Headwater and Tamarack (the "**Information Circular**"), which is attached as Exhibit "A" to Headwater Affidavit No. 1; and

(b) all references to "**Arrangement**" used in this Order mean the arrangement as set forth in the Plan of Arrangement attached as Schedule "A" to the arrangement agreement (the "**Arrangement Agreement**") dated September 7, 2026 between Headwater and Tamarack and as Appendix D to the Information Circular.

**IT IS HEREBY ORDERED THAT:**

**General**

1. The Applicants shall seek approval of the Arrangement by Headwater Shareholders and Tamarack Shareholders in the manner set forth below.

**The Headwater Meeting**

2. Headwater shall call and conduct a special meeting of Headwater Shareholders (the "**Headwater Meeting**") on or about November 18, 2026 at 9:00 a.m. (Calgary time) in a virtual-only format that will be conducted via live webcast. All further references to "in person" or "present" in respect of the Headwater Meeting shall be read as providing for attendance of such persons through the virtual meeting platform utilized by Headwater.

3. At the Headwater Meeting, the Headwater Shareholders will consider and vote upon, among other things, a special resolution to approve the Arrangement substantially in the form attached as Appendix A to the Information Circular (the "**Headwater Arrangement Resolution**"), and such other business as may properly be brought before the Headwater Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

4. A quorum at the Headwater Meeting shall be two persons, each being a Headwater Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a Headwater Shareholder so entitled, holding or representing by proxy at least twenty-five percent (25%) of the Headwater Shares entitled to vote at the Headwater Meeting. If a quorum is present at the opening of the Headwater Meeting, the Headwater Shareholders present or represented by proxy may proceed with the business of the Headwater Meeting notwithstanding that a quorum is not present throughout the Headwater Meeting. If a quorum is not present within 15 minutes of the opening of the Headwater Meeting, the Headwater Shareholders present or represented by proxy may adjourn the Headwater Meeting to a fixed time and place but may not transact any other business. No notice of the adjourned Headwater Meeting other than by announcement at the time of adjournment and the news release contemplated in paragraph 14 is required and, if at such adjourned Headwater Meeting a quorum is not present, the Headwater Shareholders present or represented by proxy, shall be a quorum for all purposes.

5. Each Headwater Share entitled to be voted at the Headwater Meeting will entitle the holder thereof to one vote at the Headwater Meeting in respect of the Headwater Arrangement Resolution and any other matters to be considered at the Headwater Meeting.

6. The record date for Headwater Shareholders entitled to receive notice of and vote at the Headwater Meeting shall be October 8, 2026 (the "**Headwater Record Date**") and will not change in respect, or as a consequence, of any adjournment or postponement of the Headwater Meeting, unless ordered by the Court or required by Applicable Law. Only Headwater Shareholders whose names have been entered in the register of holders of Headwater Shares on the close of business on the Headwater Record Date will be entitled to receive notice of and to vote at the Headwater Meeting, provided that, to the extent a Headwater Shareholder transfers the ownership of any of its Headwater Shares after the Headwater Record Date and the transferee of such Headwater Shares establishes ownership of such Headwater Shares and demands, not later than ten (10) days before the Headwater Meeting, to be included in the list of Headwater Shareholders entitled to vote at the Headwater Meeting, such transferee will be entitled to vote such Headwater Shares at the Headwater Meeting.

**Conduct of the Headwater Meeting**

7. The Headwater Meeting shall be called, held and conducted in accordance with the applicable provisions of the *ABCA*, the articles and by-laws of Headwater in effect at the relevant time, the rulings and directions of the Chair of the Headwater Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the *ABCA* or the articles or by-laws of Headwater, the terms of this Order shall govern.

8. The Chair of the Headwater Meeting shall be the Chair of the Headwater Board. If he is not present at the Headwater Meeting, the Chair of the Headwater Meeting shall be determined in accordance with the applicable provisions of the by-laws of Headwater.

9. The only persons entitled to attend the Headwater Meeting shall be Headwater Shareholders or their authorized proxy holders; Headwater's directors and officers and its auditors, legal counsel, financial advisors and representatives, the scrutineer (and its representatives for that purpose), Tamarack and its legal counsel, financial advisors and representatives, Tributary and its legal counsel and representatives, the

Registrar, legal counsel of persons subject to the Arrangement, and such other persons who may be permitted to attend by the Chair of the Headwater Meeting.

10. The number of votes required to pass the Headwater Arrangement Resolution shall be: (i) not less than 66⅔% of the votes cast by Headwater Shareholders present in person or represented by proxy at the Headwater Meeting; and (ii) a simple majority of the votes cast by Headwater Shareholders present in person or represented by proxy at the Headwater Meeting after excluding the votes cast by persons whose votes may not be included in determining minority approval of a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

11. To be valid, a proxy must be deposited with Odyssey Trust Company ("**Odyssey**") in the manner and within the time period described in the Information Circular.

12. Any Headwater Proxy (as defined below) that is properly signed and dated but which does not contain voting instructions shall be deemed to be voted in favour of the Headwater Arrangement Resolution.

13. The accidental omission to give notice of the Headwater Meeting or the non-receipt of the notice shall not constitute a breach of this Order, nor shall it invalidate any resolution passed or proceedings taken at the Headwater Meeting.

14. Subject to the terms of the Arrangement Agreement, Headwater is authorized to adjourn or postpone the Headwater Meeting on one or more occasions (whether or not a quorum is present) and for such period or periods of time as Headwater deems advisable, without further order of this Court and without the necessity of first convening the Headwater Meeting or first obtaining any vote of the Headwater Shareholders in respect of the adjournment or postponement, provided that: (a) any adjourned or postponed Headwater Meeting shall be held in the same virtual-only format, conducted via live webcast on the same virtual meeting platform (or a virtual meeting platform that is accessible to Headwater Shareholders on substantially the same basis) as the Headwater Meeting as originally called pursuant to this Order; and (b) notice of the adjournment or postponement, including the date and time of, and the manner of accessing, the adjourned or postponed Headwater Meeting, shall be given by Headwater by disseminating a news release in accordance with applicable securities laws and the policies of the TSX and filing such

news release under Headwater's SEDAR+ profile, and, where the adjournment is made at the Headwater Meeting, by announcement at the Headwater Meeting, together with such other method of notice (including notice given in the manner provided in paragraph 37 of this Order) as Headwater determines is appropriate in the circumstances, and such notice shall be good and sufficient notice of the adjourned or postponed Headwater Meeting for all purposes. If the Headwater Meeting is adjourned or postponed in accordance with this Order, the references to the Headwater Meeting in this Order shall be deemed to be the Headwater Meeting as adjourned or postponed, as the context allows.

**The Tamarack Meeting**

15. Tamarack shall call and conduct a special meeting of Tamarack Shareholders (the "**Tamarack Meeting**") on or about November 18, 2026 at 10:00 a.m. (Calgary time) in a virtual-only format that will be conducted via live webcast. All further references to "in person" or "present" in respect of the Tamarack Meeting shall be read as providing for attendance of such persons through the virtual meeting platform utilized by Tamarack.

16. At the Tamarack Meeting, the Tamarack Shareholders will consider and vote upon, among other things, a special resolution to approve the Arrangement substantially in the form attached as Appendix B to the Information Circular (the "**Tamarack Arrangement Resolution**") and such other business as may properly be brought before the Tamarack Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

17. A quorum at the Tamarack Meeting shall be two persons, each being a Tamarack Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a Tamarack Shareholder so entitled, holding or representing by proxy at least five percent (5%) of the Tamarack Shares entitled to vote at the Tamarack Meeting. If a quorum is present at the opening of the Tamarack Meeting, the Tamarack Shareholders present or represented by proxy may proceed with the business of the Tamarack Meeting notwithstanding that a quorum is not present throughout the Tamarack Meeting. If a quorum is not present within 15 minutes of the opening of the Tamarack Meeting, the Tamarack Shareholders present or represented by proxy may adjourn the Tamarack Meeting to a fixed time and place but may not transact any other business. No notice of the adjourned Tamarack Meeting other than by announcement at the time of adjournment

and the news release contemplated by paragraph 27 is required and, if at such adjourned Tamarack Meeting a quorum is not present, the Tamarack Shareholders present or represented by proxy, shall be a quorum for all purposes.

18. Each Tamarack Share entitled to be voted at the Tamarack Meeting will entitle the holder thereof to one vote at the Tamarack Meeting in respect of the Tamarack Arrangement Resolution and any other matters to be considered at the Tamarack Meeting.

19. The record date for Tamarack Shareholders entitled to receive notice of and vote at the Tamarack Meeting shall be October 8, 2026 (the "**Tamarack Record Date**") and will not change in respect, or as a consequence, of any adjournment or postponement of the Tamarack Meeting, unless ordered by the Court or required by Applicable Law. Only Tamarack Shareholders whose names have been entered in the register of holders of Tamarack Shares on the close of business on the Tamarack Record Date will be entitled to receive notice of and to vote at the Tamarack Meeting, provided that, to the extent a Tamarack Shareholder transfers the ownership of any of its Tamarack Shares after the Tamarack Record Date and the transferee of such Tamarack Shares establishes ownership of such Tamarack Shares and demands, not later than ten (10) days before the Tamarack Meeting, to be included in the list of Tamarack Shareholders entitled to vote at the Tamarack Meeting, such transferee will be entitled to vote such Tamarack Shares at the Tamarack Meeting.

**Conduct of the Tamarack Meeting**

20. The Tamarack Meeting shall be called, held and conducted in accordance with the applicable provisions of the *ABCA*, the articles and by-laws of Tamarack in effect at the relevant time, the rulings and directions of the Chair of the Tamarack Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the *ABCA* or the articles or by-laws of Tamarack, the terms of this Order shall govern.

21. The Chair of the Tamarack Meeting shall be the Chair of the Tamarack Board. If he is not present at the Tamarack Meeting, the Chair of the Tamarack Meeting shall be determined in accordance with the applicable provisions of the by-laws of Tamarack.

22. The only persons entitled to attend the Tamarack Meeting shall be Tamarack Shareholders or their authorized proxy holders; Tamarack's directors and officers and its

auditors, legal counsel, financial advisors and representatives, the scrutineer (and its representatives for that purpose), Headwater and its legal counsel, financial advisors and representatives, Tributary and its legal counsel and representatives, the Registrar, legal counsel of persons subject to the Arrangement, and such other persons who may be permitted to attend by the Chair of the Tamarack Meeting.

23. The number of votes required to pass the Tamarack Arrangement Resolution shall be not less than 66⅔% of the votes cast by Tamarack Shareholders present in person or represented by proxy at the Tamarack Meeting.

24. To be valid, a proxy must be deposited with Odyssey in the manner and within the time period described in the Information Circular.

25. Any Tamarack Proxy (as defined below) that is properly signed and dated but which does not contain voting instructions shall be deemed to be voted in favour of the Tamarack Arrangement Resolution.

26. The accidental omission to give notice of the Tamarack Meeting or the non-receipt of the notice shall not constitute a breach of this Order, nor shall it invalidate any resolution passed or proceedings taken at the Tamarack Meeting.

27. Subject to the terms of the Arrangement Agreement, Tamarack is authorized to adjourn or postpone the Tamarack Meeting on one or more occasions (whether or not a quorum is present) and for such period or periods of time as Tamarack deems advisable, without further order of this Court and without the necessity of first convening the Tamarack Meeting or first obtaining any vote of the Tamarack Shareholders in respect of the adjournment or postponement, provided that: (a) any adjourned or postponed Tamarack Meeting shall be held in the same virtual-only format, conducted via live webcast on the same virtual meeting platform (or a virtual meeting platform that is accessible to Tamarack Shareholders on substantially the same basis) as the Tamarack Meeting as originally called pursuant to this Order; and (b) notice of the adjournment or postponement, including the date and time of, and the manner of accessing, the adjourned or postponed Tamarack Meeting, shall be given by Tamarack by disseminating a news release in accordance with applicable securities laws and the policies of the TSX and filing such news release under Tamarack's SEDAR+ profile, and, where the adjournment is made at the Tamarack Meeting, by announcement at the Tamarack Meeting, together with such other method of

notice (including notice given in the manner provided in paragraph 37 of this Order) as Tamarack determines is appropriate in the circumstances, and such notice shall be good and sufficient notice of the adjourned or postponed Tamarack Meeting for all purposes. If the Tamarack Meeting is adjourned or postponed in accordance with this Order, the references to the Tamarack Meeting in this Order shall be deemed to be the Tamarack Meeting as adjourned or postponed, as the context allows.

**Amendments to the Arrangement**

28. The Applicants are authorized to make such amendments, revisions or supplements to the Arrangement as they may together determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Headwater Meeting and the Tamarack Meeting and the subject of the Headwater Arrangement Resolution and Tamarack Arrangement Resolution, without need to return to this Court to amend this Order.

**Amendments to Meeting Materials**

29. The Applicants are authorized to make such amendments, modifications or supplements ("**Additional Information**") to the Information Circular, form of proxy for use by Headwater Shareholders at the Headwater Meeting ("**Headwater Proxy**"), form of proxy for use by Tamarack Shareholders at the Tamarack Meeting ("**Tamarack Proxy**"), notice of the Headwater Meeting (the "**Notice of Headwater Meeting**"), notice of the Tamarack Meeting (the "**Notice of Tamarack Meeting**"), letter of transmittal for Headwater ("**Headwater Letter of Transmittal**"), letter of transmittal for Tamarack ("**Tamarack Letter of Transmittal**") and notice of Originating Application ("**Notice of Originating Application**") as they may determine, provided such amendments, modifications or supplements are made in accordance with the Arrangement Agreement. The Applicants may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicants, and Headwater and Tamarack need not observe the 21 day or other meeting notice requirements required under applicable laws. Without limiting the generality of the foregoing, if any material change or material

fact arises between the date of this Order and the date of the Headwater Meeting and Tamarack Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been required to be disclosed in the Information Circular, then:

(a) the Applicants shall advise the Headwater Shareholders and Tamarack Shareholders of the material change or material fact by disseminating a news release (a "**News Release**") in accordance with applicable securities laws and the policies of the TSX;

(b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicants shall not be required to deliver an amendment to the Information Circular to the Headwater Shareholders and Tamarack Shareholders or otherwise give notice to the Headwater Shareholders or Tamarack Shareholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid; and

(c) unless determined to be advisable by the Applicants, and in accordance with the Arrangement Agreement, neither Headwater nor Tamarack shall be required to adjourn or otherwise postpone the Headwater Meeting or the Tamarack Meeting as a result of any Additional Information, including any material change, as contemplated by this paragraph 29.

**Dissent Rights of Headwater Shareholders**

30. Registered Headwater Shareholders as of the Headwater Record Date are, subject to the provisions of this Order and the Arrangement, accorded the right to dissent under Section 191 of the *ABCA* with respect to the Headwater Arrangement Resolution and the right to be paid an amount equal to the fair value of their Headwater Shares in respect of which such right to dissent was validly exercised and has not been withdrawn or deemed to have been withdrawn.

31. In order for a registered Headwater Shareholder to exercise such right to dissent (a "**Dissenting Shareholder**") under Section 191 of the *ABCA*:

(a) notwithstanding subsection 191(5) of the *ABCA*, the Dissenting Shareholder's written objection to the Headwater Arrangement Resolution must be received by Headwater, c/o its counsel Burnet, Duckworth & Palmer LLP, Suite 2400, 525 –

8th Avenue S.W., Calgary, Alberta, T2P 1G1, Attention: Ryan Algar, no later than 5:00 p.m. (Calgary time) on November 10, 2026 or 5:00 p.m. (Calgary Time) on the Business Day that is five (5) Business Days immediately preceding the date that any adjournment or postponement of the Headwater Meeting is reconvened or held, as the case may be;

(b) a vote against the Headwater Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Headwater Arrangement Resolution as required under paragraph 31(a) herein;

(c) a Dissenting Shareholder shall not have voted his or her Headwater Shares at the Headwater Meeting, either by proxy or in person, in favour of the Headwater Arrangement Resolution;

(d) a registered Headwater Shareholder may not exercise the right to dissent in respect of only a portion of their Headwater Shares but may dissent only with respect to all of their Headwater Shares; and

(e) the exercise of such right to dissent must otherwise comply with the requirements of Section 191 of the *ABCA*, as modified and supplemented by this Order and the Plan of Arrangement.

32. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the last Business Day before the day on which the Headwater Arrangement Resolution is approved by the Headwater Shareholders and shall be paid to the Dissenting Shareholders by Headwater, as contemplated by the Arrangement and this Order.

33. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 30 and 31 above:

(a) who are determined to be entitled to be paid the fair value of their Headwater Shares shall be deemed to have transferred such Headwater Shares to Headwater as of the effective time of Section 3.1(a) of the Plan of Arrangement (the "**Effective Time**"), without any further act or formality and free and clear of all liens, claims and encumbrances in exchange for the fair value of their Headwater Shares in accordance with the Plan of Arrangement, and such Dissenting

Shareholders will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had they not exercised their right to dissent in respect of their Headwater Shares; or

(b) who are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Headwater Shares shall be deemed to have participated in the Arrangement on the same basis as Headwater Shareholders that are not Dissenting Shareholders, notwithstanding the provisions of Section 191 of the ABCA, and such Headwater Shares will be deemed to be exchanged for the applicable consideration under the Arrangement that such Dissenting Shareholder of Headwater Shares would have received if such Dissenting Shareholder of Headwater Shares was not a Dissenting Shareholder, but in no event shall the Applicants, Tributary, Odyssey, or any other person be required to recognize such Dissenting Shareholders as holders of Headwater Shares after the Effective Time,

and the names of such Dissenting Shareholders shall be removed from the register of Headwater Shares maintained by or on behalf of Headwater at the Effective Time.

34. Subject to further Order of this Court, the rights available to Headwater Shareholders under the *ABCA*, this Order and the Plan of Arrangement to dissent to the Headwater Arrangement Resolution shall constitute full and sufficient dissent rights for the Headwater Shareholders with respect to the Headwater Arrangement Resolution.

35. Notice to Headwater Shareholders of their right to dissent with respect to the Headwater Arrangement Resolution and to receive, subject to the provisions of the *ABCA*, this Order and the Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Headwater Shareholders in accordance with paragraph 37 of this Order.

**No Dissent Rights of Tamarack Shareholders**

36. No rights of dissent are granted to Tamarack Shareholders in respect of the Tamarack Arrangement Resolution or the Arrangement.

**Notice**

37. The Information Circular, substantially in the form attached as Exhibit "A" to Headwater Affidavit No. 1, with such amendments thereto as counsel to the Applicants may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of Headwater Meeting, Notice of Tamarack Meeting, Headwater Proxy, Tamarack Proxy, the Headwater Letter of Transmittal, the Tamarack Letter of Transmittal, Notice of Originating Application, and this Order, together with any other communications or documents determined by the Applicants to be necessary or advisable (collectively, the "**Meeting Materials**"), shall be sent to those Headwater Shareholders who hold Headwater Shares as of the Headwater Record Date, those Tamarack Shareholders who hold Tamarack Shares as of the Tamarack Record Date, the directors of each of the Applicants, the auditors of each of the Applicants and the Registrar by one or more of the following methods, as applicable:

(a) in the case of registered Headwater Shareholders, by prepaid ordinary mail, courier or delivery in person, at least 21 days prior to the date of the Headwater Meeting at the addresses for such holders recorded in the applicable records of Headwater at the close of business on the Headwater Record Date and in calculating the 21-day period, the date of mailing or delivery shall be included and the date of the Headwater Meeting shall be excluded;

(b) in the case of registered Tamarack Shareholders, by prepaid ordinary mail, courier or delivery in person, at least 21 days prior to the date of the Tamarack Meeting at the addresses for such holders recorded in the applicable records of Tamarack at the close of business on the Tamarack Record Date and in calculating the 21-day period, the date of mailing or delivery shall be included and the date of the Tamarack Meeting shall be excluded;

(c) in the case of Headwater Shareholders and Tamarack Shareholders who do not hold Headwater Shares and Tamarack Shares, respectively, in their own name, by providing a voting information form and notice to such holders containing information on how to access a copy of the Meeting Materials in accordance with the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), unless any such holder previously requested to receive a paper copy

of Headwater meeting materials or Tamarack meeting materials, respectively, in which case a copy of the Meeting Materials will be provided to such holder in accordance with NI 54-101;

(d) in the case of the directors and auditors of each of the Applicants, by email, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Headwater Meeting and Tamarack Meeting, as applicable; and

(e) in the case of the Registrar, by email to corp.reg@gov.ab.ca, courier or by delivery in person, addressed to the Registrar not later than 21 days prior to the date of the Headwater Meeting and Tamarack Meeting.

38. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Headwater Shareholders, the Tamarack Shareholders, the directors of each of the Applicants, the auditors of each of the Applicants and the Registrar of:

(a) the Originating Application;

(b) this Order;

(c) the Notice of Headwater Meeting;

(d) the Notice of Tamarack Meeting;

(e) the Information Circular; and

(f) the Notice of Originating Application.

**Solicitation of Proxies**

39. Tamarack and Headwater are authorized to use the Tamarack Proxy and Headwater Proxy, respectively, enclosed with the Information Circular, subject to their ability to insert dates and other relevant information in the final forms of such proxies. Each of Tamarack and Headwater is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents, including Laurel Hill Advisory

Group, or other representatives that Tamarack or Headwater may retain for that purpose, and such solicitation may be by mail or such other forms of personal and electronic communication as they may determine.

**Court Filed Documents**

40. A signed copy of this Order shall be sufficient to include with the Information Circular and other Meeting Materials, as directed herein, even if it does not yet bear a filing stamp from the Court of King's Bench of Alberta.

**Final Application**

41. Subject to further order of this Court, and provided that the Headwater Shareholders and Tamarack Shareholders have approved the Arrangement in the manner directed by this Court and the directors of Headwater and Tamarack have not revoked their approval, the Applicants may proceed with an application for a final Order of the Court approving the Arrangement (the "**Final Order**") on November 18, 2026 at 2:00 p.m. (Calgary time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the Articles of Arrangement, the Applicants, Tributary, all Headwater Shareholders, all Tamarack Shareholders and all other persons affected thereby will be bound by the Arrangement in accordance with its terms.

42. Any Headwater Shareholder, Tamarack Shareholder or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicants, by service on the Applicants' counsel so that it is received before 5:00 p.m. (Calgary time) on November 12, 2026, a notice of intention to appear (the "**Notice of Intention to Appear**") including the Interested Party's address for service (or an email address for service by email), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of the Notice of Intention to Appear shall be effected by delivery to:

(a) Headwater's counsel at:

Burnet, Duckworth & Palmer LLP
Suite 2400, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Ryan Algar
Email: ralgar@bdplaw.com; and

(b) Tamarack's counsel at:

Stikeman Elliott LLP
Suite 4200, 888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5

Attention: Matti Lemmens
Email: mlemmens@stikeman.com

43. If the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 42 herein, shall have notice of the adjourned date.

**Leave to Vary Interim Order**

44. The Applicants are entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

(signed) "*Justice M.H. Bourque*"
Justice of the Court of King's Bench of Alberta

**APPENDIX F-1**
**PETERS & CO. FAIRNESS OPINION**

[See attached.]

PETERS & CO. LIMITED

2300 Jamieson Place
308 Fourth Avenue SW
Calgary, AB T2P 0H7
Tel: (403) 261 - 4850
www.petersco.com

September 7, 2026

Headwater Exploration Inc.
1400, 215 9th Ave SW
Calgary, Alberta T2P 1K3

**Attention: The Board of Directors of Headwater Exploration Inc.**

Dear Sirs / Mesdames:

Peters & Co. Limited ("**Peters & Co.**", "**we**", "**our**" or "**us**") understands that Headwater Exploration Inc. ("**Headwater**" or the "**Company**") and Tamarack Valley Energy Ltd. ("**Tamarack Valley**") propose to enter into an arrangement agreement to be dated September 7, 2026 (the "**Arrangement Agreement**"). Pursuant to the Arrangement Agreement, through a series of transactions, Headwater and Tamarack Valley will transfer and convey certain assets to a newly formed entity to be named "Tributary Exploration Inc." ("**Tributary**"), and Tamarack Valley will acquire all of the issued and outstanding Headwater common shares ("**Headwater Shares**") by way of a plan of arrangement (the "**Arrangement**") under the provisions of the *Business Corporations Act* (Alberta).

Pursuant to the terms of the Arrangement, holders of Headwater Shares ("**Headwater Shareholders**") shall receive one (1.0) common share of Tamarack Valley ("**Tamarack Valley Share**"), approximately one third (0.33) of a common share of Tributary, on a pre-consolidation basis, (each whole common share of Tributary a "**Tributary Share**") and 0.20 of a Tributary Share purchase warrant, on a pre-consolidation basis, (collectively, the "**Consideration**"). The terms and conditions of the Arrangement are more fully described in the Arrangement Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Arrangement Agreement.

The Arrangement is subject to the terms and conditions of the Arrangement Agreement, including receipt of all applicable approvals, including those of the TSX. The terms and conditions of the Arrangement are more fully described in the joint management information circular of Headwater and Tamarack Valley to which this Fairness Opinion (defined below) will be appended.

Peters & Co. understands that all directors and executive officers of Headwater (who together own or exercise control or direction over approximately 6% of the Headwater Shares) and Tamarack Valley (who together own or exercise control or direction over approximately 2% of the Tamarack Valley Shares) have agreed to enter into support agreements (collectively, the "**Voting Support Agreements**") pursuant to which they have agreed to, among other things, vote in favour of the Arrangement.

**Engagement of Peters & Co.**

Peters & Co. was formally engaged by Headwater pursuant to an engagement agreement dated June 26, 2026 (the "**Engagement Agreement**"). Pursuant to the Engagement Agreement, Peters & Co. was engaged to provide certain financial advisory services, including, but not limited to, the potential preparation and provision of a fairness opinion to the board of directors of the Company (the "**Board**"). This opinion (the "**Fairness Opinion**") as to the fairness, from a financial point of view, of the Consideration to be received

by the Headwater Shareholders pursuant to the Arrangement is provided pursuant to the Engagement Agreement.

Pursuant to the terms of the Engagement Agreement, Peters & Co. has not been engaged to prepare a formal valuation of any of the assets, liabilities, common shares, restricted awards, deferred share units, performance awards, warrants or other securities involved in the Arrangement and this Fairness Opinion should not be construed as such. However, Peters & Co. has performed financial analyses that we considered appropriate and necessary in the circumstances and such analyses support the conclusions reached in this Fairness Opinion. The terms of the Engagement Agreement provide that Peters & Co. is to be paid fees for its services as financial advisor, including: (i) a fixed fee that is payable for this Fairness Opinion that is not conditional on completion of the Arrangement; and (ii) a financial advisory fee that is payable upon the successful completion of the Arrangement. The Company has also agreed to reimburse Peters & Co. for certain out-of-pocket expenses and to indemnify Peters & Co. in respect of certain liabilities which may be incurred by it in connection with the use of this Fairness Opinion by the Company and the Board. No portion of the fees payable to Peters & Co. is contingent upon the conclusions reached in this Fairness Opinion.

**Qualifications of Peters & Co.**

Peters & Co. is an independent investment dealer headquartered in Calgary, Alberta, Canada. The firm specializes in investments in the Canadian energy industry. Peters & Co. was founded in 1971 and is a participating member of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, the Canadian Investment Regulatory Organization, the Investment Industry Association of Canada and the Canadian Investor Protection Fund. Peters & Co. Equities Inc., a wholly-owned subsidiary of Peters & Co., is a member of the Financial Industry Regulatory Authority, the Securities Investor Protection Corporation and the Securities Industry and Financial Markets Association in the United States.

Peters & Co. provides investment services to institutional investors and individual private clients; employs its own sales and trading group; conducts specialized and comprehensive investment research on the energy industry; and is an active underwriter for, and financial advisor to, companies active in the Canadian and international energy industry. Peters & Co. and its principals have participated in a significant number of transactions involving energy companies in Canada and internationally and have acted as financial advisors in a significant number of transactions involving evaluations of, and opinions for, private and publicly-traded companies.

The opinion expressed herein is the opinion of Peters & Co. as a firm. This Fairness Opinion has been reviewed and approved for release by certain senior corporate finance principals of Peters & Co., all of whom are experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

**Relationship of Peters & Co. with Interested Parties**

Neither Peters & Co. nor any of its affiliates or associates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)) of the Company or Tamarack Valley. Neither Peters & Co. nor any of its affiliates is acting as an advisor to the Company in connection with any matter, other than acting as a financial advisor to the Company pursuant to the Engagement Agreement as outlined above.

Peters & Co. acts as a trader and dealer, both as principal and as agent, in major financial markets and as such has had, or may have, positions in the securities of the Company and/or Tamarack Valley from time to time and has executed, or may execute, transactions in the securities of the Company and/or Tamarack Valley for which it receives compensation. In addition, as an investment dealer, Peters & Co. conducts research on securities and may, in the ordinary course of its business, be expected to provide investment advice to its clients on investment matters, including in respect of the securities of the Company, Tamarack Valley, Tributary and/or the Arrangement. There are no understandings, agreements or commitments between Peters & Co., Headwater and/or Tamarack Valley with respect to any future business dealings other than as

described below. However, in the course of the two years prior to delivery of this Fairness Opinion, Peters & Co. has:

***With Respect to the Company***

a) acted on the Company's behalf to make purchases of common shares pursuant to the Company's normal course issuer bid ("**NCIB**") that is due to expire on May 12, 2027, and acted on the Company's behalf to make purchases of common shares pursuant to the NCIB that expired on May 5, 2026;

b) engaged as a financial advisor to the Company in respect of a confidential advisory mandate;

***With Respect to Tamarack Valley***

c) acted on Tamarack Valley's behalf to make purchases of common shares pursuant to Tamarack Valley's NCIB that is due to expire on January 18, 2027, and acted on Tamarack Valley's behalf to make purchases of common shares pursuant to the NCIB(s) that expired on January 18, 2026 and January 18, 2025;

d) provided strategic advisory services to Tamarack Valley in the divestiture of its Charlie Lake assets announced on May 27, 2026;

e) acted as co-manager on the issuance of Tamarack Valley's $325 million 6.875% senior unsecured notes offering that closed in July 2025; and

f) acted as a strategic advisor to Tamarack Valley in the expansion of its Clearwater Infrastructure Limited Partnership announced on September 17, 2024.

**Scope of Review**

In connection with rendering this Fairness Opinion, Peters & Co. has reviewed and relied upon, among other things, the following:

***Information Concerning the Company***

(i) a draft of the Arrangement Agreement;

(ii) a draft of the Plan of Arrangement;

(iii) a draft of the form of Headwater Conveyance Agreement;

(iv) a draft of the form of Headwater Arrangement Resolution;

(v) a draft of the form of Hold Period Agreement to be entered into by certain directors and officers of Headwater;

(vi) a draft of the Headwater Disclosure Letter;

(vii) a draft of the forms of Area of Exclusion Agreements;

(viii) a draft of the forms of Voting Support Agreement to be entered into by directors and executive officers of Headwater and Tamarack Valley;

(each of the drafts set forth in clauses (i) through (viii) above being the most recent drafts circulated prior to

the delivery of this Fairness Opinion on the date hereof)

(ix) the audited financial statements and management's discussion and analysis of the Company for the years ended December 31, 2025 and 2024, together with the notes thereto and the auditors' report thereon;

(x) the Company's information circular proxy statement dated April 2, 2026;

(xi) the unaudited financial statements and management's discussion and analysis of the Company for the three and six month periods ended June 30, 2026 and 2025;

(xii) certain public disclosure by the Company as filed on the System for Electronic Data Analysis and Retrieval+ (SEDAR+) to the date hereof;

(xiii) the report prepared by McDaniel & Associates Consultants Ltd. evaluating the oil, natural gas and natural gas liquids reserves of the Company as at December 31, 2025;

(xiv) the Company's Amended and Restated Credit Agreement dated May 22, 2024;

(xv) certain internal financial information and forecasts of Headwater, prepared by management of Headwater;

(xvi) information relating to Tributary's proposed capitalization, financial forecast, and the terms of the proposed private placement of Tributary units;

(xvii) a schedule of current developed and undeveloped land holdings of Headwater, including Headwater's lands to be contributed to Tributary;

(xviii) discussions with senior management of the Company relating to the Company's current business, plans, financial condition and prospects, including the results of recent operating activities;

(xix) information obtained in various due diligence discussions with the senior management and certain other employees of the Company;

(xx) certain confidential financial, operational, legal, corporate and other information prepared by or provided by the senior management of the Company that was requested by Peters & Co. and/or Tamarack Valley (including Tamarack Valley's legal and financial advisors); and

(xxi) certain other confidential financial, operational, legal, corporate and other information prepared by or provided by the senior management of Headwater.

***Information Concerning Tamarack Valley***

(i) a draft of the form of Tamarack Conveyance Agreement;

(ii) a draft of the form of Tamarack Arrangement Resolution;

(iii) the audited financial statements and management's discussion and analysis of Tamarack Valley for the years ended December 31, 2025 and 2024, together with the notes thereto and the auditors' report thereon;

(iv) the Tamarack Valley information circular proxy statement dated March 19, 2026;

(v) the unaudited financial statements and management's discussion and analysis of Tamarack Valley for the three and six month periods ended June 30, 2026 and 2025;

(vi) certain public disclosure by Tamarack Valley as filed on SEDAR+ to the date hereof;

(vii) the report prepared by McDaniel & Associates Consultants Ltd. evaluating the oil, natural gas and natural gas liquids reserves of Tamarack Valley as at December 31, 2025, which were subsequently adjusted by Tamarack Valley's management for the sale of Tamarack Valley's Charlie Lake assets;

(viii) the report prepared by McDaniel & Associates Consultants Ltd. evaluating certain contingent and prospective oil, natural gas and natural gas liquids resources of Tamarack Valley as at December 31, 2025;

(ix) a schedule of current developed and undeveloped land holdings of Tamarack Valley, including Tamarack Valley's lands to be contributed to Tributary;

(x) Tamarack Valley's Amended and Restated Credit Agreement dated May 29, 2026;

(xi) Tamarack Valley's 6.875% Senior Unsecured Notes indenture dated July 25, 2025;

(xii) certain internal financial information and forecasts of Tamarack Valley, prepared by management of Tamarack Valley, both on a Tamarack Valley standalone basis and pro forma;

(xiii) discussions with senior management of Tamarack Valley relating to Tamarack Valley's current business, plans, financial condition and prospects, including the results of recent operating activities; and

(xiv) information obtained in various due diligence discussions with the senior management of Tamarack Valley.

In addition to the information detailed above, Peters & Co. has:

(i) reviewed certain publicly available information pertaining to current and expected future oil and natural gas prices, industry activity levels and other economic factors;

(ii) reviewed and considered capital market conditions, both current and expected, for the energy industry in general, for selected energy companies operating in similar jurisdictions, and for the Company, Tamarack Valley and Tributary specifically;

(iii) reviewed the operating and financial performance and business characteristics of the Company, Tamarack Valley and Tributary relative to the performance and characteristics of select relevant public and private exploration and production companies operating in similar jurisdictions;

(iv) reviewed public information with respect to other select transactions of a comparable nature;

(v) received representations contained in a certificate addressed to us from two senior officers of each of the Company and Tamarack Valley, some of whom are also directors of the Company and Tamarack Valley, respectively, as to the completeness and accuracy of the information upon which this Fairness Opinion is based; and

(vi) reviewed other financial, securities market and industry information and carried out such other analyses and investigations as Peters & Co. considered necessary and appropriate in the circumstances.

Peters & Co. was granted access by the Company to its senior management, the Board and the Company's legal advisors and was, to the best of our knowledge, provided with all material information related to the Company and the Arrangement.

**Assumptions and Limitations**

This Fairness Opinion is rendered on the basis of securities market, economic and general business and financial conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company and Tamarack Valley as reflected in the information and documents reviewed by us and as represented to us in our discussions with the senior management of the Company and Tamarack Valley. In our analyses, numerous assumptions were made with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of any party involved.

For the purposes of rendering this Fairness Opinion, Peters & Co. has also assumed that the representations and warranties of each party contained in the Arrangement Agreement are true and correct in all material respects and that each party will perform all of the covenants and agreements required to be performed by it under the Arrangement Agreement and that the Company will be entitled to fully enforce its rights under the Arrangement Agreement and receive the benefits therefrom in accordance with the terms thereof.

Peters & Co. has assumed and relied upon the accuracy, completeness and fair presentation of all of the financial and other information, data, advice, other materials, representations and opinions (the "**Disclosure**") obtained by us from public sources or received from the Company and Tamarack Valley or their respective consultants or advisors or otherwise pursuant to our engagement, and this Fairness Opinion is conditional upon such completeness, accuracy and fairness. Peters & Co. has not attempted to verify independently the accuracy or completeness of any such Disclosure.

The Arrangement is subject to a number of conditions outside the control of the Company and Tamarack Valley and we have assumed that all conditions precedent to the completion of the Arrangement can be satisfied in due course and in a reasonable amount of time and all consents, permissions, exemptions or orders of regulatory authorities will be obtained, without adverse conditions or qualifications. In rendering this Fairness Opinion, we express no views as to the likelihood that the conditions with respect to the Arrangement will be satisfied or waived or that the Arrangement will be implemented within the timeframe indicated in the Arrangement Agreement. This Fairness Opinion does not constitute a recommendation as to whether any Headwater Shareholders should vote in favour of the Arrangement.

Certain senior officers of the Company and Tamarack Valley, some of whom are also directors of the Company and Tamarack Valley, respectively, have represented to us in a certificate dated the date hereof that, among other things, the information, data and other material (financial and otherwise, and including publicly available filings) (the "**Information**") provided to us in writing by or on behalf of the Company and/or Tamarack Valley was, on the applicable dates of the Information, true and correct in all material respects when taken together, and that since the date of the provision of such Information, except as disclosed to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business or operations of the Company and/or Tamarack Valley, or any of its subsidiaries and there has been no change of any material fact which is of a nature so as to render such Information, taken as a whole, untrue or misleading in any material respect. With respect to any forecasts and projections included in the Information provided to Peters & Co. and used in our analyses, we have assumed that they have been reasonably prepared and reflect the then currently available estimates and judgments of the management of the Company and/or Tamarack Valley as to the matters covered thereby, and in rendering the Fairness Opinion, we express no view as to the reasonableness of such forecasts or

projections or the assumptions on which they are based.

Peters & Co. has not been engaged to provide and has not provided: (i) an opinion as to the fairness of the Consideration to be received by the holders of any securities of the Company pursuant to the Arrangement, other than to Headwater Shareholders; (ii) an opinion as to the relative fairness of the Arrangement among and between the holders of the Company's securities; (iii) an opinion as to the fairness of the process underlying the Arrangement; (iv) a formal valuation or appraisal of the Company or any of its securities or assets or the securities or assets of the Company's associates or affiliates (nor have we been provided with any such valuation); (v) a formal valuation or appraisal of Tamarack Valley or any of its securities or assets or the securities or assets of Tamarack Valley's associates or affiliates (nor have we been provided with any such valuation); (vi) a formal valuation or appraisal of Tributary or any of its securities or assets or the securities or assets of Tributary's associates or affiliates (nor have we been provided with any such valuation); (vii) an opinion concerning the future trading price of any of the securities of the Company, Tamarack Valley, or Tributary, or of securities of their respective associates or affiliates following the completion of the Arrangement; or (viii) an opinion on the merits of entering into the Arrangement or any alternative business strategy; and the Fairness Opinion should not be construed as such.

Peters & Co. disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Fairness Opinion that may come to its attention after the date hereof.

**Fairness Opinion and Reliance**

Based upon and subject to all of the foregoing, Peters & Co. is of the opinion that, as of the date hereof, the Consideration to be received by Headwater Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Headwater Shareholders.

This Fairness Opinion may be relied upon by the corporate development committee of the Board and the Board solely for the purposes of considering the Arrangement and may not be published, reproduced, disseminated, quoted from, or referred to, in whole or in part, or be used or relied upon by any person, or for any other purpose, without our express prior written consent, except that a copy of this letter, in its entirety, together with a summary of the opinion in a form acceptable to Peters & Co., may be included in the documents prepared and delivered to the Headwater Shareholders in connection with the Arrangement.

Yours truly,

Peters & Co. Limited

**PETERS & CO. LIMITED**

**APPENDIX F-2**
**BMO FAIRNESS OPINION**

[See attached.]

**September 7, 2026**

Corporate Development Committee of the Board of Directors of Headwater Exploration Inc.

Headwater Exploration Inc.
1400, 215-9th Avenue S.W.
Calgary, AB
T2P 1K3

To the Corporate Development Committee of the Board of Directors:

BMO Nesbitt Burns Inc. ("**BMO Capital Markets**" or "**we**" or "**us**") understands that Headwater Exploration Inc. (the "**Company**") and Tamarack Valley Energy Ltd. (the "**Acquiror**") propose to enter into an arrangement agreement to be dated as of September 7, 2026 (the "**Arrangement Agreement**") pursuant to which, among other things, the Acquiror will acquire all of the outstanding common shares of the Company ("**Company Shares**"), and pursuant to which each holder of Company Shares (a "**Company Shareholder**") will be entitled to receive, in exchange for each Company Share held, an aggregate consideration (the "**Consideration**") comprised of: (i) 1.0 new common share of the Acquiror; (ii) approximately 0.33 of a common share of a newly created company to be named "Tributary Exploration Inc." ("**Newco**") which will initially be comprised of the assets conveyed to Newco by the Acquiror and the Company pursuant to the respective Conveyance Agreements (as defined in the Arrangement Agreement); and (iii) approximately 0.20 of a warrant ("**Newco Arrangement Warrant**"), with each warrant entitling the holder to acquire one common share of Newco for a price of $2.10 per Newco common share (after giving effect to the 5 to 1 consolidation of the Newco share capital (as contemplated in the Plan of Arrangement (as defined herein))) for a period of 60 days following closing of the transactions contemplated by the Arrangement (as defined below). We also understand that the acquisition contemplated by the Arrangement Agreement is proposed to be effected by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**"). The terms and conditions of the Arrangement will be summarized in the joint management information circular of the Company and the Acquiror (the "**Circular**") to be mailed to the shareholders of the Company and the Acquiror in connection with a special meeting of each of the Company Shareholders and the Acquiror shareholders to consider and, if deemed advisable, approve the Arrangement and matters ancillary thereto.

We have been retained to prepare and deliver an opinion (the "**Opinion**") to the corporate development committee of the board of directors of the Company (the "**Corporate Development Committee**"), as to whether the Consideration to be received by the Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

We understand that the Arrangement constitutes a "**business combination**" for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special*

*Transactions* ("**MI 61-101**"). Because certain insiders are expected to receive "**collateral benefits**" (as such term is defined in MI 61-101), we understand that the Arrangement will be subject to the minority approval requirements of MI 61-101 and will require approval of a majority of the votes cast by Company Shareholders at a special meeting, excluding the votes cast by any persons whose votes may not be included in determining minority approval of a business combination under MI 61-101, including recipients of such collateral benefits and their respective related parties and joint actors.

This fairness opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Canadian Investment Regulatory Organization ("**CIRO**"), but CIRO has not been involved in the preparation or review of the Opinion.

All dollar amounts herein are expressed in Canadian dollars, unless stated otherwise. Certain figures may have been rounded for presentation purposes.

***Engagement of BMO Capital Markets***

The Company initially contacted BMO Capital Markets in August 2026 regarding a potential advisory assignment. BMO Capital Markets was formally engaged by the Company pursuant to an agreement dated September 3, 2026 and effective as of August 27, 2026 (the "**Engagement Agreement**"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Corporate Development Committee an opinion as to whether the consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

BMO Capital Markets will receive a fixed fee for rendering the Opinion. The payment of the fee for rendering the Opinion is not dependent on the completion of the Arrangement or the conclusion reached in the Opinion. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

***Credentials of BMO Capital Markets***

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors, including the oil & gas sector, and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters. The issuance of this Opinion has been approved by a fairness opinion committee of BMO Capital Markets.

***Independence of BMO Capital Markets***

Neither BMO Capital Markets, nor any of our affiliates (as defined under National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**")), is an insider, associate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder (the "**Act**")) or affiliate of the Company, the Acquiror, or any of their respective associates or affiliates (collectively, the "**Interested Parties**").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than:

(i) delivering an Opinion to the Corporate Development Committee pursuant to the Engagement Agreement;

(ii) acting as lender in connection with the Company's $100 million revolving credit facility; and

(iii) providing various cash management, commodities and trading product services to the Company.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, and in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, Bank of Montreal ("**BMO**"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

***Scope of Review***

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Arrangement Agreement dated September 4, 2026;

2. a draft of the plan of arrangement (the "**Plan of Arrangement**") dated September 4, 2026;

3. drafts of the Conveyance Agreements, dated September 5, 2026;

4. certain publicly available information relating to the business, operations, financial condition and trading history of the Company and the Acquiror and other selected public companies we considered relevant;

5. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company and the Acquiror relating to the business, operations and financial condition of the Company, the Acquiror, and Newco;

6. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the Company;

7. certain information provided by representatives of the Company with respect to select terms of the non-brokered equity private placement financing of Newco, contemplated to occur following closing of the Arrangement;

8. discussions with external legal counsel of the Company;

9. reserves information prepared by McDaniel & Associates Consultants Ltd. for the Company and Acquiror, including the reserve reports evaluating the Company's and Acquiror's reserves, respectively, as of December 31, 2025, and the mechanical update of the Newco Headwater Assets (as defined in the Arrangement Agreement), as of September 1, 2026;

10. discussions with management of the Company relating to the Company's current business, plans, financial condition and prospects;

11. discussions with management of the Company relating to the business, plans, financial condition and prospects for the Acquiror pro forma the acquisition of the Company (including potential synergies), as well as business, plans, financial condition and prospects of Newco;

12. public information with respect to selected precedent transactions we considered relevant;

13. impact of various commodity pricing assumptions on the business, prospects and financial forecasts of the Company, the Acquiror, and Acquiror pro forma the acquisition of the Company;

14. the trading history of the securities of the Company, the Acquiror and other selected public companies BMO Capital Markets considered relevant;

15. various reports published by equity research analysts we considered relevant;

16. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and

17. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by BMO Capital Markets.

***Prior Valuations and Offers***

Senior officers of the Company have represented to BMO Capital Markets that to the best of such officers' knowledge, information and belief after due inquiry: (i) there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to the Company, the Acquiror, or any of their respective subsidiaries (as defined in NI 45-106) or any of their respective assets or liabilities that have been prepared in the two years preceding the date hereof and which have not been provided to BMO Capital Markets; and (ii) there have been no verbal or written offers for all or a material part of the properties and assets owned by, or the securities of, the Company, the Acquiror or any of their respective subsidiaries made and no negotiations have occurred relating to such offer in the two years preceding the date hereof and which have not been disclosed to BMO Capital Markets.

***Assumptions and Limitations***

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (collectively, the "**Information**"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information.

In preparing our Opinion, we have assumed that forecasts, projections, estimates and budgets relating to:

(i) the Company or any of its subsidiaries provided to us by the Company were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects and are not misleading in any material respect; and

(ii) the Acquiror or any of its subsidiaries, (including, without limitation, estimates of synergies resulting from the acquisition of the Company by the Acquiror) provided to us were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Acquiror, having regard to the financial and other information and data, advice, opinions, representations and other material provided to the Company with respect to the Acquiror's business, plans, financial condition and prospects.

We have further assumed that the Acquiror and its affiliates are not Company Shareholders or hold securities convertible into Company Shares.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that:

(i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the Company, or in writing by the Company or any of its subsidiaries or any of its or their representatives in connection with our engagement, in respect of the Company or any of its subsidiaries or their respective assets, including the Newco Headwater Assets, was, at the date the Information was provided to BMO Capital Markets, and is as of the date hereof, complete, true and correct in all material respects and did not and does not contain a misrepresentation (as defined in the *Act*);

(ii) in respect of the Acquiror or any of its subsidiaries or their respective assets, including the Newco Tamarack Assets (as defined in the Arrangement Agreement), to the best of such officers' knowledge, the Information was, at the date the Information was provided to BMO Capital Markets, and is as of the date hereof, complete, true and correct in all material respects and did not and does not contain a misrepresentation; and

(iii) since the dates on which the Information was provided to BMO Capital Markets, except as subsequently disclosed in writing to BMO Capital Markets, (a) there has been no material change (as defined in the Act) or change in material fact (as defined in the Act), financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, including for certainty the Newco Headwater Assets, (b) to the best of such officers' knowledge, there has been no material change or change in material fact, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Acquiror or any of its subsidiaries, including for certainty the Newco Tamarack Assets, and (c) no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that: (a) the executed Arrangement Agreement, including the forms of Conveyance Agreements; and (b) the Plan of Arrangement to be approved by Company Shareholders, will not differ in any material respect from the drafts that we reviewed, and that the Arrangement will be consummated in accordance with the terms and conditions of the Arrangement Agreement and forms of Conveyance Agreements without waiver of, or amendment to, any term or condition that is in any way material to our analyses. We have also assumed that the representations and warranties of each party contained in the Arrangement Agreement are true and correct in all material respects and that each party will perform all of the covenants and agreements required to be performed by it in relation to the Arrangement and that the Company will be entitled to fully enforce its rights under the Arrangement Agreement and receive the benefits therefrom in accordance with the terms thereof.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company and the Acquiror as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the

Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Arrangement.

The Opinion is provided to the Corporate Development Committee for its exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion is not intended to be, and does not constitute, a recommendation to the Company, the Corporate Development Committee or the board of directors of the Company as to whether it should approve the Arrangement or to any Company Shareholder as to whether or how such holder should vote in respect of the Arrangement or whether to take any other action with respect to the Arrangement. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company, the Acquiror, the Newco, or any of their respective affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company, the Acquiror, or Newco may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Arrangement as compared to any strategic alternatives that may be available to the Company. We were not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of, or other business combination transaction with, the Company or any other alternative transaction.

We have not met with the auditors of the Company or the Acquiror and have assumed the accuracy, completeness and fair presentation of, and have relied upon, without independent verification, the financial statements of the Company and the Acquiror and any reports of the auditors thereon.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the Information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

***Approach To Fairness***

In connection with the Opinion, BMO Capital Markets engaged in the review and analysis of information and methodologies it considered relevant and customary for the purpose of forming its opinion. Without limiting the generality of the foregoing, BMO Capital Markets reviewed financial, technical, operational, and market information pertaining to the Company, Acquiror,

and Newco and conducted a series of analyses commonly relied upon in transactions of this nature, as further detailed below.

This is not a complete description of all analyses underlying the Opinion. The preparation of an opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. As a consequence, neither the Opinion nor the respective analyses underlying the Opinion is readily susceptible to partial analysis or summary description. In arriving at the Opinion, BMO Capital Markets assessed as a whole the results of all analyses undertaken by it with respect to the Opinion. BMO Capital Markets has not attributed any particular weight to any specific analysis or factor but rather based the Opinion on a number of qualitative and quantitative factors deemed appropriate by BMO Capital Markets based on its experience in rendering such opinions. Therefore, BMO Capital Markets believes that the analyses underlying the Opinion must be considered as a whole and that selecting portions of its analyses or the factors it considered, without considering all analyses and factors underlying the opinion collectively, could create a misleading or incomplete view of the analyses performed by BMO Capital Markets in preparing the Opinion.

In considering the fairness of the Consideration, from a financial point of view, to the Company Shareholders, BMO Capital Markets principally considered and relied upon, among other things, the "has/gets" analysis, which: (i) compared implied value of Company Shares derived from a discounted cash flow analysis ("**DCF**") prepared using management's financial forecast under various commodity-pricing scenarios to the implied sum-of-the-parts value of Consideration based on (a) the implied value of the interest in the Acquiror, pro forma the effect of the Arrangement ("**MergeCo**"), attributable to holders of Company Shares pursuant to the Arrangement derived from a DCF analysis of MergeCo prepared using management's financial forecast for MergeCo under various commodity-pricing scenarios and (b) selected value of Newco, which was based on the range of values for Newco estimated using various methodologies (including comparable company trading analysis, precedent transaction analysis, and discounted cash flow analysis); and (ii) compared the implied value of Company Shares derived from a comparable company trading analysis of relevant public oil and gas companies using management forecasts based on equity research consensus commodity-pricing to the implied sum-of-the-parts value of the Consideration derived from (a) the implied value of MergeCo attributable to Company Shareholders pursuant to the Arrangement derived from a comparable company trading analysis of MergeCo based on relevant public oil and gas companies using management forecasts based on equity research consensus commodity-pricing and (b) the selected value of Newco, which was based on the range of values estimated for Newco using various methodologies (including comparable company trading, precedent transaction analysis, and discounted cash flow analysis). In rendering this Opinion, while recognizing that the Newco Arrangement Warrants, which form part of the Consideration, may have value, we have disregarded and attributed no value to Newco Arrangement Warrants in determining the fairness, from a financial point of view, of the Consideration to be received by Company Shareholders pursuant to the Arrangement. Any potential incremental value to Company Shareholders associated with the Newco Arrangement Warrants was not necessary to support the conclusion set out in this Opinion.

***Conclusion***

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

Yours truly,



**BMO Nesbitt Burns Inc.**

**APPENDIX G**
**NBF FAIRNESS OPINION**

[See attached.]

NATIONAL BANK
FINANCIAL MARKETS

September 7, 2026

Tamarack Valley Energy Ltd.
1700, 525 – 8th Avenue S.W.
Calgary, Alberta
T2P 1G1

To the Board of Directors of Tamarack Valley Energy Ltd.:

National Bank Financial Inc. ("**NBF**") understands that pursuant to an arrangement agreement dated September 7, 2026 (the "**Arrangement Agreement**") between Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Company**") and Headwater Exploration Inc. ("**Headwater**"), such parties have agreed, among other things and upon the terms and conditions set out in the Arrangement Agreement, that Tamarack will acquire all of the issued and outstanding common shares of Headwater (the "**Headwater Shares**"), by way of statutory plan of arrangement (the "**Plan of Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**"). Pursuant to the terms of the Arrangement, holders of Headwater Shares (the "**Headwater Shareholders**"), other than Headwater Shareholders who validly exercise dissent rights, will be entitled to receive 1.00 common share of Tamarack ("**Tamarack Shares**") for each Headwater Share (the "**Exchange Ratio**"). In addition, as described below, Tamarack Shareholders and Headwater Shareholders will receive securities of Tributary Exploration Inc. ("**Tributary**"), a new exploration company, in connection with the Arrangement. The exchange of Headwater Shares will be implemented through a series of steps involving a reorganization of Tamarack's share capital, as set out in the Plan of Arrangement.

NBF understands that Headwater has entered into support agreements with the directors and executive officers of Tamarack (each, a "**Tamarack Supporting Shareholder**"), with respect to the Tamarack Shares beneficially owned, controlled or directed by the Tamarack Supporting Shareholders (the "**Tamarack Support Agreements**"), representing approximately 2% of the outstanding Tamarack Shares, whereby the Tamarack Supporting Shareholders have agreed to vote such securities in favour of, among other things, the Arrangement and issuing Tamarack Shares pursuant to the Arrangement, subject to the terms and conditions of the Tamarack Support Agreements.

NBF further understands that Tamarack has entered into support agreements with the directors and executive officers of Headwater (each, a "**Headwater Supporting Shareholder**"), with respect to the Headwater Shares beneficially owned, controlled or directed by the Headwater Supporting Shareholders (the "**Headwater Support Agreements**"), representing approximately 6% of the outstanding Headwater Shares, whereby the Headwater Supporting Shareholders have agreed to vote such securities in favour of, among other things, the Arrangement, subject to the terms and conditions of the Headwater Support Agreements.

In connection with the Arrangement, each of Tamarack and Headwater will transfer certain assets to Tributary in exchange for common shares in the capital of Tributary (the "**Tributary Shares**") and Tributary Share purchase warrants (the "**Tributary Arrangement Warrants**"). Pursuant to the Arrangement, the Tributary Shares and Tributary Arrangement Warrants will be distributed such that: (i) holders of Tamarack Shares (the "**Tamarack Shareholders**") will receive approximately 0.33 of a Tributary Share for each Tamarack Share held immediately prior to the Arrangement; and (ii) Headwater Shareholders will receive approximately 0.33 of a Tributary Share and 0.20 of a Tributary Arrangement Warrants, each whole Tributary Arrangement Warrant entitling the holder to acquire one Tributary Share at a price of $0.42 until the date that is 60 days following the effective date of the Arrangement, for each Headwater Share held immediately prior to the Arrangement, in each case before giving effect to the consolidation of the Tributary Shares on a five (5) to one (1) basis provided for in the Plan of Arrangement (the "**Consolidation**").

NBF further understands that, in connection with the Arrangement, Tributary intends to complete a non-brokered private placement of units of Tributary to certain management, directors, employees and consultants of Tributary at a price of $0.42 per unit (on a pre-Consolidation basis) for aggregate gross proceeds of up to $30 million (the "**Tributary Private Placement**"), which is to be approved by the Tamarack Shareholders and the Headwater Shareholders at the special meetings referred to below.

The terms and conditions of the Arrangement are more fully set forth in the Arrangement Agreement and the Plan of Arrangement. NBF further understands that the terms and conditions of the Arrangement will be more fully described in a joint information circular (the "**Circular**") to be prepared by Tamarack and Headwater and mailed to Tamarack Shareholders and Headwater Shareholders in connection with the special meetings of the Tamarack Shareholders and the Headwater Shareholders, respectively, to be called by Tamarack and Headwater to seek approval of, among other matters, the Share Issuance Resolution, the Tamarack Arrangement Resolution, the Tamarack Private Placement Resolution and Tamarack Option Plan Resolution (from the Tamarack Shareholders) and the Headwater Arrangement Resolution, Headwater Private Placement Resolution and Headwater Option Plan Resolution (from the Headwater Shareholders) (each as defined in the Arrangement Agreement).

To assist the board of directors of Tamarack (the "**Board**") in considering the terms of the Arrangement and the making of its recommendation in respect thereof, the Board engaged NBF to provide financial advice to the Board in respect of the Arrangement. As part of its engagement, NBF has been requested to provide its fairness opinion (the "**Fairness Opinion**") as to whether the Exchange Ratio pursuant to the Arrangement is fair, from a financial point of view, to Tamarack, and deliver this written Fairness Opinion to Tamarack for inclusion in the Circular.

**ENGAGEMENT OF NATIONAL BANK FINANCIAL INC.**

NBF was formally engaged by the Company pursuant to an engagement agreement (the "**Engagement Agreement**") dated effective August 26, 2026, whereby the Company retained NBF as its exclusive financial advisor with respect to the Arrangement. Pursuant to the Engagement Agreement, NBF agreed to provide services in connection with the Arrangement, including delivery of the Fairness Opinion at the request of the Board. NBF has not been asked to prepare, and has not prepared, a formal valuation of Tamarack, Headwater or Tributary, or any of their respective securities or assets, and this Fairness Opinion should not be construed as such.

The terms of the Engagement Agreement provide that NBF is to be paid separate fees for its services as financial advisor to the Company, in connection with financial advisory services in connection with the Arrangement and delivery of the Fairness Opinion (which is not contingent on the conclusion reached or on the completion of the Arrangement). NBF's fee for financial advisory services shall become payable on the completion of the Arrangement and/or certain other events and is a substantial portion of the total fee. In addition, Tamarack has agreed to indemnify NBF in respect of certain liabilities that might arise out of NBF's engagement. The fees payable to NBF pursuant to the Engagement Agreement and in connection with this Fairness Opinion are not financially material to NBF.

On September 7, 2026, at the request of the Board, NBF orally delivered this fairness opinion to the Board based upon and subject to the scope of review, assumptions and limitations and other matters described herein. This Fairness Opinion provides the same opinion, in writing, as that given orally by NBF on September 7, 2026.

NBF understands that the Fairness Opinion (and a summary thereof) will be included in the Circular, and subject to the terms of the Engagement Agreement, NBF consents to the inclusion thereof in the Circular and to the filing thereof with applicable Canadian securities regulatory authorities and the Court of King's Bench of Alberta in a form acceptable to NBF.

**RELATIONSHIP WITH INTERESTED PARTIES**

None of NBF, its affiliates or associates is an insider, associate or affiliate of Tamarack or Headwater, or any of their respective associates or affiliates (as such terms are defined in the *Securities Act* (Alberta))

(collectively, the "**Interested Parties**") or a related party of the Interested Parties. NBF acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of any Interested Party and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, NBF conducts research on securities and has, in the past, in the ordinary course of its business, provided research reports and investment advice to its clients on investment matters, the Interested Parties and may, in the ordinary course of business provide research reports and investment advice to its clients with respect to the Arrangement and related transactions.

NBF's controlling shareholder, National Bank of Canada (the "**Bank**"), a Canadian chartered bank, is a lender to each of Tamarack and Headwater and is expected to be a lender to Tamarack following completion of the Arrangement. To the extent that the Bank is required to consent to the Arrangement or approve the continuation of credit to Tamarack following the completion of the Arrangement, NBF has no role in the Bank's determination. NBF has, within the past two years, acted as joint bookrunner on Tamarack's July 2025 offering of senior unsecured notes and as financial advisor to Tamarack in connection with the sale of its Charlie Lake assets in June 2026 and the sale of certain non-core assets in October 2025, and has received fees for such services. NBF also acted as an underwriter on prior equity and debt offerings of Tamarack and as co-lead agent on Headwater's 2020 private placement of subscription receipts.

Other than as set forth above, there are no understandings, agreements or commitments between NBF and any Interested Party with respect to any future business dealings. NBF may, in the future, as it has in the past, in the ordinary course of its business, provide financial advisory, credit or investment banking services to any of the Interested Parties.

**CREDENTIALS OF NATIONAL BANK FINANCIAL INC.**

NBF is a leading Canadian investment banking firm with operations in a broad range of investment banking activities, including corporate finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. NBF has been a financial advisor in a significant number of transactions and is regularly engaged in providing financial advice to public and private companies across a variety of sectors and has extensive experience preparing fairness opinions. The Fairness Opinion expressed herein is the opinion of NBF and the form and content hereof have been reviewed and approved for release by a group of managing directors of NBF, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Canadian Investment Regulatory Organization ("**CIRO**") but CIRO has not been involved in the preparation or review of this Fairness Opinion.

**SCOPE OF REVIEW**

In connection with rendering the Fairness Opinion, NBF has received and/or relied upon or carried out, among other things, the following (without attempting to verify the accuracy or completeness thereof):

*Transaction documents:*

1. the Arrangement Agreement;
2. the Plan of Arrangement;
3. the disclosure letter dated September 7, 2026 from Headwater to Tamarack;
4. the disclosure letter dated September 7, 2026 from Tamarack to Headwater;
5. the Tamarack Support Agreements and the Headwater Support Agreements;

*Disclosure relating to Tamarack:*

6. audited financial statements, annual reports, management discussion and analysis, annual information forms and management information circulars of Tamarack for the fiscal years ended December 31, 2023, 2024 and 2025;

7. interim financial statements and management discussion and analysis of Tamarack for: (i) the three months ended March 31, 2024, 2025 and 2026; (ii) the three and six months ended June 30, 2024, 2025 and 2026; and (iii) the three and nine months ended September 30, 2023, 2024 and 2025;

8. the evaluation report, effective December 31, 2025, of McDaniel & Associates Consultants Ltd. ("**McDaniel**"), independent engineering consultants of Calgary, Alberta, regarding certain petroleum and natural gas reserves of Tamarack's oil and gas assets;

9. financial and operating information, including internal management forecasts and other such information, prepared by Tamarack;

10. land, production, operation, facilities and infrastructure, transportation and marketing, and environmental summary documents;

11. due diligence materials provided by the Company covering technical aspects of the Company's assets;

12. discussions with senior officers of Tamarack, regarding financial results and budgets and business plans;

13. discussions with the Board;

14. a letter of representation from senior officers of Tamarack, addressed to us and dated September 6, 2026, as to matters of fact relevant to the Arrangement and as to the completeness and accuracy of the information upon which the Fairness Opinion is based (the "**Tamarack Representation Letter**");

15. such other financial, market, corporate and industry information, research reports, investigations, discussions and analysis, research and testing of assumptions as we considered necessary or appropriate in the circumstances;

*Disclosure relating to Headwater:*

16. audited financial statements, annual reports, management discussion and analysis, annual information forms and management information circulars of Headwater for the fiscal years ended December 31, 2023, 2024 and 2025;

17. interim financial statements and management discussion and analysis of Headwater for: (i) the three months ended March 31, 2024, 2025 and 2026; (ii) the three and six months ended June 30, 2024, 2025 and 2026; and (iii) the three and nine months ended September 30, 2023, 2024 and 2025;

18. the evaluation report, effective December 31, 2025, of McDaniel, independent engineering consultants of Calgary, Alberta, regarding certain petroleum and natural gas reserves of Headwater's oil and gas assets;

19. financial and operating information, including internal management forecasts and other such information, prepared by Headwater;

20. land, production, operation, facilities and infrastructure, transportation and marketing, and environmental summary documents;

21. due diligence materials provided by Headwater covering technical aspects of Headwater's assets;

22. discussions with senior officers of Headwater, regarding financial results and business plans;

23. a letter of representation from senior officers of Headwater, addressed to us and dated September 5, 2026, as to matters of fact relevant to the Arrangement and as to the completeness and accuracy of the information upon which the Fairness Opinion is based (the "**Headwater Representation Letter**");

24. such other financial, market, corporate and industry information, research reports, investigations, discussions and analysis, research and testing of assumptions as we considered necessary or appropriate in the circumstances;

*Other disclosure:*

25. certain estimates as to the administrative, operational, and capital cost savings anticipated by management of Tamarack to result from the Arrangement;

26. information relating to the assets to be transferred to Tributary by each of Tamarack and Headwater pursuant to the Arrangement, including drafts of the forms of the Tamarack Conveyance Agreement and the Headwater Conveyance Agreement (as such terms are defined in the Arrangement Agreement) and the evaluation reports, effective December 31, 2025 and September 1, 2026, of McDaniel regarding certain petroleum and natural gas reserves attributable to the assets to be transferred by Headwater to Tributary;

27. historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of Tamarack and Headwater;

28. public information relating to the business, operations, financial performance and stock trading history of Tamarack, Headwater and other selected public companies considered by us to be relevant;

29. public information with respect to other transactions of a comparable nature considered by us to be relevant; and

30. public information regarding the Canadian oil and gas industries.

In addition to the information described above, NBF also participated in certain meetings and discussions with senior officers of Tamarack and Tamarack's external legal counsel regarding the Arrangement.

NBF did not meet with the auditors of Tamarack or Headwater and has assumed the accuracy and fair presentation of the audited and unaudited financial statements of Tamarack and Headwater, and, as applicable, the reports of the auditors thereon. NBF did not meet with McDaniel and has assumed the accuracy and fair presentation of the evaluation reports referred to above.

NBF has not, to its knowledge, been denied access to any information.

**ASSUMPTIONS AND LIMITATIONS**

The Fairness Opinion is subject to the assumptions, limitations and qualifications herein before described and as set forth below.

NBF has relied, without independent verification, upon, and has assumed the completeness, accuracy and fair presentation of, all of the financial and other information, data, advice, opinions and representations obtained by it from public sources or provided to NBF by or on behalf of the Interested Parties and their respective advisors or otherwise, including, without limitation, in meetings and discussions referred to above under "Scope of Review" (collectively, the "**Information**"). The Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. In accordance with the Engagement Agreement, but subject to the exercise of its professional judgment, NBF has not attempted to verify independently the completeness, accuracy or fair presentation of the Information. With respect to any operating and financial models, forecasts, projections and estimates provided to NBF and used in the analysis supporting the opinion, NBF has noted that projecting future results of any entity is inherently subject to uncertainty and has assumed that such financial models,

forecasts, projections and estimates have been reasonably prepared on the basis reflecting the best currently available estimates and judgments of management of the Interested Parties as to the matters covered thereby and in rendering the Fairness Opinion, we express no view as to the reasonableness of such forecasts, projections, estimates or assumptions on which they are based.

Senior officers of Tamarack represented to NBF in the Tamarack Representation Letter, among other things, that:

(1) The Information (as defined above) provided orally by, or in the presence of, an officer or employee of Tamarack or in writing by Tamarack to NBF relating to Tamarack or the Arrangement Agreement for the purpose of preparing the Fairness Opinion was, at the date the Information was provided to NBF and at the date of the Tamarack Representation Letter, complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of Tamarack.

(2) Since the dates on which the Information was provided to NBF, except as disclosed in writing to NBF, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Tamarack and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on Tamarack, or to their knowledge, the Arrangement Agreement.

(3) With respect to any portions of the Information that constitute forecasts, projections, estimates or budgets (collectively, "**Forecasts**"), such Forecasts (a) were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of Tamarack having regard to Tamarack's business, plans, financial condition and prospects, (b) reasonably present the views of such management as to the financial prospects and forecasted performance of Tamarack, and (c) are not, in the reasonable belief of management of Tamarack, misleading in any material respect.

(4) To the best of their knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to Tamarack or any of its material assets or liabilities which have been prepared as of a date within the two years preceding the date of the Tamarack Representation Letter and which have not been provided to NBF.

(5) Since the dates on which the Information was provided to NBF, except as disclosed publicly or to NBF, no material transaction has been entered into by Tamarack or any of its subsidiaries and Tamarack has no material plans and management of Tamarack is not aware of any circumstances or developments that could reasonably be expected to have a material effect on the assets, liabilities, financial condition, prospects, business, operations or affairs of Tamarack and its subsidiaries.

(6) They have no knowledge of any facts not contained in or referred to in the Information that could reasonably be expected to affect the Fairness Opinion, including the assumptions used, the procedures adopted, the scope of the review undertaken or the conclusion reached by NBF.

(7) Other than as disclosed in the Information, to the best of their knowledge, information and belief after reasonable inquiry, Tamarack does not have any material contingent liabilities and there are no actions, suits, proceedings or inquiries pending or threatened in writing against or affecting Tamarack at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, bureau, board agency or instrumentality which may in any way materially adversely affect Tamarack.

(8) All financial material, documentation and other data concerning Tamarack, or the Arrangement Agreement, including any projections or forecasts, provided to NBF, to their knowledge were prepared on a basis consistent in all material respects with the accounting policies applied in the

consolidated financial statements of Tamarack dated as at December 31, 2025, reflect the assumptions disclosed therein (which assumptions management of Tamarack believes to be reasonable) and to their knowledge do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such financial material, documentation or data not misleading in light of the circumstances in which such financial material, documentation or data were provided to NBF.

(9) No verbal or written offers for all or a material part of the properties and assets owned by, or the securities of, Tamarack have been received and no negotiations have occurred relating to any such offer within the six months preceding the date of the Arrangement Agreement which have not been disclosed to NBF.

(10) There are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) relating to the Arrangement Agreement, except as have been disclosed to NBF.

(11) NBF was provided with access to all Information that NBF requested that was in the possession or knowledge of Tamarack.

(12) All of the representations and warranties of Tamarack contained in the Arrangement Agreement are true and correct as of the date thereof and that to their knowledge, the Arrangement will be completed substantially in accordance with the terms in the Arrangement Agreement and all applicable laws.

Senior officers of Headwater represented to NBF in the Headwater Representation Letter, among other things, that:

(1) The Information (as defined above) provided orally by, or in the presence of, an officer or employee of Headwater or in writing by Headwater to NBF relating to Headwater or the Arrangement Agreement for the purpose of preparing the Fairness Opinion was, at the date the Information was provided to NBF and at the date of the Headwater Representation Letter, complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of Headwater.

(2) Since the dates on which the Information was provided to NBF, except as disclosed in writing to NBF, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Headwater and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on Headwater, or to their knowledge, the Arrangement Agreement.

(3) With respect to any Forecasts, such Forecasts (a) were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of Headwater having regard to Headwater's business, plans, financial condition and prospects, (b) reasonably present the views of such management as to the financial prospects and forecasted performance of Headwater, and (c) are not, in the reasonable belief of management of Headwater, misleading in any material respect.

(4) To the best of their knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to Headwater or any of its material assets or liabilities which have been prepared as of a date within the two years preceding the date of the Headwater Representation Letter and which have not been provided to NBF.

(5) Since the dates on which the Information was provided to NBF, except as disclosed publicly or to NBF, no material transaction has been entered into by Headwater or any of its subsidiaries and Headwater has no material plans and management of Headwater is not aware of any circumstances

or developments that could reasonably be expected to have a material effect on the assets, liabilities, financial condition, prospects, business, operations or affairs of Headwater and its subsidiaries.

(6) They have no knowledge of any facts not contained in or referred to in the Information that could reasonably be expected to affect the Fairness Opinion, including the assumptions used, the procedures adopted, the scope of the review undertaken or the conclusion reached by NBF.

(7) Other than as disclosed in the Information, to the best of their knowledge, information and belief after reasonable inquiry, Headwater does not have any material contingent liabilities and there are no actions, suits, proceedings or inquiries pending or threatened in writing against or affecting Headwater at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, bureau, board agency or instrumentality which may in any way materially adversely affect Headwater.

(8) All financial material, documentation and other data concerning Headwater, or the Arrangement Agreement, including any projections or forecasts, provided to NBF, to their knowledge were prepared on a basis consistent in all material respects with the accounting policies applied in the consolidated financial statements of Headwater dated as at December 31, 2025, reflect the assumptions disclosed therein (which assumptions management of Headwater believes to be reasonable) and to their knowledge do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such financial material, documentation or data not misleading in light of the circumstances in which such financial material, documentation or data were provided to NBF.

(9) No verbal or written offers for all or a material part of the properties and assets owned by, or the securities of, Headwater have been received and no negotiations have occurred relating to any such offer within the six months preceding the date of the Arrangement Agreement which have not been disclosed to NBF.

(10) There are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) relating to the Arrangement Agreement, except as have been disclosed to NBF.

(11) NBF was provided with access to all Information that NBF requested that was in the possession or knowledge of Headwater.

(12) All of the representations and warranties of Headwater contained in the Arrangement Agreement are true and correct as of the date thereof and that to their knowledge, the Arrangement will be completed substantially in accordance with the terms of the Arrangement Agreement and all applicable laws.

With respect to all legal and tax matters relating to the Arrangement and the implementation thereof, we have relied upon, without independent verification, the assessment of Tamarack's legal and tax counsel with respect to such matters. We do not express any opinion with respect to the tax consequences to Tamarack and/or Headwater or any Tamarack Shareholder and/or Headwater Shareholder that may arise as a result of the Arrangement and have assumed that no material negative tax consequences arise for Tamarack or Headwater as a result of the Arrangement. The Arrangement Agreement is subject to a number of conditions outside of the control of Tamarack and Headwater and we have assumed all conditions precedent to the completion of the Arrangement can be satisfied in due course and all consents, permissions, exemptions or orders of relevant regulatory authorities will be obtained, without adverse conditions or qualifications. In rendering this Fairness Opinion, we express no view as to the likelihood that the conditions to the Arrangement will be satisfied or waived.

NBF has also assumed that all of the representations and warranties contained in the Arrangement Agreement are true and correct in all material respects as of the date hereof and that the Arrangement

will be completed substantially in accordance with the terms set forth in the Arrangement Agreement and all applicable laws.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of Tamarack and Headwater and their respective affiliates, as they were reflected in the Information. In our analyses and in preparing the Fairness Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Arrangement. While NBF believes these assumptions to be reasonable with respect to Tamarack and Headwater in the industry in which they operate, some or all of these assumptions may prove to be incorrect.

The Fairness Opinion has been prepared and provided for the use of the Board and the Board only and may not be relied upon by any other person without the prior written consent of NBF. The Fairness Opinion is provided as of the date hereof and NBF disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion that may come or be brought to the attention of NBF after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, NBF reserves the right to change, modify or withdraw the Fairness Opinion.

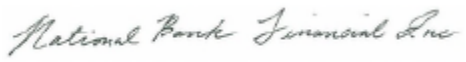
NBF expresses no opinion with respect to future trading prices of the securities of Tamarack (including the combined company after completion of the Arrangement), Headwater or Tributary and the Fairness Opinion does not constitute an opinion as to whether the Exchange Ratio is fair to Headwater Shareholders or a recommendation as to whether the Tamarack Shareholders should vote in favour of the Share Issuance Resolution, the Tamarack Arrangement Resolution, the Tamarack Private Placement Resolution, the Tamarack Option Plan Resolution or any other matter to be considered at the special meeting of the Tamarack Shareholders, or the Headwater Shareholders should vote in favour of the Headwater Arrangement Resolution, Headwater Private Placement Resolution, Headwater Option Plan Resolution or any other matter to be considered at the special meeting of the Headwater Shareholders.

The Fairness Opinion is based upon a variety of factors. Accordingly, NBF believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by NBF, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of the Fairness Opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

**CONCLUSION**

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Exchange Ratio pursuant to the Arrangement is fair, from a financial point of view, to Tamarack.

Yours very truly,



**NATIONAL BANK FINANCIAL INC.**

## APPENDIX H
## *PRO FORMA* INFORMATION CONCERNING THE COMBINED COMPANY

**Notice to Reader**

Unless the context indicates otherwise, capitalized terms used in this Appendix H and not otherwise defined in this Appendix H have the meanings given to those terms under the heading "Glossary of Terms" in this Information Circular.

The information in this Appendix H concerning the Combined Company following completion of the Arrangement should be read in conjunction with the other information in this Information Circular, including the advisories under "*Forward-Looking Statements*" and "*Advisory Regarding Oil and Gas Information*". The forward-looking statements and reserves information in this Appendix H are subject to the assumptions, risks and uncertainties described in those advisories.

**General**

The Arrangement will result in a strategic combination of Tamarack and Headwater, pursuant to which, among other things, Tamarack will acquire all of the issued and outstanding Headwater Shares. Under the Arrangement, Headwater Shareholders will exchange their Headwater Shares for, among other things, New Tamarack Shares on the basis of one New Tamarack Share for each Headwater Share held. The exchange for each Headwater Share and Tamarack Share will be implemented through a series of steps under the Plan of Arrangement involving a reorganization of Tamarack's share capital, which are described under "*Effect of the Arrangement – Details of the Arrangement*" and "*Certain Canadian Federal Income Tax Considerations*" in this Information Circular.

Based on the number of Tamarack Shares and Headwater Shares outstanding as at October 13, 2026, and assuming that: (i) there are no Dissenting Shareholders; (ii) no other Tamarack Shares are issued pursuant to any outstanding Tamarack Incentives prior to the Effective Time; and (iii) Tamarack does not make any purchases under its normal course issuer bid prior to the Effective Time, current Tamarack Shareholders are expected to own approximately 66.5% and former Headwater Shareholders are expected to own approximately 33.5% of the issued and outstanding New Tamarack Shares upon completion of the Arrangement.

**Organizational Structure**

Immediately following completion of the Arrangement, Headwater will be a wholly-owned subsidiary of Tamarack. The Combined Company will continue the business and operations of Tamarack and Headwater on a combined basis.

**Narrative Description of the Business**

The Combined Company will operate as "Tamarack Valley Energy Ltd." and remain headquartered in Calgary, Alberta. The Combined Company is expected to be the only publicly-traded pure-play Clearwater company, with an expected enterprise value of approximately $10 billion, and the largest public Clearwater producer.

The following are the Combined Company's key attributes and the benefits of the Arrangement to both Headwater Shareholders and Tamarack Shareholders:

- **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.

- **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.

- **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.

- **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.[1] Available funding is expected to include a fully undrawn credit facility of $875 million maturing in May 2030.

[1] The Combined Company's expected net cash at the Effective Time has been estimated by management of Tamarack using forward strip commodity pricing as of September 2, 2026, and assumes that the Arrangement is completed on or about November 19, 2026.

- **Meaningful Synergy Capture:** The Combined Company is expected to realize immediate synergies through the integration of operations, 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.

- **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 approval of the Combined Company Board, applicable laws and closing of the Arrangement.

- **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.

For additional information, see "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*" in this Information Circular. For information concerning the constituent businesses, see Appendix I – "*Information Concerning Headwater Exploration Inc*." and Appendix K – "*Information Concerning Tamarack Valley Energy Ltd*."

**Corporate Offices**

The head office of the Combined Company will be located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1. The registered office will be located at Suite 4200, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

**Description of Share Capital of the Combined Company**

The Combined Company will be authorized to issue an unlimited number of common shares (being the New Tamarack Shares following the Arrangement) and an unlimited number of preferred shares issuable in series.

Based on the number of Tamarack Shares and Headwater Shares outstanding as at October 13, 2026, and assuming that: (i) there are no Dissenting Shareholders; (ii) no other Tamarack Shares are issued pursuant to any outstanding Tamarack Incentives prior to the Effective Time; and (iii) Tamarack does not make any purchases under its normal course issuer bid prior to the Effective Time, it is expected that approximately 709,162,331 New Tamarack Shares will be outstanding upon completion of the Arrangement, of which current Tamarack Shareholders are expected to hold approximately 66.5% and former Headwater Shareholders are expected to hold approximately 33.5%.

The holders of New Tamarack Shares will be entitled to: (i) one vote for each New Tamarack Share held at all meetings of shareholders of the Combined Company, except at meetings at which only holders of a specified class of shares are entitled to vote; (ii) subject to the prior rights and privileges attaching to any other class of shares, the right to receive any dividend declared by the Combined Company; and (iii) subject to the prior rights and privileges attaching to any other class of shares, the right to receive the remaining property and assets of the Combined Company upon dissolution.

The preferred shares may be issued in one or more series as determined by resolution of the Combined Company Board. Subject to the ABCA, the Combined Company Board may fix the designation, rights, privileges, restrictions and conditions attaching to each series before issuance. No preferred shares are expected to be issued and outstanding immediately following completion of the Arrangement.

The Tamarack PRSU Plan and the Tamarack Cash Award Plan will continue as the incentive plans of the Combined Company following completion of the Arrangement, and the outstanding Tamarack Incentives will continue in accordance with their terms. See "*Effect of the Arrangement – Tamarack Incentives*".

The shareholder rights plan agreement between Tamarack and Odyssey Trust Company, as rights agent, adopted by the Tamarack Board on December 10, 2025, as amended on April 7, 2026 and ratified by Tamarack Shareholders at the annual and general meeting held on May 6, 2026, will continue in respect of the New Tamarack Shares following completion of the Arrangement. A summary of the Shareholder Rights Plan is set out in the Tamarack AIF and the Tamarack AGM Information Circular, and the full text is available under Tamarack's profile on SEDAR+ at www.sedarplus.ca. See also "*Description of Share Capital*" in Appendix K – "*Information Concerning Tamarack Valley Energy Ltd.*".

**Stock Exchange Listing**

The Tamarack Shares are listed and posted for trading on the TSX under the symbol "TVE". Tamarack has applied to the TSX to list the New Tamarack Shares issuable pursuant to the Arrangement. The TSX has conditionally approved the listing of the New Tamarack Shares, subject to Tamarack fulfilling the requirements of the TSX on or before the Business Day following the Effective Date. See "*Procedure for the Arrangement to Become Effective – Stock Exchange Matters*" in this Information Circular.

**Selected Unaudited *Pro Forma* Reserves and Operational Information**

The following is a summary of selected reserves and operational information for Tamarack and Headwater before giving effect to the Arrangement, together with unaudited *pro forma* reserves and operational information for the Combined Company in each case as at December 31, 2025. The information is derived from the Tamarack Reserves Report and the Headwater Reserves Report, each prepared by McDaniel with an effective date of December 31, 2025.

Important information concerning the oil and natural gas reserves, properties and operations of Tamarack and Headwater is contained in the Tamarack AIF and the Headwater AIF, respectively, each of which is incorporated by reference herein. Readers are encouraged to carefully review such information and those documents as the information set forth in the table below is a summary only and is qualified in its entirety by those documents incorporated by reference herein. See "*Advisory Regarding Oil and Gas Information*" in this Information Circular. This summary is presented for illustrative purposes only and is not necessarily indicative of the reserves and operational performance that would have occurred as at or for such periods had the Arrangement been effective at such times or the reserves for the Combined Company in future years if the Arrangement is completed.

The *pro forma* Combined Company information mechanically combines the applicable historical reserves estimates after excluding: (i) from Tamarack, the reserves attributable to the Charlie Lake assets sold by Tamarack on June 15, 2026; and (ii) from Headwater, the reserves attributable to the Tributary Headwater Assets (being Headwater's McCully and Clay properties). No reserves are attributed to the Tributary Tamarack Assets in the Tamarack Reserves Report. Except for those deductions and the resulting arithmetic combination, no other adjustment has been made.

| As at and for the year ended December 31, 2025 | Tamarack (historical) | Less: Charlie Lake | Headwater (historical) | Less: Tributary Headwater Assets | *Pro forma* Combined Company[4] |
|---|---|---|---|---|---|
| **TOTAL PROVED RESERVES[1][2][3]** | | | | | |
| Light and Medium Crude Oil (Mbbl) | 21,339 | (20,568) | - | - | 771 |
| Heavy Crude Oil (Mbbl) | 125,000 | - | 63,458 | (266) | 188,192 |
| Natural Gas Liquids (Mbbl) | 6,189 | (5,508) | 242 | (15) | 908 |
| Conventional Natural Gas (MMcf) | 126,583 | (80,066) | 25,255 | (12,279) | 59,493 |
| Shale Gas (MMcf) | - | - | 2,217 | (2,217) | - |
| Total (Mboe)[5] | 173,624 | (39,420) | 68,278 | (2,697) | 199,785 |
| **TOTAL PROVED PLUS PROBABLE RESERVES[1][2][3]** | | | | | |
| Light and Medium Crude Oil (Mbbl) | 40,148 | (38,845) | - | - | 1,303 |
| Heavy Crude Oil (Mbbl) | 194,428 | - | 97,730 | (638) | 291,520 |
| Natural Gas Liquids (Mbbl) | 11,002 | (9,953) | 372 | (18) | 1,403 |
| Conventional Natural Gas (MMcf) | 216,583 | (142,260) | 35,518 | (15,274) | 94,567 |
| Shale Gas (MMcf) | - | - | 2,898 | (2,898) | - |
| Total (Mboe)[5] | 281,676 | (72,509) | 104,505 | (3,685) | 309,987 |
| **AVERAGE DAILY PRODUCTION (for the year ended December 31, 2025)[1]** | | | | | |
| Light and Medium Crude Oil (Bbls/d) | 12,450 | (9,138) | - | - | 3,312 |
| Heavy Crude Oil (Bbls/d) | 42,814 | - | 20,707 | (108) | 63,413 |
| Natural Gas Liquids (Bbls/d) | 2,742 | (2,377) | 160 | (2) | 523 |
| Natural Gas (Mcf/d) | 61,020 | (33,336) | 11,454 | (2,964) | 36,174 |
| Total (boe/d) | 68,176 | (17,071) | 22,776 | (604) | 73,277 |

Notes:

(1) Production and reserves volumes are reported on a before-royalties basis.

(2) The reserves data presented for Tamarack (historical) and Charlie Lake is derived from the Tamarack Reserves Report and the reserves data presented for Headwater (historical) and the Tributary Headwater Assets is derived from the Headwater Reserves Report. For further information regarding the reserves, production and other oil and gas information of Tamarack and Headwater, see the Tamarack AIF and Headwater AIF, each of which is incorporated by reference herein.

(3) Reserves presented are gross reserves as defined in NI 51-101 utilizing forecast price and cost assumptions. The *pro forma* reserves presented in the table above are based on the Tamarack Reserves Report and the Headwater Reserves Report. With respect to the *pro forma* reserves information presented in the table above, Tamarack did not prepare a consolidated reserves report of the combined assets of Tamarack and Headwater, and did not engage an independent reserves evaluator to produce such a report in accordance with NI 51-101. Therefore, the actual reserves of the Combined Company, if evaluated as of December 31, 2025, may differ from the reserves presented in the *pro forma* table above for a number of reasons and such differences may be material. The reserves of the Combined Company as at December 31, 2025, are calculated on the basis of Tamarack (historical), less the Charlie Lake assets, plus Headwater (historical), less the Tributary Headwater Assets.

(4) The numbers in this column were calculated by adding or deducting, as applicable, the numbers in the columns. Boe estimates and totals may not sum due to rounding.

(5) Total Mboe amounts for the deductions are derived from the Tamarack Reserves Report and the Headwater Reserves Report, as applicable. Totals may not sum due to rounding.

**Selected Unaudited *Pro Forma* Financial Information**

The following is a summary of selected unaudited *pro forma* consolidated financial information of the Combined Company before and after giving effect to the completion of the Arrangement for the dates and periods indicated. The *pro forma* adjustments are based upon available information and certain assumptions that Tamarack believes are reasonable under the circumstances. The unaudited *pro forma* consolidated financial information set forth below and the *Pro Forma* Financial Statements attached to this Appendix H as Schedule A – "*Unaudited Consolidated Pro Forma Financial Statements of the Combined Company*" are presented for illustrative purposes only and are not necessarily indicative of either the financial position or the results of operations that would have occurred as at or for such dates or periods had the Arrangement been effective as at such dates, as applicable, or the financial position or results of operations for the Combined Company in future years if the Arrangement is completed. The actual financial

position and results of operations will differ from those reflected in such unaudited *Pro Forma* Financial Statements and such differences may be material.

Reference should also be made to the Tamarack Annual Financial Statements, Tamarack Annual MD&A, Tamarack Interim Financial Statements, Tamarack Interim MD&A, Headwater Annual Financial Statements, Headwater Annual MD&A, Headwater Interim Financial Statements and Headwater Interim MD&A, each of which is incorporated by reference herein.

***Pro Forma Consolidated Statement of Operations for the six months ended June 30, 2026***

| **For the six months ended June 30, 2026** ($ thousands) | **Tamarack Valley Energy Ltd.** | **Headwater Exploration Inc.** | **Presentation adjustments** | ***Pro forma* adjustments** | ***Pro forma* consolidated** |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Oil and natural gas sales | $ 1,047,730 | $ 414,649 | $ (904) | $ (15,920) | $ 1,445,555 |
| Sale of purchased product | 17,008 | - | - | - | 17,008 |
| Processing and other income | 1,884 | - | 1,979 | (825) | 3,038 |
| Royalties | (197,121) | (76,350) | - | 672 | (272,799) |
| | 869,501 | 338,299 | 1,075 | (16,073) | 1,192,802 |
| **Risk management contracts** | | | | | |
| Realized loss | (67,843) | - | (17,331) | - | (85,174) |
| Unrealized gain (loss) | (32,743) | - | 2,015 | - | (30,728) |
| Losses on financial derivatives | - | (15,316) | 15,316 | - | - |
| | 768,915 | 322,983 | 1,075 | (16,073) | 1,076,900 |
| **Expenses** | | | | | |
| Operating | 91,897 | 36,177 | - | (1,243) | 126,831 |
| Transportation | 47,879 | - | 26,041 | (36) | 73,884 |
| Product purchases and blending | 20,472 | - | 17,078 | - | 37,550 |
| Finance | 36,318 | - | 1,188 | - | 37,506 |
| Stock-based compensation | 28,078 | 18,950 | - | - | 47,028 |
| General and administrative | 17,622 | 6,559 | - | - | 24,181 |
| Depletion and depreciation | 225,633 | 58,665 | 1,814 | 55,015 | 341,127 |
| Loss on dispositions and other | 23,564 | - | - | - | 23,564 |
| Blending and transportation | - | 43,119 | (43,119) | - | - |
| Exploration and evaluation expense | - | 1,814 | (1,814) | - | - |
| Interest income and other expense | - | 113 | (113) | - | - |
| | 491,463 | 165,397 | 1,075 | 53,736 | 711,671 |
| Net income before income taxes | 277,452 | 157,586 | - | (69,809) | 365,229 |
| **Income taxes** | | | | | |
| Current income tax expense (recovery) | 86,563 | 21,080 | - | (3,432) | 104,211 |
| Deferred income tax expense (recovery) | (20,432) | 15,523 | - | (12,653) | (17,562) |
| | 66,131 | 36,603 | - | (16,085) | 86,649 |
| Net income and comprehensive income | $ 211,321 | $ 120,983 | $ - | $ (53,724) | $ 278,580 |
| **Net income per share** | | | | | |
| Basic | $ 0.44 | $ 0.51 | | | $ 0.39 |
| Diluted | $ 0.43 | $ 0.51 | | | $ 0.38 |

***Pro Forma Consolidated Statement of Operations for the year ended December 31, 2025***

| **For the year ended December 31, 2025** ($ thousands) | **Tamarack Valley Energy Ltd.** | **Headwater Exploration Inc.** | **Presentation adjustments** | ***Pro forma* adjustments** | ***Pro forma* consolidated** |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Oil and natural gas sales | $ 1,611,671 | $ 618,280 | $ (1,530) | $ (25,875) | $ 2,202,546 |
| Sale of purchased product | 35,907 | - | - | - | 35,907 |
| Processing and other income | 2,865 | - | 5,126 | (1,428) | 6,563 |
| Royalties | (302,938) | (103,987) | - | 1,115 | (405,810) |
| | 1,347,505 | 514,293 | 3,596 | (26,188) | 1,839,206 |
| **Risk management contracts** | | | | | |
| Realized loss | (19,228) | - | (6,506) | - | (25,734) |
| Unrealized gain (loss) | 30,251 | - | (691) | - | 29,560 |
| Losses on financial derivatives | - | (7,197) | 7,197 | - | - |
| | 1,358,528 | 507,096 | 3,596 | (26,188) | 1,843,032 |

| | | | | | |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Operating | 187,839 | 61,349 | - | (2,624) | 246,564 |
| Transportation | 86,149 | - | 46,393 | (206) | 132,336 |
| Product purchases and blending | 37,938 | - | 24,465 | - | 62,403 |
| Finance | 84,742 | - | 2,759 | - | 87,501 |
| Stock-based compensation | 27,849 | 26,011 | - | - | 53,860 |
| General and administrative | 37,021 | 12,396 | - | - | 49,417 |
| Depletion and depreciation | 530,613 | 127,037 | 8,256 | 177,330 | 843,236 |
| Loss on dispositions and other | 406,473 | - | - | 25,545 | 432,018 |
| Blending and transportation | - | 70,858 | (70,858) | - | - |
| Exploration and evaluation expense | - | 8,256 | (8,256) | - | - |
| Interest income and other expense | - | (837) | 837 | - | - |
| | 1,398,624 | 305,070 | 3,596 | 200,045 | 1,907,335 |
| Net income (loss) before income taxes | (40,096) | 202,026 | - | (226,233) | (64,303) |
| **Income taxes** | | | | | |
| Current income tax expense (recovery) | 100,044 | 40,220 | - | (11,295) | 128,969 |
| Deferred income tax expense (recovery) | (103,791) | 8,599 | - | (40,786) | (135,978) |
| | (3,747) | 48,819 | - | (52,081) | (7,009) |
| Net income (loss) and comprehensive income (loss) | $ (36,349) | $ 153,207 | $ - | $ (174,152) | $ (57,294) |
| **Net income (loss) per share** | | | | | |
| Basic | $ (0.07) | $ 0.64 | | | $ (0.08) |
| Diluted | $ (0.07) | $ 0.64 | | | $ (0.08) |

***Pro Forma* Consolidated Capitalization**

The following table sets forth the consolidated capitalization of the Combined Company as at June 30, 2026 on a *pro forma* basis, after giving effect to the completion of the Arrangement. For detailed information on the total debt and share capitalization of Tamarack and Headwater as at June 30, 2026, see the Tamarack Interim Financial Statements and Headwater Interim Financial Statements, each of which is incorporated by reference herein.

The data below has been derived from, and should be read in conjunction with, the more detailed *Pro Forma* Financial Statements. Additionally, the *Pro Forma* Financial Statements are based on, and should be read in conjunction with, the historical consolidated financial statements and related notes thereto of each of Tamarack and Headwater for the applicable periods, which are incorporated by reference herein.

| **As at June 30, 2026** | | | ***Pro forma* consolidated** |
|---|---|---|---|
| ($ thousands) | **Tamarack** | **Headwater** | |
| Tamarack credit facility[(1)] | $ – | $ – | $ – |
| Headwater credit facility[(2)(3)] | – | – | – |
| 6.875% senior unsecured notes due 2030[(4)] | 319,589 | – | 319,589 |
| **Total long-term debt** | **319,589** | **–** | **319,589** |
| Total shareholders' equity | 1,863,712[(5)(6)] | 814,452[(7)(8)] | 5,084,517[(9)] |
| **Total capitalization** | **$ 2,183,301** | **$ 814,452** | **$ 5,404,106** |

Notes:

(1) Tamarack has an $875.0 million covenant-based revolving credit facility with a syndicate of lenders (the "**Tamarack Credit Facility**"), with an uncommitted accordion feature of $125.0 million, secured by a $2.5 billion demand debenture over the assets of Tamarack (other than the assets of the Clearwater Infrastructure Limited Partnership). In May 2026, the maturity of the Tamarack Credit Facility was extended by two years to May 29, 2030. As at June 30, 2026, no amounts were drawn under the Tamarack Credit Facility, other than $3.7 million of outstanding letters of credit. As at October 13, 2026, nil was drawn under the Tamarack Credit Facility.

(2) Headwater has $100.0 million of revolving credit facilities, consisting of a $20.0 million operating facility and an $80.0 million syndicated facility, with an uncommitted accordion feature of $100.0 million, secured by a $500.0 million demand debenture. The facilities have a two-year revolving period, with the next borrowing base redetermination to occur on or before May 31, 2027. As at June 30, 2026, no amounts were drawn under the Headwater credit facilities. As at October 13, 2026, nil was drawn under the Headwater credit facilities.

(3) On the Effective Date, any amounts outstanding under the Headwater credit facilities will be repaid and the Headwater credit facilities will be cancelled. Following completion of the Arrangement, the Combined Company's credit facility will be the Tamarack Credit Facility, which is expected to be undrawn on the Effective Date, and the Combined Company is expected to have net cash of more than $50 million and available funding of more than $1.2 billion. See "*The Arrangement – Attributes of the Combined Company and Benefits of the Arrangement*" and "*Supplemental Disclosure – Non-IFRS Measures*".

(4) Tamarack's senior unsecured notes consist of $325.0 million aggregate principal amount of 6.875% senior unsecured notes due July 25, 2030 (the "**2030 Notes**"), which had a carrying value of $319.6 million as at June 30, 2026. The 2030 Notes will remain outstanding following completion of the Arrangement.

(5) As at June 30, 2026, and prior to giving effect to any performance multiplier or adjustments for dividends, Tamarack had outstanding 3,551,000 Tamarack RSUs and 2,464,000 Tamarack PSUs, which are share-settled, and 651,000 Tamarack RIAs and 3,633,000 Tamarack PIAs, which are cash-settled, and no stock options. The Tamarack Incentives will continue in accordance with their terms following completion of the Arrangement. See "*Effect of the Arrangement – Tamarack Incentives*".

(6) As at June 30, 2026, there were approximately 475.0 million Tamarack Shares issued and outstanding, with share capital of $1,605.2 million. As at October 13, 2026, following purchases under Tamarack's normal course issuer bid, there were 471,399,454 Tamarack Shares issued and outstanding.
(7) As at June 30, 2026, there were 237,762,877 Headwater Shares issued and outstanding, with capital stock of $487.4 million. No Headwater Shares were issued or purchased for cancellation during the six months ended June 30, 2026.
(8) As at June 30, 2026, Headwater had outstanding 371,961 Headwater Restricted Awards, 3,444,399 Headwater Performance Awards and 444,818 Headwater DSUs, prior to giving effect to any Payout Multiplier or Adjustment Ratio, all of which will be cash-settled on closing of the Arrangement. See "*Effect of the Arrangement – Headwater Incentives*".
(9) Based on the issuance of 237,762,877 New Tamarack Shares to former Headwater Shareholders on the basis of one New Tamarack Share for each Headwater Share (assuming that there are no Dissenting Shareholders and that no Headwater Shares are issued prior to the Effective Time), at a deemed value of $13.63 per New Tamarack Share, being the five-day volume weighted average trading price of the Tamarack Shares on the TSX to September 7, 2026. The *pro forma* amount is derived from, and should be read in conjunction with, the *Pro Forma* Financial Statements, including the adjustments and assumptions described in the notes thereto.

**Dividends**

Subject to completion of the Arrangement, the Combined Company intends to pay a quarterly dividend of $0.06 per New Tamarack Share ($0.24 annualized), commencing in December 2026, representing a 20% increase from Tamarack's current quarterly dividend of $0.05 per Tamarack Share. Any future declaration and payment of dividends will be at the discretion of the Combined Company Board and will depend on the Combined Company's financial condition, results of operations, capital requirements, applicable legal restrictions and other factors considered relevant by the Combined Company Board. See "*Risk Factors – Future Dividends on the Combined Company's Shares*" in this Information Circular.

**Credit Ratings**

As at the date of this Information Circular, S&P Global Ratings ("**S&P**") has assigned Tamarack an issuer credit rating of B+ and a senior unsecured notes rating of BB-. On September 8, 2026, following announcement of the Arrangement, S&P announced it had placed Tamarack's issuer credit rating "on CreditWatch with positive implications", which reflects the likelihood that the issuer credit rating could be raised by one notch at or around close of the Arrangement.

Credit ratings will affect the Combined Company's ability to obtain short-term and long-term debt and equity financing and the cost of such financings. A reduction in the current credit ratings by the rating agencies, particularly a downgrade below the current ratings or a negative change in the ratings outlook, could adversely affect the Combined Company's cost of financing and access to capital. In addition, changes in credit ratings may affect the Combined Company's ability to: (i) enter into ordinary course derivative or hedging transactions and may require the posting of additional collateral under contracts; and (ii) enter into and maintain ordinary course contracts with customers and suppliers on acceptable terms. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant. Tamarack compensates S&P in connection with the assignment of ratings and publications.

**Principal Holders of Tamarack Shares and New Tamarack Shares**

As at October 13, 2026, to the knowledge of the directors and executive officers of Tamarack, no person or company beneficially owns, or exercises control or direction over, more than 10% of the outstanding Tamarack Shares. To the knowledge of the directors and executive officers of Tamarack and Headwater, no person or company is expected to beneficially own, or exercise control or direction over, more than 10% of the New Tamarack Shares immediately following completion of the Arrangement.

**Directors and Executive Officers After the Arrangement**

Immediately following the Effective Time, the Combined Company Board will consist of nine members, comprising members of the Tamarack Board plus Jason Jaskela and one additional representative from the current Headwater Board to be determined by the Tamarack Board prior to closing. See "*Effect of the Arrangement – Board and Management*".

The executive team will be led by current Tamarack management. Effective January 1, 2027, Steve Buytels, the current President of Tamarack, will be appointed President and Chief Executive Officer and a director of the Combined Company, and Brian Schmidt, Tamarack's founding Chief Executive Officer, will become Executive Chair of the Combined Company Board. The other officers will be Kevin Johnston, Chief Financial Officer; Scott Shimek, Chief Operating Officer; Ben Stoodley, Vice President, Engineering; Lynne Chrumka, Vice President, Exploration; Rocky Baker, Vice President, Marketing & Commercial; and Sony Gill, Corporate Secretary.

Biographical information concerning the directors and executive officers of the Combined Company is set out in the Tamarack AIF, the Tamarack AGM Information Circular, the Headwater AIF and the Headwater AGM Information Circular, as applicable, each of which is incorporated by reference herein.

**Corporate Governance and Combined Company Board Committees**

It is currently anticipated that following the completion of the Arrangement, the committees of the Combined Company Board will be constituted by the Combined Company Board following the Effective Time, and the current policies and mandates of Tamarack will be the policies and mandates of the Combined Company, with such amendments thereto as the Combined Company Board shall determine are necessary to reflect the Arrangement. For additional information regarding the corporate governance policies and mandates of Tamarack, see the Tamarack AIF and the Tamarack AGM Information Circular, each of which is incorporated by reference herein.

**Conflicts of Interest**

The directors or officers of the Combined Company may also be directors or officers of other oil and natural gas companies or otherwise involved in natural resource exploration and development and situations may arise where they are in a conflict of interest with the Combined Company. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Combined Company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

**Statement of Proposed Executive and Director Compensation**

The compensation of the executive officers of the Combined Company is expected to be initially comparable to the current compensation of the executive officers of Tamarack. The compensation of directors who are members of the Combined Company Board is expected to be initially comparable to the current compensation of the directors of Tamarack. For further information concerning the current compensation structure of Tamarack, please refer to the Tamarack AGM Information Circular which is incorporated by reference herein.

Following completion of the Arrangement, it is expected that the Combined Company Board and the Governance & Compensation Committee will meet to determine and oversee the compensation of the directors and officers of the Combined Company, and the director and officer compensation philosophy and design of the Combined Company. These are anticipated to generally be consistent with the existing director and officer compensation philosophy and design of Tamarack with consideration for the profile of the Combined Company. To assess and determine the director and officer compensation structure and policies of the Combined Company, the Combined Company Board and the Governance & Compensation Committee may retain and use reports prepared by independent compensation advisors or consultants.

**Indebtedness of Directors, Officers and Other Management**

As of the date of this Information Circular, none of the proposed directors, officers or other members of management or promoters of the Combined Company, nor any of their associates or affiliates is indebted to Tamarack or Headwater, nor has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Tamarack or Headwater.

**Auditors, Transfer Agent and Registrar**

The auditor of the Combined Company will be KPMG LLP, Chartered Professional Accountants, Calgary, Alberta. The transfer agent and registrar for the New Tamarack Shares will be Odyssey Trust Company at its principal office in Calgary, Alberta.

**Material Contracts**

Other than as disclosed in this Information Circular or in the documents incorporated by reference herein with respect to Tamarack and Headwater, there are no contracts to which the Combined Company will be a party following completion of the Arrangement that can reasonably be regarded as material to the Combined Company. For a description of the material contracts of Headwater and Tamarack, see Appendix I – "*Information Concerning Headwater Exploration Inc*." and the Headwater AIF, and Appendix K – "*Information Concerning Tamarack Valley Energy Ltd*." and the Tamarack AIF, respectively.

**Risk Factors**

Holding or making an investment in the New Tamarack Shares is subject to various risks. In addition to the risks set out in the documents incorporated by reference in this Information Circular with respect to the businesses and operations of each of Tamarack and Headwater, respectively, the proposed combination of Tamarack and in connection with the Arrangement is subject to certain risks. See "*Risk Factors*". For additional information regarding the risks of Headwater's business, see Appendix I – "*Information Concerning Headwater Exploration Inc.*". For additional information regarding the risks of Tamarack's business, see Appendix K – "*Information Concerning Tamarack Valley Energy Ltd.*". Tamarack Shareholders and Headwater Shareholders should carefully consider such risk factors related to the Arrangement.

**SCHEDULE A**
**UNAUDITED CONSOLIDATED *PRO FORMA* FINANCIAL STATEMENTS OF THE COMBINED COMPANY**

[See attached.]

# UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

(thousands of Canadian dollars)

| As at June 30, 2026 | Tamarack Valley Energy Ltd. | Headwater Exploration Inc. | Presentation adjustments (Note 2) | Pro forma adjustments (Note 3) | Pro forma consolidated |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | $ 508,321 | $ 87,658 | $ - | $ 2,350 | **$ 598,329** |
| Accounts receivable | 152,576 | 66,529 | - | - | **219,105** |
| Prepaid expenses and deposits | 10,818 | 3,668 | 1,080 | 22,500 | **38,066** |
| Risk management contracts | 1,911 | 1,397 | - | - | **3,308** |
| Restricted cash | - | 2,350 | - | (2,350) | **-** |
| Inventories | - | 1,080 | (1,080) | - | **-** |
| | 673,626 | 162,682 | - | 22,500 | **858,808** |
| Oil and natural gas assets | 2,428,572 | - | 934,976 | 3,302,249 | **6,665,797** |
| Property, plant and equipment | - | 877,027 | (877,027) | - | **-** |
| Exploration and evaluation assets | - | 56,142 | (56,142) | - | **-** |
| Other assets | - | 1,807 | (1,807) | - | **-** |
| | 3,102,198 | 1,097,658 | - | 3,324,749 | **7,524,605** |
| **Liabilities and shareholders' equity** | | | | | |
| **Current liabilities** | | | | | |
| Accounts payable and accrued liabilities | 204,438 | 94,702 | 29,202 | 60,564 | **388,906** |
| Risk management contracts | 20,075 | 216 | - | - | **20,291** |
| Other liabilities | 50,143 | - | 28,363 | 90,303 | **168,809** |
| Asset retirement obligations | 18,770 | - | - | - | **18,770** |
| Dividend payable | - | 28,532 | (28,532) | - | **-** |
| Stock-based compensation payable | - | 19,892 | (19,892) | - | **-** |
| Repayable contribution | - | 7,472 | (7,472) | - | **-** |
| Lease liability | - | 999 | (999) | - | **-** |
| Current income tax liability | - | 670 | (670) | - | **-** |
| | 293,426 | 152,483 | - | 150,867 | **596,776** |
| Debt | 319,589 | - | - | - | **319,589** |
| Other liabilities | 175,442 | - | 10,759 | (10,137) | **176,064** |
| Asset retirement obligations | 112,958 | 40,489 | - | (6,614) | **146,833** |
| Deferred income taxes | 337,071 | 79,475 | - | 784,280 | **1,200,826** |
| Stock-based compensation payable | - | 9,982 | (9,982) | - | **-** |
| Lease liability | - | 777 | (777) | - | **-** |
| | 1,238,486 | 283,206 | - | 918,396 | **2,440,088** |
| **Shareholder's equity** | | | | | |
| Share capital | 1,605,216 | 487,378 | - | 2,753,097 | **4,845,691** |
| Treasury shares | (6,347) | - | - | - | **(6,347)** |
| Contributed surplus | 28,413 | 10,792 | - | (10,792) | **28,413** |
| Retained earnings | 236,430 | 316,282 | - | (335,952) | **216,760** |
| | 1,863,712 | 814,452 | - | 2,406,353 | **5,084,517** |
| | $ 3,102,198 | $ 1,097,658 | $ - | $ 3,324,749 | **$ 7,524,605** |

# UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(thousands of Canadian dollars)

| For the year ended December 31, 2025 | Tamarack Valley Energy Ltd. | Headwater Exploration Inc. | Presentation adjustments (Note 2) | Pro forma adjustments (Note 3) | Pro forma consolidated |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Oil and natural gas sales | $ 1,611,671 | $ 618,280 | $ (1,530) | $ (25,875) | **$ 2,202,546** |
| Sale of purchased product | 35,907 | - | - | - | **35,907** |
| Processing and other income | 2,865 | - | 5,126 | (1,428) | **6,563** |
| Royalties | (302,938) | (103,987) | - | 1,115 | **(405,810)** |
| | 1,347,505 | 514,293 | 3,596 | (26,188) | **1,839,206** |
| **Risk management contracts** | | | | | |
| Realized loss | (19,228) | - | (6,506) | - | **(25,734)** |
| Unrealized gain (loss) | 30,251 | - | (691) | - | **29,560** |
| Losses on financial derivatives | - | (7,197) | 7,197 | - | **-** |
| | 1,358,528 | 507,096 | 3,596 | (26,188) | **1,843,032** |
| **Expenses** | | | | | |
| Operating | 187,839 | 61,349 | - | (2,624) | **246,564** |
| Transportation | 86,149 | - | 46,393 | (206) | **132,336** |
| Product purchases and blending | 37,938 | - | 24,465 | - | **62,403** |
| Finance | 84,742 | - | 2,759 | - | **87,501** |
| Stock-based compensation | 27,849 | 26,011 | - | - | **53,860** |
| General and administrative | 37,021 | 12,396 | - | - | **49,417** |
| Depletion and depreciation | 530,613 | 127,037 | 8,256 | 177,330 | **843,236** |
| Loss on dispositions and other | 406,473 | - | - | 25,545 | **432,018** |
| Blending and transportation | - | 70,858 | (70,858) | - | **-** |
| Exploration and evaluation expense | - | 8,256 | (8,256) | - | **-** |
| Interest income and other expense | - | (837) | 837 | - | **-** |
| | 1,398,624 | 305,070 | 3,596 | 200,045 | **1,907,335** |
| Net income (loss) before income taxes | (40,096) | 202,026 | - | (226,233) | **(64,303)** |
| **Income taxes** | | | | | |
| Current income tax expense (recovery) | 100,044 | 40,220 | - | (11,295) | **128,969** |
| Deferred income tax expense (recovery) | (103,791) | 8,599 | - | (40,786) | **(135,978)** |
| | (3,747) | 48,819 | - | (52,081) | **(7,009)** |
| Net income (loss) and comprehensive income (loss) | $ (36,349) | $ 153,207 | $ - | $ (174,152) | **$ (57,294)** |
| **Net income (loss) per share (Note 4)** | | | | | |
| Basic | $ (0.07) | $ 0.64 | | | **$ (0.08)** |
| Diluted | $ (0.07) | $ 0.64 | | | **$ (0.08)** |

# UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(thousands of Canadian dollars)

| For the six months ended June 30, 2026 | Tamarack Valley Energy Ltd. | Headwater Exploration Inc. | Presentation adjustments (Note 2) | Pro forma adjustments (Note 3) | Pro forma consolidated |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Oil and natural gas sales | $ 1,047,730 | $ 414,649 | $ (904) | $ (15,920) | **$ 1,445,555** |
| Sale of purchased product | 17,008 | - | - | - | **17,008** |
| Processing and other income | 1,884 | - | 1,979 | (825) | **3,038** |
| Royalties | (197,121) | (76,350) | - | 672 | **(272,799)** |
| | 869,501 | 338,299 | 1,075 | (16,073) | **1,192,802** |
| **Risk management contracts** | | | | | |
| Realized loss | (67,843) | - | (17,331) | - | **(85,174)** |
| Unrealized gain (loss) | (32,743) | - | 2,015 | - | **(30,728)** |
| Losses on financial derivatives | - | (15,316) | 15,316 | - | **-** |
| | 768,915 | 322,983 | 1,075 | (16,073) | **1,076,900** |
| **Expenses** | | | | | |
| Operating | 91,897 | 36,177 | - | (1,243) | **126,831** |
| Transportation | 47,879 | - | 26,041 | (36) | **73,884** |
| Product purchases and blending | 20,472 | - | 17,078 | - | **37,550** |
| Finance | 36,318 | - | 1,188 | - | **37,506** |
| Stock-based compensation | 28,078 | 18,950 | - | - | **47,028** |
| General and administrative | 17,622 | 6,559 | - | - | **24,181** |
| Depletion and depreciation | 225,633 | 58,665 | 1,814 | 55,015 | **341,127** |
| Loss on dispositions and other | 23,564 | - | - | - | **23,564** |
| Blending and transportation | - | 43,119 | (43,119) | - | **-** |
| Exploration and evaluation expense | - | 1,814 | (1,814) | - | **-** |
| Interest income and other expense | - | 113 | (113) | - | **-** |
| | 491,463 | 165,397 | 1,075 | 53,736 | **711,671** |
| Net income before income taxes | 277,452 | 157,586 | - | (69,809) | **365,229** |
| **Income taxes** | | | | | |
| Current income tax expense (recovery) | 86,563 | 21,080 | - | (3,432) | **104,211** |
| Deferred income tax expense (recovery) | (20,432) | 15,523 | - | (12,653) | **(17,562)** |
| | 66,131 | 36,603 | - | (16,085) | **86,649** |
| Net income and comprehensive income | $ 211,321 | $ 120,983 | $ - | $ (53,724) | **$ 278,580** |
| **Net income per share (Note 4)** | | | | | |
| Basic | $ 0.44 | $ 0.51 | | | **$ 0.39** |
| Diluted | $ 0.43 | $ 0.51 | | | **$ 0.38** |

## 1. Basis of preparation

These unaudited pro forma consolidated financial statements of Tamarack Valley Energy Ltd. ("Tamarack") (the "pro forma statements") have been prepared to reflect a definitive arrangement agreement between Tamarack and Headwater Exploration Inc. ("Headwater") to combine in an all-share transaction (the "Transaction"). Under the terms of the Transaction, Headwater shareholders will receive 1.0 common share of Tamarack for each Headwater common share held, resulting in Tamarack issuing a total of 237.8 million shares to acquire all of Headwater. Following the closing of the Transaction, Tamarack shareholders will own 66.5% of the combined company and Headwater shareholders will own 33.5% based on common share counts outstanding as at September 7, 2026. The combined company will be led by the Tamarack management team.

In conjunction with the Transaction, certain assets located in Alberta, Saskatchewan and New Brunswick (the "Tributary Exploration Assets"), will be transferred from Headwater and Tamarack into Tributary Exploration Inc. ("Tributary"), a newly formed exploration company. Legacy shareholders of Tamarack and Headwater will receive common shares of Tributary in a similar proportion to the pro forma combined entity initially, providing continued exposure to these assets under the stewardship of the legacy Headwater management team.

Based on the common shares held and composition of the board and executive team of the combined entity, Tamarack is deemed to be the acquirer of Headwater. Following the closing of the Transaction, Tamarack and Tributary will operate independently and will each continue to be headquartered in Calgary, Alberta. Two individuals nominated by Headwater, and agreed upon by Tamarack, will be appointed to the Board of Directors of Tamarack at closing. These pro forma statements have been prepared from, and should be read in conjunction with, the following:

- Tamarack's audited consolidated financial statements for the years ended December 31, 2025 and 2024 and unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025;
- Headwater's audited consolidated financial statements for the years ended December 31, 2025 and 2024 and unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025;
- Audited operating statements relating to the Headwater assets being transferred to Tributary for the years ended December 31, 2025, 2024 and 2023 and the unaudited operating statements relating to the Headwater assets being transferred to Tributary for the six months ended June 30, 2026 and 2025.

The pro forma statements include all adjustments necessary to comply with the applicable securities legislation. The accounting policies used in the preparation of the pro forma statements are in accordance with those disclosed in the consolidated financial statements of Tamarack for the year ended December 31, 2025. The unaudited pro forma consolidated balance sheet gives effect to the Transaction as if it had occurred on June 30, 2026. The unaudited pro forma consolidated statements of income (loss) and comprehensive income (loss) give effect to the Transaction as if it had occurred on January 1, 2025. These pro forma statements have been adjusted to exclude the operating results of the Tributary Exploration Assets. These pro forma statements are based on historical results and may not be indicative of the results that actually would have occurred, had the Transaction been in effect during the respective periods reported herein. No adjustments have been made to reflect operating synergies, administrative cost savings or costs to integrate operations that may be realized as a result of the Transaction.

The pro forma statements have been prepared on the basis that Tamarack will account for the Transaction using the acquisition method pursuant to *IFRS 3 - Business Combinations*. Under the acquisition method, the assets and liabilities of Headwater are recorded at their fair value on the date of acquisition and the total consideration is allocated to the assets acquired and liabilities assumed. These statements are based on historical reported results and the actual purchase price allocation and future operating results of the combined company could differ materially from these pro forma figures reported. The pro forma adjustments are based on certain assumptions using currently available information that management believes are reasonable.

## 2. Presentation adjustments

Tamarack and Headwater prepare their consolidated financial statements using similar accounting policies, however, certain amounts presented in Headwater's historical consolidated financial statements have been reclassified and adjusted to conform to Tamarack's presentation as follows:

**Pro forma balance sheet**

- **Inventories** – Aggregation of Headwater's inventories to prepaid expenses and deposits.
- **Oil and natural gas assets** – Aggregation of Headwater's property, plant and equipment, exploration and evaluation assets and other assets to oil and natural gas assets.
- **Accounts payable and accrued liabilities** – Aggregation of Headwater's dividend payable and current income tax liability to accounts payable and accrued liabilities.
- **Other liabilities** – Aggregation of Headwater's stock-based compensation payable, repayable contribution and lease liability to other liabilities.

**Pro forma income statement**

- **Blending and transportation** – Disaggregation of Headwater's blending and transportation to transportation and product

purchases and blending expenses.

- **Risk management contracts** – Disaggregation of Headwater's losses on financial derivatives to realized and unrealized gains (losses) on risk management contracts.
- **Exploration and evaluation** – Aggregation of Headwater's exploration and evaluation expense to depletion and depreciation.
- **Processing income** – Aggregation of Headwater's processing and interest income to processing and other income.
- **Finance** – Aggregation of Headwater's other expenses to finance expenses.

## 3. Pro forma adjustments

a) **Preliminary purchase price allocation** – The assets acquired and liabilities assumed are estimated to be:

| As at | June 30, 2026 |
|---|---|
| Tamarack common shares issued to Headwater shareholders | **237,763** |
| Price of Tamarack common shares (five-day trailing volume weighted average share price to Sept. 7, 2026) | **$ 13.63** |
| Total consideration | **$ 3,240,475** |
| Net assets acquired | |
| Cash and cash equivalents | **$ 90,008** |
| Accounts receivable | **66,529** |
| Prepaid expenses and deposits | **24,310** |
| Risk management contracts (net) | **1,181** |
| Oil and natural gas assets | **4,236,317** |
| Deferred income tax liability | **(866,693)** |
| Accounts payable and accrued liabilities | **(158,923)** |
| Other liabilities | **(119,288)** |
| Asset retirement obligations | **(32,966)** |
| Net assets acquired | **$ 3,240,475** |

For purposes of the pro forma statements, the fair value of the identifiable assets acquired and liabilities assumed are based on preliminary estimates of fair value. Management believes the fair values recognized are based on reasonable estimates and assumptions, including, where applicable, current market-based assumptions. Preliminary fair value estimates may change as additional information becomes available.

Of Headwater's estimated transaction costs of $149.1 million, $110.4 million relates to cash-settled equity-based compensation units included in other liabilities and $38.7 million is included in accounts payable and accrued liabilities. Prepaid expenses and deposits includes the associated current tax recoveries associated with the expected transaction costs and exclusion of the Tributary Exploration Assets' operating results (Note 3b). Headwater's restricted cash will be released upon closing of the Transaction. The asset retirement obligations were initially valued using the credit adjusted risk-free rate.

b) **Tributary Exploration Asset operating results** – Oil and natural gas sales, processing income, royalties, operating and transportation expenses relating to the Tributary Exploration Assets have been excluded.

c) **Asset retirement obligations** – Asset retirement obligations associated with the Tributary Exploration Assets have been excluded from the pro forma statements.

d) **Depletion and depreciation** – Depletion and depreciation expenses have been adjusted to reflect the adjustment of the carrying value of Headwater's oil and natural gas assets to the fair value recognized in the preliminary purchase price allocation. The proved plus probable reserves used in the unit-of-production depletion calculation were adjusted to remove the reserves associated with the Tributary Exploration Assets.

e) **Exploration and evaluation** – Exploration and evaluation expenses associated with the Tributary Exploration Assets have been excluded from the pro forma statements.

f) **Tamarack transaction costs** – Tamarack's estimated transaction costs of $25.5 million have been expensed to loss on dispositions and other in the pro forma statements for the year ended December 31, 2025 and are included in accounts payable and accrued liabilities.

g) **Income tax expense** – Current income taxes have been adjusted primarily to reflect the exclusion of the Tributary Exploration Assets' operating results and anticipated transaction cost deductions in the applicable reporting periods. Deferred income taxes have been adjusted primarily to reflect the impact of the change to depletion and depreciation and the deferred income tax assets associated with transaction costs.

h) **Shareholders' equity** – Headwater's historical equity balances have been eliminated and share capital also reflects the issuance of Tamarack common shares as consideration in conjunction with the Transaction.

## 4. Net income (loss) per share

Pro forma basic and diluted net income (loss) per share was calculated using the pro forma net income (loss) divided by the weighted average number of Tamarack common shares outstanding after giving effect to the Transaction as if it occurred on January 1, 2025:

| For the | Year ended December 31, 2025 | Six months ended June 30, 2026 |
|---|---|---|
| Pro forma net income (loss) | $ (57,294) | $ 278,580 |
| Actual weighted average Tamarack shares outstanding - basic | 501,160 | 481,093 |
| Actual weighted average Tamarack shares outstanding - diluted | 501,160 | 486,479 |
| Tamarack common shares issued (Note 3a) | 237,763 | 237,763 |
| Pro forma weighted average shares outstanding - basic | 738,923 | 718,856 |
| Pro forma weighted average shares outstanding - diluted | 738,923 | 724,242 |
| Net income (loss) per share - basic | $ (0.08) | $ 0.39 |
| Net income (loss) per share - diluted | $ (0.08) | $ 0.38 |

**APPENDIX I**
**INFORMATION CONCERNING HEADWATER EXPLORATION INC.**

**Notice to Reader**

Unless the context indicates otherwise, capitalized terms which are used in this Appendix I and not otherwise defined in this Appendix I have the respective meanings given to such terms under the heading "*Glossary of Terms*" in this Information Circular.

**Forward-Looking Statements**

Certain statements contained in this Appendix I, and in certain documents incorporated by reference in this Appendix I, constitute forward-looking statements or information (collectively, "**forward-looking statements**") within the meaning of Applicable Canadian Securities Laws. Such forward-looking statements relate to future events or Headwater's future performance. See "*Forward-Looking Statements*" in this Information Circular. Readers should also carefully consider the matters and cautionary statements discussed in Appendix H – "*Pro Forma Information Concerning the Combined Company*", under the heading "*Business Conditions and Risks*" in the Headwater Interim MD&A (as defined herein) and the Headwater Annual MD&A and under the heading "*Risk Factors*" in the body of this Information Circular, this Appendix I and the Headwater AIF.

**General**

Headwater is a Canadian resource company engaged in the exploration for and development and production of petroleum and natural gas in Canada. The majority of Headwater's heavy oil production and reserves are located in the Clearwater, Grand Rapids and Wabiskaw formations in the greater Marten Hills area of Alberta, while Headwater also has natural gas production and reserves in the McCully Field near Sussex, New Brunswick.

The head and principal office of Headwater is located at Unit 1400, 215 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3 and its registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. The Headwater Shares are listed and posted for trading on the TSX under the symbol "HWX".

Further details concerning Headwater, including information with respect to Headwater's assets, operations and history, are provided in the Headwater AIF. Readers are encouraged to thoroughly review the Headwater AIF as it contains important information about Headwater.

**Recent Developments**

On September 7, 2026, Headwater and Tamarack entered into the Arrangement Agreement providing for the Arrangement. The Arrangement combines Tamarack and Headwater and establishes Tributary as a separate publicly traded company holding certain assets contributed by each of Tamarack and Headwater. Under the Arrangement, Tamarack will acquire all of the issued and outstanding Headwater Shares (other than Headwater Shares held by Dissenting Shareholders).

Pursuant to the Arrangement Agreement and subject to the required approvals and other conditions set forth therein, Tamarack will acquire all of the issued and outstanding Headwater Shares through the Plan of Arrangement. Under the Plan of Arrangement, for each Headwater Share held, Headwater Shareholders (other than Dissenting Shareholders) will receive: (i) one New Tamarack Share; (ii) approximately 0.33 of a Tributary Share (0.066 of a Tributary Share following completion of the Tributary Share Consolidation); and (iii) approximately 0.20 of a Tributary Arrangement Warrant (0.04 of a Tributary Arrangement Warrant following completion of the Tributary Share Consolidation), with each whole Tributary Arrangement Warrant entitling the holder 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 completion of the Tributary Share Consolidation). In exchange for each Tamarack Share held, Tamarack Shareholders will receive: (i) one New Tamarack Share; and (ii) approximately 0.33 of a Tributary Share (0.066 of a Tributary Share following completion of the Tributary Share Consolidation).

Immediately following the completion of the Arrangement, former Headwater Shareholders are expected to own approximately 33.5% of the Combined Company and Tamarack Shareholders are expected to own approximately 66.5% of the Combined Company.

For a full description of the Arrangement and the Arrangement Agreement, see "*The Arrangement*", "*Effect of the Arrangement*", "*Summary of Agreements in Connection with the Arrangement – the Arrangement Agreement*" in this Information Circular, as well as Appendix H – "*Pro Forma Information Concerning the Combined Company*", Appendix J – "*Information Concerning Tributary Exploration Inc.*" and Appendix K – "*Information Concerning Tamarack Valley Energy Ltd.*".

**Documents Incorporated by Reference**

**Information in respect of Headwater has been incorporated by reference in this Information Circular, including this Appendix I from documents filed with the securities commissions or similar securities regulatory authorities in each province of Canada.** Copies of the documents incorporated herein by reference may be obtained under Headwater's issuer profile on SEDAR+ at www.sedarplus.ca, on Headwater's website at www.headwaterexp.com or on request, without charge, from Headwater at Unit 1400, 215 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3, Telephone (587) 391-3680.

The following documents of Headwater, filed with the securities commissions or similar securities regulatory authorities in each province of Canada, are specifically incorporated by reference in and form part of this Information Circular:

(a) the Headwater AIF;

(b) the Headwater Annual Financial Statements;

(c) the Headwater Annual MD&A;

(d) the unaudited condensed interim financial statements of Headwater as at and for the three and six months ended June 30, 2026, together with the notes thereto (the "**Headwater Interim Financial Statements**");

(e) the management's discussion and analysis of the financial and operating results of Headwater for the three and six months ended June 30, 2026 (the "**Headwater Interim MD&A**");

(f) the Headwater AGM Information Circular; and

(g) the Material Change Report of Headwater dated September 17, 2026 in respect of the Arrangement.

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by Headwater with the applicable securities regulatory authorities subsequent to the date of this Information Circular and prior to the Headwater Meeting shall be deemed to be incorporated by reference in this Information Circular.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Information Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Circular.**

**Consolidated Capitalization**

There has been no material change in the consolidated share and loan capital of Headwater since June 30, 2026, the date of the Headwater Interim Financial Statements. Readers should also refer to the Headwater Interim Financial Statements and the Headwater Interim MD&A, which are incorporated by reference herein and available on Headwater's issuer profile on SEDAR+ at www.sedarplus.ca, for additional information with respect to Headwater's consolidated capitalization.

**Description of Share Capital**

As of the date of this Information Circular, Headwater's authorized share capital consists of an unlimited number of Headwater Shares. In addition, Headwater has in place the Headwater Award Plan and the Headwater DSU Plan. As of October 13, 2026, there are 237,762,877 Headwater Shares issued and outstanding, as well as 349,960 Headwater Restricted Awards and 3,382,387 Headwater Performance Awards outstanding under the Headwater Award Plan and 444,818 Headwater DSUs outstanding under the Headwater DSU Plan.

The holders of Headwater Shares are entitled to dividends, if, as and when declared by the Headwater Board, to receive notice of and one vote per Headwater Share at meetings of the Headwater Shareholders and, upon liquidation, to share equally in such assets of Headwater as are distributable to the holders of Headwater Shares.

**Dividend Policy**

Cash dividends are declared and paid following the end of each fiscal quarter to Headwater Shareholders of record on the last business day of each such fiscal quarter or such other date as determined from time to time by the Headwater Board. Unless otherwise specified, all dividends paid or to be paid by Headwater are designated as "eligible dividends" under the Tax Act.

Cash dividends are not guaranteed. Historical cash dividends may not be reflective of future cash dividends, which will be subject to review by the Headwater Board taking into account Headwater's prevailing financial circumstances at the relevant time. Actual dividend amounts paid depend on numerous factors and conditions existing from time to time, including but not limited to, commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, available investment opportunities and the satisfaction of the liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends.

The following quarterly cash dividends on the Headwater Shares were declared and paid by Headwater for the periods indicated:

| *Record Date* | *Payment Date* | *Cash Dividend per Headwater Share* |
|---|---|---|
| December 30, 2022 | January 16, 2023 | $0.10 |
| March 31, 2023 | April 17, 2023 | $0.10 |
| June 30, 2023 | July 17, 2023 | $0.10 |
| September 29, 2023 | October 16, 2023 | $0.10 |
| December 29, 2023 | January 15, 2024 | $0.10 |
| March 29, 2024 | April 15, 2024 | $0.10 |
| June 28, 2024 | July 15, 2024 | $0.10 |
| September 27, 2024 | October 15, 2024 | $0.10 |
| December 31, 2024 | January 15, 2025 | $0.10 |
| March 31, 2025 | April 15, 2025 | $0.11 |
| June 30, 2025 | July 15, 2025 | $0.11 |
| September 29, 2025 | October 15, 2025 | $0.11 |
| December 31, 2025 | January 15, 2026 | $0.11 |
| March 31, 2026 | April 15, 2026 | $0.11 |
| June 30, 2026 | July 15, 2026 | $0.12 |

Notes:

(1) The Headwater October Dividend, being a quarterly cash dividend of $0.12 per Headwater Share which was declared on July 23, 2026, is payable on October 15, 2026 to Headwater Shareholders of record on September 30, 2026.

(2) In accordance with the terms of the Arrangement Agreement, Headwater will not declare or pay any dividend other than the Headwater October Dividend.

**Prior Sales**

During the 12-month period prior to the date of this Information Circular, Headwater issued a total of 132,987 Headwater Restricted Awards and 746,908 Headwater Performance Awards. Under the Headwater Award Plan, on the payment date of such awards, Headwater has the sole discretion as to whether the awards shall be paid in cash, Headwater Shares from treasury or Headwater Shares purchased on the TSX. If the Arrangement is completed, under the terms of the Headwater Award Plan, all outstanding Headwater Restricted Awards and Headwater Performance Awards will vest and be settled in cash based on the Settlement Price (after applicable adjustments).

During the 12-month period prior to the date of this Information Circular, Headwater did not grant any stock options.

**Market for Securities**

Headwater Shares are listed and posted for trading on the TSX under the symbol "HWX". On September 4, 2026, the last full trading day prior to the public announcement of the signing of the Arrangement Agreement, the closing price of the Headwater Shares on the TSX was $14.22 per Headwater Share. On October 9, 2026, the closing price of the Headwater Shares on the TSX was $13.96 per Headwater Share.

The following table shows the monthly range of high and low intraday prices and the total monthly volumes of the Headwater Shares on the TSX for the periods indicated. Prices have been rounded to the nearest whole cent.

| | **Price Range** | | |
|---|---|---|---|
| **TSX Trading** | **High ($)** | **Low ($)** | **Volume** |
| October, 2025 | $7.93 | $6.80 | 12,959,958 |
| November, 2025 | $9.15 | $7.24 | 13,688,181 |
| December, 2025 | $9.70 | $8.64 | 12,529,269 |
| January, 2026 | $11.61 | $8.83 | 18,135,558 |
| February, 2026 | $12.66 | $10.75 | 16,133,307 |
| March, 2026 | $13.56 | $12.04 | 31,828,641 |
| April, 2026 | $13.58 | $11.10 | 15,520,273 |
| May, 2026 | $13.82 | $12.04 | 12,533,443 |
| June, 2026 | $13.66 | $11.78 | 11,562,239 |
| July, 2026 | $13.77 | $11.38 | 13,400,490 |
| August, 2026 | $14.70 | $12.49 | 14,216,766 |
| September, 2026 | $14.71 | $13.11 | 27,392,414 |
| October 1-9, 2026 | $14.06 | $12.96 | 3,838,684 |

**Significant Acquisitions**

Headwater has not completed any acquisitions within the past 75 days of the date hereof that are "significant acquisitions" for the purposes of Part 8 of NI 51-102, nor does Headwater have any proposed acquisitions that have progressed to the point that a reasonable person would believe that the likelihood of the acquisition being completed is high and which would constitute a "significant acquisition" for the purposes of Part 8 of NI 51-102.

**Risk Factors**

An investment in the securities of Headwater is subject to certain risks.

In assessing Headwater and its business in connection with the Arrangement, readers should carefully review and consider all other information contained in this Information Circular, including the risk factors described under the heading "*Risk Factors*". In addition, Headwater Shareholders should carefully consider the risk factors and cautionary statements contained in the Headwater AIF, the Headwater Annual MD&A and the Headwater Interim MD&A, each of which is incorporated by reference herein. If any of the identified risks were to materialize, Headwater's business, financial position, results and/or future operations may be materially affected.

**Material Contracts**

Other than the Arrangement Agreement and except for contracts entered into in the ordinary course of business, Headwater has not entered into any material contracts during the last financial year, or before the last financial year which are still in effect. See "*Material Contracts*" in the Headwater AIF, which is incorporated by reference in this Information Circular.

A copy of the Arrangement Agreement is available electronically on the SEDAR+ issuer profile for Headwater at www.sedarplus.ca.

**Auditors, Transfer Agent and Registrar**

Headwater's auditors are KPMG LLP, Chartered Professional Accountants, located at 2200, 240 Fourth Ave SW, Calgary, Alberta, T2P 4H4.

Headwater's transfer agent and registrar for the Headwater Shares is Odyssey Trust Company.

**Interest of Informed Persons in Material Transactions**

Other than as described in this Information Circular, Headwater is not aware of any interest, direct or indirect, of any "Informed Person" (as defined in NI 51-102) of Headwater, or any associate or affiliate of any Informed Person, in any transaction since January 1, 2025 or in any proposed transaction which has materially affected or would materially affect Headwater.

See "*Effect of the Arrangement – Headwater Incentives*", "*Interests of Certain Persons in the Arrangement*", "*Information Concerning the Headwater Meeting*" and "*Information Concerning Tributary*" in this Information Circular for information regarding the benefits and other payments to be received by each director and officer of Headwater in connection with the Arrangement. See also "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" in this Information Circular and Appendix J – "*Information Concerning Tributary Exploration Inc.*" for information regarding the participation of the Participating Insiders in the Tributary Private Placement.

**Interest of Experts**

The following persons, firms and companies are named as having prepared or certified a statement, report, valuation or opinion described or included herein directly or in a document incorporated by reference herein and whose profession or business gives authority to the statement, report, valuation or opinion, in each case with respect to Headwater:

| Name of Person or Company | Nature of Relationship |
|---|---|
| BMO Capital Markets[(1)] | Prepared the BMO Fairness Opinion |
| Peters & Co.[(1)] | Prepared the Peters & Co. Fairness Opinion |
| KPMG LLP[(2)] | Auditors of Headwater |
| McDaniel[(1)(3)] | Independent qualified reserves evaluator in respect of the Headwater Reserves Report |
| BD&P[(4)] | Legal counsel to Headwater |

Notes:

(1) To the knowledge of Headwater, as of the date of this Information Circular, each of BMO Capital Markets, McDaniel and Peters & Co. (or any of the designated professionals thereof) owns beneficially, directly or indirectly, less than 1% of the outstanding securities of each class of securities of Tamarack, Headwater or any associate or affiliate of Tamarack or Headwater, as applicable.
(2) KPMG LLP are the auditors of Headwater. KPMG LLP has advised that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.
(3) Information relating to Headwater's reserves and the reserves attributable to the Tributary Assets in this Information Circular and in certain documents incorporated by reference in this Information Circular was derived from a reserves report prepared for Headwater by McDaniel as independent qualified reserves evaluators.
(4) BD&P is legal counsel to Headwater and provided the opinions under the heading "*Certain Canadian Federal Income Tax Considerations*" in this Information Circular.

**Additional Information**

Additional information relating to Headwater is available on SEDAR+ at www.sedarplus.ca. Financial information in respect of Headwater and its affairs is provided in the Headwater Annual Financial Statements, the Headwater Annual MD&A, the Headwater Interim Financial Statements and the Headwater Interim MD&A. Additional information, including directors' and officers' remuneration and the securities authorized for issuance under the Headwater Incentive Plans is contained in the Headwater AIF and the Headwater AGM Information Circular. Copies of these documents may be

obtained under Headwater's issuer profile on SEDAR+ at www.sedarplus.ca, on Headwater's website at www.headwaterexp.com or on request, without charge, from Headwater at Unit 1400, 215 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3, Telephone (587) 391-3680.

**Directors Approval**

The contents and distribution of this Information Circular have been approved by the Headwater Board.

**APPENDIX J**

**INFORMATION CONCERNING TRIBUTARY**

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***No securities regulatory authority or the TSX has expressed an opinion about the securities being offered pursuant to such transaction which are the subject of this Appendix J.***


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| Schedule D - | Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Headwater Assets as at December 31, 2025 |

## DEFINED TERMS

In this Appendix, unless otherwise defined herein, capitalized terms and phrases shall have the meaning given to them in the "*Glossary of Terms*" contained in the Information Circular to which this Appendix is attached.

## ADVISORIES

An investment in and ownership of the Tributary Shares should be considered speculative due to the nature of Tributary's involvement in the exploration for, and the acquisition, development and production of, oil and natural gas reserves. Tributary's business is subject to the risks normally encountered in the oil and natural gas industry. There is currently no market through which the Tributary Shares may be sold. Tributary has no present intention to pay dividends on its Tributary Shares. Investors in Tributary must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Tributary. See "*Risk Factors*" in this Appendix.

### Forward-Looking Statements

Certain statements contained herein may constitute forward-looking statements. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "objectives", "strategies", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Tributary believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Appendix should not be unduly relied upon.

In particular, forward-looking statements may relate to the following:

- the details and performance characteristics of the Tributary Assets;
- the transfer and conveyance of the Tributary Headwater Assets by Headwater and the transfer and conveyance of the Tributary Tamarack Assets by Tamarack and acquisition of such by Tributary;
- anticipated production from the Tributary Assets, including oil, NGL and natural gas production levels;
- the size of the oil and natural gas reserves of the Tributary Assets;
- projections of oil and natural gas market prices, costs, supply and demand;
- cash available for funding of capital expenditures;
- the terms of the Conveyance Agreements and certain other material contracts to be entered into by Tributary;
- expectations regarding the ability to raise capital and increase its reserves and production through acquisitions, land acquisitions, and exploration and development;
- Tributary's drilling, exploration and development plans, the timing of development of undeveloped reserves and its capital expenditure programs;
- tax horizons;
- treatment under governmental regulatory regimes and tax laws;
- the proposed Productivity Mega Deduction by the Government of Canada, including the potential enactment thereof and the potential impact of such measures on Tributary;
- the business of the Headwater Meeting and the Tamarack Meeting;
- the delisting of the Headwater Shares from the TSX and the anticipated timing thereof;
- statements regarding the listing of the Tributary Shares (including all Tributary Shares issuable upon exercise of Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX, the conditions to such listing and anticipated timing thereof, in the event listing is approved;
- the completion and anticipated timing of the Tributary Private Placement;
- the anticipated terms of the Tributary Private Placement, including the number and price of the Tributary Units to be issued, the maximum gross proceeds to be received by Tributary and the identity or categories of persons expected to participate in the Tributary Private Placement;
- the anticipated terms of the Tributary Private Placement Warrants, including their exercise price, term, performance vesting thresholds and the circumstances in which such warrants may become exercisable or expire, the potential exercise thereof and the amount and timing of any proceeds Tributary may receive from such exercise;
- the expected capitalization, cash position, available funds and financial resources of Tributary following completion of the Arrangement, the Tributary Private Placement and the exercise of the Tributary Arrangement Warrants and the Tributary Private Placement Warrants;
- the anticipated shareholdings of the officers and directors of Tributary upon completion of the Arrangement and the Tributary Private Placement;
- the anticipated ownership of Tributary Shares and dilution of Tributary Shareholders resulting from the Tributary Private Placement and the potential exercise of the Tributary Arrangement Warrants;
- the proposed use by Tributary of the net proceeds of the Tributary Private Placement and any proceeds received on the exercise of the Tributary Arrangement Warrants and Tributary Private Placement Warrants;
- Tributary's ability to use its available funds to develop the Tributary Assets, acquire additional lands or assets, fund working capital requirements and pursue its business strategy;

- the completion, timing and terms of the Tributary Share Consolidation, including the proposed five-to-one consolidation ratio;
- the approval of the Tributary Private Placement by Headwater Shareholders, Tamarack Shareholders, the TSX and any other applicable regulatory authority;
- the anticipated status of Tributary as a reporting issuer upon completion of the Arrangement;
- the composition of the Tributary Board and the identity, appointment and roles of Tributary's directors and executive officers following completion of the Arrangement;
- the expected ownership of Tributary by Tamarack Shareholders and Headwater Shareholders following completion of the Arrangement and following the exercise of the Tributary Arrangement Warrants and completion of the Tributary Private Placement;
- the number and terms of the Tributary Shares and Tributary Arrangement Warrants to be issued pursuant to the Arrangement, including the exercise price and exercise period of the Tributary Arrangement Warrants, the potential exercise thereof and the amount and timing of any proceeds Tributary may receive from such exercise;
- Tributary's expected net asset value and net asset value per Tributary Share;
- the estimated value of the undeveloped lands included in the Tributary Assets;
- the annual operating income expected to be generated by the Tributary Assets, including that the Tributary Assets will generate approximately $16.7 million of annual operating income based on the historical average operating income generated by the Tributary Assets during the two most recently completed financial years;
- the sufficiency of the Tributary Assets and Tributary's financial resources to support its business strategy and planned operations;
- the business strategy and business plans of Tributary following completion of the Arrangement, including building a portfolio of oil-weighted assets through selective acquisitions and land acquisitions that complements Tributary's strengths in organic development and enhanced recovery, pursuing organic development opportunities associated with the Tributary Assets and maintaining financial flexibility to pursue strategic opportunities;
- the business strengths of Tributary following completion of the Arrangement, including its anticipated experienced management team and board of directors, financial resources, asset base and ability to pursue opportunities through commodity price and economic cycles;
- the anticipated terms and benefits of the Tributary Option Plan;
- the number of employees of Tributary and the proposed compensation of the executive officers and directors of Tributary following completion of the Arrangement;
- the expectation that Tributary will sell its heavy crude oil production in Alberta to various creditworthy counterparties at current market prices and that the anticipated heavy crude oil contracts are expected to be short-term in nature, at market terms and in the ordinary course of business;
- the establishment of the Tributary Committees (as defined herein) following completion of the Arrangement, including the anticipated members thereof;
- the anticipated mandates, responsibilities, powers and other operational matters with respect to each Tributary Committee;
- the anticipated adoption by Tributary of certain codes and policies, including, without limitation, a code of business conduct and ethics, a whistleblower policy, a diversity policy, a sustainability policy and other policies and procedures substantially similar to those of Headwater;
- Tributary's anticipated approach to diversity, including the consideration of diversity in identifying and nominating Tributary directors and appointing executive officers;
- the anticipated implementation and operation of Tributary's sustainability and environmental, social and governance oversight, policies, practices, targets and reporting;
- Tributary's anticipated approach to identifying, assessing, managing and disclosing physical and transition-related climate risks and opportunities;
- Tributary's anticipated information technology and cyber-security systems, controls, policies, procedures, training and oversight, including with respect to the use of artificial intelligence;
- Tributary's anticipated shareholder engagement activities; and
- other corporate governance matters relating to Tributary following completion of the Arrangement.

To the extent that any forward-looking information contained herein may be considered a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeting and developing future plans and readers are cautioned that the information may not be appropriate for other purposes.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere herein related to: the Arrangement, including the risk of termination of the Arrangement Agreement; the inability to obtain required consents, permits or approvals, including Court approval of the Arrangement, Headwater Shareholder or Tamarack Shareholder approval of the Arrangement and applicable regulatory approvals and stock exchange approvals in accordance with the required timelines contained in the Arrangement Agreement to consummate the Arrangement; inability to satisfy the other conditions to the Arrangement Agreement prior to the Outside Date; risk that the Tributary Private Placement is not completed on the anticipated terms, within the anticipated timeframe or at all; the risk that the requisite shareholder, stock exchange or regulatory approvals for the Tributary Private Placement are not obtained; the risk that subscriptions under the Tributary Private Placement are withdrawn, reduced or not funded; the risk that the gross or net proceeds of the Tributary Private Placement are less than anticipated; the risk that some or all of the Tributary Arrangement Warrants are not exercised and that Tributary receives less warrant exercise proceeds than anticipated or no such proceeds; the risk that Tributary does not have the capitalization, liquidity, available funds or working capital currently anticipated; the potential for management and reserves evaluators estimates and assumptions to be inaccurate; failure to achieve anticipated Tributary production levels; price, markets and marketing of oil, natural gas and NGLs; exploration, development and production risks; management of growth; the trading price of the

Tributary Shares may be adversely affected by factors related and unrelated to the crude oil and natural gas industry; the risk that (i) the U.S. and Canadian governments maintain tariffs, increase the rate or scope of tariffs, or impose new tariffs on the import of goods from one country to the other, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed by the U.S. on other countries and responses thereto could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the combined company; the risks related to the renegotiation of the United States-Mexico-Canada Agreement ("**USMCA**"), resulting in changes to trade, tariff or market access terms that may adversely affect Tributary; commodity prices, including the impact of the actions of OPEC and OPEC+ members; project risks; failure to realize the anticipated benefits of acquisitions and dispositions; inflation and rising interest rates; geopolitical risks; potential conflicts of interest; the payment of dividends in the future by Tributary; competition for, among other things, capital, the acquisition of reserves, export pipeline capacity and skilled personnel; failure to obtain or retain key personnel; lack of capacity and/or regulatory constraints on gathering and processing facilities, pipeline systems and railway lines; reliance on third party infrastructure for transportation, processing or marketing of oil and natural gas volumes; abandonment and reclamation costs; fluctuations in foreign exchange rates and interest rates; cost of new technologies; alternatives to and the changing demand for petroleum products; changes to the regulatory landscape; changes to royalty regimes; compliance with environmental regulations; climate change; transition risks; physical risks; natural disasters, terrorist acts, civil unrest, pandemics and other disruptions and dislocations; the capital requirements of future projects of Tributary; additional funding requirements; general economic, market and business conditions; long term reliance on third parties; lack of policy and regulatory certainty in relation to the development of interprovincial and international pipelines; the need to obtain regulatory approvals and maintain compliance with regulatory requirements; environmental risks and hazards and the cost of compliance with environmental regulations; credit facility arrangements and failure to comply with covenants under Tributary's credit facility; issuance of debt; hedging; title to and right to produce from the Tributary Assets; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; the potential for management and reserves evaluators estimates and assumptions to be inaccurate; insurance risks; the effect that the issuance of additional securities by Tributary could have on the market price of the Tributary Shares; the dilution resulting from the issuance of Tributary Shares pursuant to the Tributary Private Placement and upon the exercise of the Tributary Arrangement Warrants; the risk that the subscription price of the Tributary Units and the exercise price of the Tributary Private Placement Warrants may represent a significant discount to the market price of the Tributary Shares once they begin trading; resale restrictions applicable to securities issued under the Tributary Private Placement and potential selling pressure following the expiry of those restrictions; the failure of Tributary or the holder of certain licenses or leases to meet specific requirements of such licenses or leases; claims made in respect of Tributary's operations, properties or assets, including aboriginal claims; breaches of confidentiality by a third party; income taxes and the potential for taxation authorities to reassess Tributary's tax returns; the risk that the proposed Productivity Mega Deduction is not enacted as proposed or at all; third party credit risks; information and cyber-security breaches; data protection; risks arising from future acquisition activities; hydraulic fracturing; regulatory water use restrictions; the absence of an existing public market for the Tributary Shares; risks relating to receiving listing approval of the Tributary Shares; and other factors discussed under "*Risk Factors*" in this Appendix. In addition, ongoing military actions in Iran and elsewhere in the Middle East and between Russia and Ukraine have the potential to threaten the supply of oil and gas from those regions. The long-term impacts of the actions between these nations remain uncertain.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Appendix are expressly qualified by this cautionary statement.

Although the forward-looking statements contained herein are based upon assumptions which Tributary believes to be reasonable, Tributary cannot assure that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements, Tributary has made assumptions regarding, among others: the completion of the Arrangement and the acquisition of the Tributary Assets and the timing thereof; the receipt, in a timely manner, of required Court approvals, regulatory approvals, Headwater Shareholder and Tamarack Shareholder approvals, stock exchange approvals and third-party approvals in respect of the Arrangement and the Tributary Private Placement, as applicable; the completion of the Tributary Private Placement on the terms and within the timeframe currently anticipated; that participants in the Tributary Private Placement will subscribe and pay for the number of Tributary Units currently anticipated; that Tributary will receive the anticipated gross and net proceeds from the Tributary Private Placement; the number and timing of exercises of the Tributary Arrangement Warrants and Tributary Private Placement Warrants and the proceeds to be received by Tributary therefrom; the completion of the proposed Tributary Share Consolidation on the terms and within the timeframe currently anticipated; the accuracy of the anticipated capitalization, ownership, dilution, cash position, available funds and working capital of Tributary following completion of the Arrangement, the Tributary Private Placement, the Tributary Share Consolidation and the exercise of the Tributary Arrangement Warrants and Tributary Private Placement Warrants; that Tributary will be able to assume Headwater's role with respect to the Tributary Headwater Assets and Tamarack's role with respect to the Tributary Tamarack Assets; Tributary's future hedging program; future debt levels, production, royalty rates, operating and transportation costs, general and administrative expenses, interest and other expenses, capital and abandonment expenditures; timing and amount of capital expenditures; that Tributary will have sufficient funds flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the costs and expenses associated with the formation, financing and listing of Tributary will not exceed the amounts currently anticipated; that Tributary will use the net proceeds of the Tributary Private Placement and any proceeds received upon the exercise of the Tributary Arrangement Warrants and Tributary Private Placement Warrants substantially in the manner currently contemplated; that Tributary's conduct and results of operations will be consistent with its expectations; that Tributary will have the ability to develop the Tributary Assets in the manner currently contemplated; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; the estimates of the production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) in respect of the Tributary Assets are accurate in all material respects; future commodity prices and royalty regimes; tax laws; availability of skilled labour and services; future exchange rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; future well production rates; the performance of existing wells; the success of drilling new wells; and effects of regulation by governmental agencies.

Tributary has included the above summary of assumptions and risks related to forward-looking information in order to provide Headwater Shareholders and Tamarack Shareholders with a more complete perspective on Tributary's future operations and such information may not be appropriate for other purposes. Tributary's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Tributary will derive therefrom. These forward-looking statements are made as of the date hereof and Tributary disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by Applicable Canadian Securities Laws.

**Non-GAAP and Other Financial Measures**

This Appendix includes references to certain specified financial measures, including non-GAAP financial measures, non-GAAP ratios and supplementary financial measures, which are used by management of Headwater, and which are expected to be used by management of Tributary following completion of the Arrangement, to analyze the financial performance of the Tributary Headwater Assets. These specified financial measures include non-GAAP financial measures, non-GAAP ratios, and supplementary financial measures, and are not defined by IFRS Accounting Standards and are therefore referred to as non-GAAP and other financial measures. Headwater management believes that the non-GAAP and other financial measures used by Tributary are key performance measures for Tributary and provide investors with information that is commonly used by other oil and gas companies. These key performance indicators and benchmarks as presented do not have any standardized meaning prescribed by Canadian GAAP and therefore may not be comparable with the calculation of similar measures for other entities. These non-GAAP and other financial measures should not be considered an alternative to or more meaningful than their most directly comparable financial measure presented in the financial statements, as an indication of Tributary's performance.

*Operating income*

Operating income is a non-GAAP financial measure used by management to assess the financial performance and profitability of the Tributary Headwater Assets and is calculated as sales less royalties, production expense and transportation expense. See "*Management's Discussion and Analysis*" in this Appendix for a reconciliation of sales to operating income.

*Royalty expense as a % of sales*

Royalty expense as a % of sales is a non-GAAP ratio used by management to better analyze the performance of the Tributary Headwater Assets against prior periods on a more comparable basis and is calculated as royalties divided by total sales, expressed as a percentage.

*Per boe numbers*

This Appendix presents various results of the Tributary Headwater Assets on a per boe basis including sales per boe, royalties per boe, production expense per boe, transportation expense per boe, production and transportation expense per boe, netback per boe and operating income per boe. These per boe numbers are used by management to better analyze the performance of the Tributary Headwater Assets against prior periods on a more comparable basis.

*Net asset value ("NAV") and NAV per share*

NAV is a supplementary financial measure calculated as the sum of the after-tax net present value, discounted at 10%, of the total proved plus probable reserves attributed to the Tributary Assets, as set out in the 2026 Tributary Reserves Report, and the estimated value of Tributary's undeveloped land, as internally estimated by management of Headwater and agreed to by Tamarack. NAV per share is calculated by dividing NAV by the number of Tributary Shares anticipated to be issued and outstanding at the Effective Time (presented both before and after giving effect to the Tributary Share Consolidation). Management believes NAV is a useful measure as it provides an estimate of the underlying asset value of Tributary on a per share basis.

NAV is not a measure of, and should not be assumed to represent, the fair market value of the Tributary Assets, the enterprise value of Tributary, or the price at which the Tributary Shares may trade following completion of the Arrangement.

**Certain Oil & Gas Advisories**

***Caution Respecting Reserves Information***

The determination of oil, NGLs and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved reserves and probable reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied.

Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of oil, NGLs and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of Tributary's anticipated oil, NGLs and natural gas reserves does not represent the fair market value of Tributary's proposed reserves.

***Oil and Gas Definitions***

Certain terms used in this Appendix in describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations used in this Appendix, but not defined or described, are defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") or the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**") and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook, as applicable.

"**developed reserves**" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing;

"**development costs**" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the crude oil and natural gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to: (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves; (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and well equipment such as casing, tubing, pumping equipment and wellhead assembly; (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and (d) provide improved recovery systems;

"**development well**" means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive;

"**exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and natural gas reserves, including costs of drilling exploration wells and exploration type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are: (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs"); (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records; (c) dry hole contributions and bottom hole contributions; (d) costs of drilling and equipping exploration wells; and (e) costs of drilling exploration type stratigraphic test wells;

"**exploration well**" means a well that is not a development well, a service well or a stratigraphic test well;

"**forecast prices and costs**" means future prices and costs that are:

(a) generally accepted as being a reasonable outlook of the future; or

(b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which Tributary is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in subparagraph (a);

"**gross**" means: (a) in relation to an issuer's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the issuer; (b) in relation to wells, the total number of wells in which an issuer has an interest; and (c) in relation to properties, the total area of properties in which an issuer has an interest;

"**net**" means: (a) in relation to an issuer's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves; (b) in relation to an issuer's interest in wells, the number of wells obtained by aggregating the issuer's working interest in each of its gross wells; and (c) in relation to an issuer's interest in a property, the total area in which the issuer has an interest multiplied by the working interest owned by the issuer;

"**probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves;

"**proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves;

"**reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates;

"**undeveloped reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned. In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This

allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status; and

"**working interest**" means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the issuer the right to "work" the property (lease) to explore for, develop, produce and market the leased substances.

***Levels of Certainty for Reported Reserves***

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

(b) at least a 50% probability that the quantities actually recovered will equal or exceed the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods. Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

***Units of Measurement***

For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using a conversion ratio of six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated. A boe conversion ratio of six-to-one is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent an equivalency at the wellhead. This conversion conforms with NI 51-101 but may be misleading, particularly if used in isolation.

***Reserves and Future Net Revenue Disclosures***

The reserves data set forth in this Appendix is based on the 2026 Tributary Reserves Report, which evaluates the Tributary Headwater Assets as at September 1, 2026. Tributary was not otherwise engaged in oil and gas activities as at December 31, 2025 and June 30, 2026 and therefore this Appendix does not contain the annual oil and gas information and reports of Tributary (as set out in Form 51-101F1 – *Statement of Reserves Data and Other and Gas Information* ("**Form 51-101F1**"), Form 51-101F2 – *Report on Reserves Data* and Form ("**Form 51-101F2**"), 51-101F3 – *Report of Management and Directors on Oil and Gas Disclosure* ("**Form 51-101F3**")) as at its most recently completed year-end date as required under NI 51-101 for companies engaged in oil and gas activities. However, this Appendix does contain estimates of reserves and related future net revenue in respect of the Tributary Headwater Assets which Tributary anticipates acquiring pursuant to the Headwater Conveyance Agreement, which estimates have been independently evaluated by McDaniel in the 2026 Tributary Reserves Report, which is summarized under the heading "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Headwater Assets*" and in the 2025 Tributary Reserves Report, which is attached as Schedule D to this Appendix.

***Product Types***

References in this Appendix to "heavy oil", "crude oil" or "oil" refer to heavy crude oil, references to "natural gas" refer to conventional natural gas and shale gas, and references to "natural gas liquids" or "NGLs" refer to natural gas liquids, in each case as product types defined in NI 51-101.

***Reserves and Effects of the Aggregation***

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

***Oil and Gas Metrics***

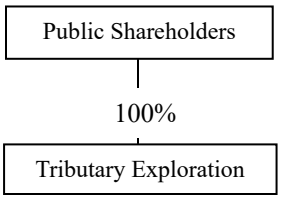
This Appendix contains the oil and gas metric "proved developed producing reserves life index", which is a measure of how long the proved developed producing reserves will last (in years) at the current rate of production. It is calculated by taking the total quantity of proved developed producing reserves (boe) divided by the 2025/26 winter producing season (December to April) production for the McCully asset.

## CORPORATE STRUCTURE

Tributary was incorporated pursuant to the ABCA on September 8, 2026 as "Tributary Exploration Inc." for the purpose of oil and natural gas exploration, development, production and acquisition. It has not carried on any active business other than in connection with the Arrangement, the Tributary Private Placement and related matters as described in the Information Circular and this Appendix.

As of the date of the Information Circular, Tributary is a wholly-owned subsidiary of Headwater. Following completion of the Arrangement and the Tributary Private Placement, Tributary will be owned by former Headwater Shareholders and Tamarack Shareholders who receive Tributary Shares

and Tributary Arrangement Warrants, as applicable, pursuant to the Arrangement and by participants who acquire Tributary Units pursuant to the Tributary Private Placement. As of the date of the Information Circular, Tributary does not have any subsidiaries.




The head office of Tributary is located at Unit 1400, 215 – 9th Avenue SW, Calgary, Alberta T2P 1K3 and its registered office is located at Suite 2400, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1.

## DESCRIPTION OF THE BUSINESS OF TRIBUTARY

### General Development of the Business

Tributary was incorporated for the purpose of oil and natural gas exploration, development, production and acquisition. It has not carried on any active business other than in connection with the Arrangement, the Tributary Private Placement and related matters as described in the Information Circular and this Appendix. Pursuant to the Plan of Arrangement, the Headwater Conveyance Agreement and the Tamarack Conveyance Agreement, as applicable, Headwater will transfer the Tributary Headwater Assets and Tamarack will transfer the Tributary Tamarack Assets to Tributary on the Effective Date. Following completion of the Arrangement, Tributary will carry on the exploration for, and development and production of, oil and natural gas in respect of the Tributary Assets.

The Tributary Headwater Assets consist of certain Mannville-stack exploratory mineral rights in Alberta, prospective thermal heavy oil opportunities at Handel, Saskatchewan and the legacy McCully natural gas production in New Brunswick. The McCully asset has an average seasonal production rate of approximately 6.5 MMcf/d during its winter producing season from December 1 to April 30. The Tributary Tamarack Assets consist of certain minor undeveloped lands located in Alberta with no production or attributed reserves. See "*Acquisition of the Tributary Assets*" and "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets*" in this Appendix.

### Business Strategy

Tributary's business strategy will be to provide Tributary Shareholders with attractive long-term returns by building per-share value while maintaining a conservative balance sheet. Tributary intends to build a portfolio of oil-weighted assets through selective acquisitions and land acquisitions that complement the strengths of the Tributary management team in organic development and enhanced recovery. Tributary expects to pursue oil-weighted assets in western Canada that are rich in organic opportunity and provide stable cash flow, and to use technology and operating discipline to unlock and commercialize new play development.

Tributary's initial asset base will include Headwater's McCully natural gas producing asset in New Brunswick, together with exploratory mineral rights in conventional and thermal prospects in Alberta and Saskatchewan. Assuming completion of the Tributary Private Placement for aggregate gross proceeds of $30 million and the exercise in full of the Tributary Arrangement Warrants, Tributary is expected to have approximately $50 million of cash, before share issuance costs and related fees, for organic development of its existing acreage, strategic land sales and acquisitions. See "*Acquisition of the Tributary Assets – Description of Principal Properties*" and "*Risk Factors*" in this Appendix.

Tributary intends to execute this strategy by:

- building a portfolio of oil-weighted assets through selective acquisitions and land acquisitions that complement Tributary's strengths in organic development and enhanced recovery;
- converting exploration success and new play concepts into production, cash flow and sustainable full-cycle returns;
- using technology and operating discipline to unlock and commercialize new play development;
- using the cash flow generated by the McCully asset and Tributary's available financial resources to provide Tributary with flexibility to be patient and opportunistic in pursuing its business strategy;
- pursuing organic development of its existing acreage and strategic land sales and acquisitions; and
- maintaining a conservative balance sheet and seeking to create value through commodity price and economic cycles.

In reviewing potential drilling or acquisition opportunities, Tributary will give consideration to the following criteria:

- risk capital required to secure or evaluate the investment opportunity;
- the potential return on the project, if successful;
- the likelihood of success; and
- the risked return versus cost of capital.

The Tributary Board may, in its discretion, approve acquisitions or other investments that do not conform to these guidelines based upon its consideration of the qualitative aspects of the subject properties, including risk profile, technical upside, reserve life and asset quality.

**Business Strengths**

The business strengths of Tributary are as follows:

- ***Long-Life Producing Asset with Minimal Sustaining Capital and Premium Winter-Market Exposure.*** The McCully asset has a 12.5-year proved developed producing reserves life index and requires no development drilling. Annual maintenance capital is expected to be less than $0.5 million. Production from the McCully asset is concentrated during the winter producing season from December 1 to April 30 to capture stronger Algonquin pricing. Tributary will also own the associated gas plant and transmission pipeline, which provide direct access to the Maritimes & Northeast Pipeline.

- ***Base Cash Flow to Support Tributary's Business Strategy.*** The Tributary Assets, primarily consisting of the Headwater McCully asset, generated average historical annual operating income of approximately $16.7 million during the two most recently completed financial years and $14.8 million of operating income in the six months ended June 30, 2026.

- ***Portfolio of Oil-Focused Exploration and Development Opportunities.*** Tributary's initial asset base will include approximately 266 net sections of undeveloped lands, including the W4 Mannville Stack, Duncan and Handel assets. The W4 Mannville Stack includes established production and drilling inventory in multiple stacked Mannville horizons. Duncan comprises a significant land position with potential for enhanced recovery through thermal or circulation-string-style operations, while Handel includes conventional Mannville opportunities and potential steam-assisted gravity drainage ("**SAGD**") and other thermal opportunities.

- ***Balanced and Experienced Management and Board.*** All members of the Tributary management team and Tributary Board are current members of the Headwater management team and Headwater Board, respectively, who have many years of experience in the Canadian oil and gas sector.

- ***Well Capitalized.*** Assuming completion of the Tributary Private Placement for aggregate gross proceeds of $30 million and the exercise in full of the Tributary Arrangement Warrants for aggregate proceeds of approximately $20 million, Tributary is expected to have approximately $50 million of cash, before share issuance costs and other related fees. Together with the base cash flow generated by the McCully asset, these financial resources are expected to provide Tributary with flexibility to be patient and opportunistic in pursuing its business strategy.

**Employees**

All of the executive officers of Headwater are expected to be executive officers of Tributary following completion of the Arrangement. See "*Directors and Officers*" in this Appendix. After giving effect to the Arrangement, Tributary expects that it will have approximately 22 employees. To proceed with the development of the Tributary Assets, Tributary may require additional experienced employees and third-party consultants and contractors. See "*Risk Factors – Risks Relating to Tributary and the Tributary Assets – Reliance on a Skilled Workforce and Key Personnel*" in this Appendix.

**Specialized Skill and Knowledge**

Tributary believes its success will be dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to oil and gas operations. Tributary believes that it will have adequate personnel with the specialized skills required to successfully carry out its operations. Tributary's management team has an established track record of creating value across multiple business cycles through a strategy of acquiring, exploiting and exploring assets. See "*Risk Factors – Risks Relating to Tributary and the Tributary Assets – Reliance on a Skilled Workforce and Key Personnel*" in this Appendix.

**Cyclical and Seasonal Nature of Industry**

Tributary's operational results and financial condition will be dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on Tributary's financial condition. See "*Risk Factors*" in this Appendix. Tributary will mitigate such price risk by closely monitoring the various commodity markets and establishing hedging programs, as deemed necessary, to lock-in high netbacks on production volumes.

**Health, Safety and Environmental**

Management, employees and all contractors will be responsible and accountable for the overall health, safety and environmental program. Tributary will operate in compliance with all applicable regulations and will ensure all staff and contractors employ sound practices to protect the environment and to ensure employee and public health and safety.

Tributary intends to maintain a safe and environmentally responsible workplace and provide training, equipment and procedures to all individuals in adhering to its policies. It will also solicit and take into consideration input from neighbours, communities and other stakeholders in regard to protecting people and the environment.

**Competitive Conditions**

Tributary will be a member of the petroleum industry, which is highly competitive at all levels. Tributary will compete with other companies for all of its business inputs, including exploitation and development prospects, access to commodity markets, acquisition opportunities, available capital and staffing.

Tributary intends to be competitive by maintaining a strong financial condition and by utilizing current technologies to enhance exploitation, development and operational activities. Competitors in the oil and gas industry will include resource companies which have much greater financial resources, staff and facilities than those of Tributary. Tributary believes that its competitive position is similar to that of other oil and gas issuers of similar size and at a similar stage of development.

**Marketing**

Tributary's production is expected to be marketed under arrangements assumed by Tributary in connection with the transfer of the Tributary Assets and under such additional arrangements as Tributary may enter into following completion of the Arrangement. The McCully asset's natural gas production is concentrated during the winter producing season from December 1 to April 30 and is transported through Tributary's transmission pipeline to the Maritimes & Northeast Pipeline, providing access to the New England natural gas market and exposure to Algonquin city-gate pricing.

Tributary expects to sell its heavy crude oil production in Alberta to various creditworthy counterparties at current market prices. These heavy crude oil contracts are expected to be short-term in nature, at market terms and in the ordinary course of business.

**Bankruptcy and Similar Procedures**

There have been no bankruptcy, receivership or similar proceedings against Tributary, or any voluntary bankruptcy, receivership or similar proceedings by Tributary.

**Material Restructuring Transactions**

Other than the Arrangement, there have been no material restructuring transactions of Tributary. Pursuant to the Plan of Arrangement, the former Headwater Shareholders (other than Dissenting Shareholders) and Tamarack Shareholders will receive Tributary Shares. See "*The Arrangement*" in the Information Circular.

## TRIBUTARY PRIVATE PLACEMENT

At the Tamarack Meeting and the Headwater Meeting, Tamarack Shareholders and Headwater Shareholders, respectively, will be asked to consider and, if deemed advisable, approve an ordinary resolution authorizing the Tributary Private Placement, which, if fully subscribed, is expected to result in aggregate gross proceeds of approximately $30 million. The Tributary Private Placement is intended to assist the Tributary management team with creating a well-capitalized company with the financial resources to pursue organic development of its existing acreage, strategic land sales and acquisitions and its strategy of building a portfolio of oil-weighted assets through selective acquisitions and land acquisitions that complement its strengths in organic development and enhanced recovery.

Subscriptions for the Tributary Private Placement will be accepted prior to the completion of the Arrangement and the Tributary Share Consolidation; however, pursuant to the Arrangement, the Tributary Share Consolidation will be completed prior to the closing of the Tributary Private Placement and, accordingly, unless otherwise indicated, all references in this section to Tributary Units, Tributary Shares, Tributary Private Placement Warrants and related prices are presented on a post-Tributary Share Consolidation basis.

Each Tributary Unit will consist of one Tributary Share and one Tributary Private Placement Warrant. Each Tributary Private Placement Warrant will entitle the holder to acquire one Tributary Share at an exercise price of $2.10 per Tributary Share (equivalent to $0.42 prior to giving effect to the Tributary Share Consolidation), subject to customary anti-dilution adjustments. The Tributary Private Placement Warrants will be exercisable for a period of four years following the closing of the Tributary Private Placement and will vest in three equal tranches as follows: (i) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume weighted average trading price of the Tributary Shares first equals or exceeds $3.25 (equivalent to $0.65 prior to giving effect to the Tributary Share Consolidation); (ii) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume weighted average trading price of the Tributary Shares first equals or exceeds $3.75 (equivalent to $0.75 prior to giving effect to the Tributary Share Consolidation); and (iii) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume weighted average trading price of the Tributary Shares first equals or exceeds $4.25 (equivalent to $0.85 prior to giving effect to the Tributary Share Consolidation). It is also anticipated that the Tributary Private Placement Warrants will allow the Tributary Board to accelerate the expiry date of the Tributary Private Placement Warrants in certain circumstances after all vesting thresholds have been satisfied.

Each Tributary Unit will be issued at a subscription price of $2.10 per Tributary Unit, reflecting the subscription price following the Tributary Share Consolidation to be completed immediately prior to the closing of the Tributary Private Placement. The subscription price is equivalent to $0.42 per Tributary Unit on a pre-Tributary Share Consolidation basis and represents the estimated net asset value of the Tributary Shares. In determining the subscription price, management of Headwater and the Headwater Board considered a number of factors, including the reserve value of Tributary, projected production and cash flows of Tributary, the net asset value of Tributary, financing completion risk and the trading prices of comparable public companies. The estimated net asset value of Tributary was determined as set out below.

| Tributary Exploration net asset value | At Effective Time of Arrangement |
|---|---|
| Total proved plus probable reserves (NPV10%AT)[(1)] | $88,324,000 |
| Undeveloped land[(2)] | $12,400,000 |
| Total Tributary net asset value | $100,724,000 |
| Total outstanding Tributary Shares prior to giving effect to the Tributary Share Consolidation[(3)] | 237,762,877 |
| Total outstanding Tributary Shares after giving effect to the Tributary Share Consolidation[(3)] | 47,552,575 |
| Net asset value per Tributary Share prior to giving effect to the Tributary Share Consolidation | $0.42 |
| Net asset value per Tributary Share after giving effect to the Tributary Share Consolidation | $2.10 |

Notes:

(1) Representing the net present value of total proved plus probable reserves discounted at 10% after-tax attributable to the Tributary Assets, as set forth in the 2026 Tributary Reserves Report. The 2026 Tributary Reserves Report utilizes forecast prices based on the average of McDaniel, Sproule (ERCE) and GLJ Ltd. forecasts as at July 1, 2026. The evaluation of the Tributary Assets was prepared in accordance with the COGE Handbook and NI 51-101.
(2) Representing the undeveloped land value attributed to the Tributary Assets as internally estimated by management of Headwater and agreed to by Tamarack.
(3) Prior to giving effect to the completion of the Tributary Private Placement and the exercise of the Tributary Arrangement Warrants.

Directors, officers, employees and consultants of Tributary as well as certain other investors will subscribe for all of the Tributary Private Placement. Please see below for an overview of anticipated participation in the Tributary Private Placement:

| | Securities Granted To / Subscribed For Under The Tributary Private Placement[(1)(2)] | |
|---|---|---|
| | **Number & Class of Securities** | **Exercise / Subscription Price** |
| **Directors and Officers** | | |
| Neil Roszell[(3)]<br>*Executive Chair & Director* | 1,214,286 Tributary Units | $2.10 |
| Jason Jaskela[(3)]<br>*President, Chief Executive Officer & Director* | 1,666,667 Tributary Units | $2.10 |
| Stephen Larke<br>*Director* | 571,429 Tributary Units | $2.10 |
| Kevin Olson<br>*Director* | 380,952 Tributary Units | $2.10 |
| Chandra Henry<br>*Director* | 380,952 Tributary Units | $2.10 |
| Kam Sandhar<br>*Director* | 370,952 Tributary Units | $2.10 |
| Cheree Stephenson<br>*Director* | 380,952 Tributary Units | $2.10 |
| Terry Danku<br>*VP Corporate Planning* | 1,380,952 Tributary Units | $2.10 |
| Ali Horvath<br>*Chief Financial Officer* | 904,762 Tributary Units | $2.10 |
| Brad Christman<br>*VP Operations* | 1,123,810 Tributary Units | $2.10 |
| Georgia Little<br>*VP Finance* | 500,000 Tributary Units | $2.10 |
| Scott Rideout<br>*VP Land* | 1,166,667 Tributary Units | $2.10 |
| Dieter Deines<br>*VP Exploration* | 435,714 Tributary Units | $2.10 |
| Jeff Magee<br>*VP Engineering* | 666,667 Tributary Units | $2.10 |
| Wade Hein<br>*VP Production* | 357,143 Tributary Units | $2.10 |
| Edward (Ted) Brown<br>*Corporate Secretary* | 226,190 Tributary Units | $2.10 |
| Employees & Consultants of Tributary[(4)] | 1,007,143 Tributary Units | $2.10 |
| Private placees related to previous entity not expected to be employees or consultants of Tributary at the Effective Time[(4)] | 690,477 Tributary Units | $2.10 |
| Private placees not related to previous entity[(4)] | 859,999 Tributary Units | $2.10 |
| **Total** | **14,285,714 Tributary Units** | **$2.10** |

Notes:

(1) For an overview of other benefits received by such persons in connection with the Arrangement, see "*Interests of Certain Persons or Companies in the Arrangement*" in the Information Circular.
(2) After giving effect to the Tributary Share Consolidation.
(3) All proposed Tributary directors listed above are expected to be independent in accordance with the requirements of the ABCA, Applicable Canadian Securities Laws and the rules and policies of the TSX, other than Neil Roszell and Jason Jaskela.
(4) Aggregated as a group.

No finders' fees or commissions will be paid in connection with the Tributary Private Placement. The Tributary Private Placement will be subject to the approval of the TSX. 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.

Historically, in transactions of this nature, securities issued pursuant to an initial private placement, when issued at a net asset value, subsequently trade at a premium to the subscription price under the private placement which is often at a greater discount to the market price than the maximum allowable discount permitted by the TSX. As a result, if the Tributary Shares trade at a premium to the estimated net asset value per Tributary Share following completion of the Arrangement, the subscription price of the Tributary Units and the exercise price of the Tributary Private Placement Warrants, may represent a greater discount to the market price than the allowable discount permitted by the TSX. However, there can be no assurances that the Tributary Shares will trade at a premium to the issue price of the Tributary Shares pursuant to the Tributary Private Placement, if and when the Tributary Shares are listed and posted for trading on the TSX. The market price of the Tributary Shares may also be affected by the number of Tributary Shares issuable upon the exercise of the Tributary Arrangement Warrants and the Tributary Private Placement Warrants.

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. In addition, the Tributary Board believes that the Tributary Private Placement is important to Tributary: (i) to facilitate increased ownership in Tributary, at a fair price and in a manner which encourages continued performance; (ii) to align the interests of holders of Tributary Shares through the capital commitment being made under the Tributary Private Placement by Tributary employees; (iii) to allow Tributary to meet the challenges in retaining qualified personnel in a very competitive employment market, particularly in the context of Headwater's historical cash compensation levels; and (iv) to provide capital to Tributary as necessary to fund its operations.

For the Tributary Private Placement to be completed: (i) the Headwater Private Placement Resolution must be approved by a majority of the votes cast by the Headwater Shareholders who vote in person (virtually) or by proxy at the Headwater Meeting, excluding votes cast in respect of Headwater Shares held, directly or indirectly, or over which control or direction is exercised, by Participating Insiders and any other Headwater Shareholders who are participating in the Tributary Private Placement; and (ii) the Tamarack Private Placement Resolution must be approved by a majority of the votes cast by the Tamarack Shareholders who vote in person (virtually) or by proxy at the Tamarack Meeting, excluding votes cast in respect of Tamarack Shares held, directly or indirectly, or over which control or direction is exercised, by those individuals participating in the Tributary Private Placement. No Tamarack insiders are participating in the Tributary Private Placement.

It is a condition (in favour of Headwater) to the completion of the Arrangement that each of the Tamarack Private Placement Resolution and the Headwater Private Placement Resolution be approved at the Tamarack Meeting and Headwater Meeting, respectively. **If the Headwater Shareholders or Tamarack Shareholders do not approve the Headwater Private Placement Resolution or the Tamarack Private Placement Resolution, respectively, the Arrangement may not proceed.**

See "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" in the Information Circular and "*Available Funds and Principal Purposes*", "*Consolidated Capitalization*" and "*Risk Factors*" in this Appendix.

## ACQUISITION OF THE TRIBUTARY ASSETS

### Highlights of the Acquisition of the Tributary Assets

On the Effective Date, Tributary will enter into the Conveyance Agreements to complete the acquisition of the Tributary Assets from Headwater and Tamarack. The Tributary Assets are comprised of the Tributary Headwater Assets and the Tributary Tamarack Assets. The Tributary Headwater Assets consist of certain Mannville-stack exploratory mineral rights in Alberta, prospective thermal heavy oil opportunities at Handel, Saskatchewan and the legacy McCully natural gas production in New Brunswick. The Tributary Tamarack Assets consist of certain minor undeveloped lands located in Alberta, which have not generated any historic revenue or production and have no attributed reserves. See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets*", "*Selected Operational and Financial Information*" and "*Management's Discussion and Analysis*" in this Appendix for information relating to the Tributary Assets.

While Headwater management expects that Tributary will receive the benefits from the Tributary Assets as described herein, the Arrangement exposes Tributary to additional risks including the risk that Tributary will fail to realize the anticipated benefits of the Arrangement. See "*Risk Factors*" in the Information Circular and in this Appendix for a further discussion of the risks associated with the Arrangement.

### Description of Principal Properties

For a description of the properties comprising the Tributary Assets, see "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets*" and "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Principal Properties*" in this Appendix.

### Conveyance Agreements

The following is a summary of certain material terms of each of the Headwater Conveyance Agreement and the Tamarack Conveyance Agreement and is subject to the full text of the Headwater Conveyance Agreement and the Tamarack Conveyance Agreement which are attached as Schedule "F" and Schedule "G", respectively, to the Arrangement Agreement.

Unless otherwise indicated, capitalized terms used in this section but not otherwise defined in this Appendix or in the "*Glossary of Terms*" in the Information Circular shall have the meanings ascribed thereto in the applicable Conveyance Agreement.

***Conveyance of the Tributary Assets***

The completion of the Arrangement is conditional upon Headwater, Tamarack and Tributary entering into the Conveyance Agreements, as applicable, in the forms agreed to between the Parties and appended to the Arrangement Agreement, whereby Headwater will transfer all of the Tributary Headwater Assets to Tributary on the Effective Date and Tamarack will transfer all of the Tributary Tamarack Assets to Tributary on the Effective Date. See "*Summary of Agreements in Connection with the Arrangement – The Arrangement Agreement – Conditions Precedent*" in the Information Circular and "*Risk Factors – Risks Relating to the Arrangement – Possible Failure to Realize Anticipated Benefits of the Arrangement and the Tributary Private Placement*" in this Appendix.

***Headwater Conveyance Agreement***

*The Tributary Headwater Assets*

Under the Headwater Conveyance Agreement, Headwater will sell, assign, transfer, convey and set over to Tributary, and Tributary will acquire, all of Headwater's right, title and interest in and to the Tributary Headwater Assets, subject to all Permitted Encumbrances. The Tributary Headwater Assets are defined as Headwater's entire right, title, estate and interest (whether contingent, legal or beneficial) in the Petroleum and Natural Gas Rights, the Tangibles, the Miscellaneous Interests, the Cash Collateral, the Hedges and the Other Tributary Assets and, for greater certainty, includes the Headwater Tributary Lands all as more particularly described and set forth in the schedules to the Headwater Conveyance Agreement. See "*Acquisition of the Tributary Assets – Highlights of the Acquisition of the Tributary Assets*" and "*Acquisition of the Tributary Assets – Description of Principal Properties*" in this Appendix and the Headwater Conveyance Agreement which is attached as Schedule "F" to the Arrangement Agreement.

*The Consideration*

As consideration for the transfer of the Tributary Headwater Assets, Tributary will provide to Headwater the Purchase Price under the Headwater Conveyance Agreement, being consideration equal to the fair market value of the Tributary Headwater Assets, being $99,862,000, payable by the issuance of 235,728,094 Tributary Shares (prior to giving effect to the Tributary Share Consolidation), 47,145,619 Tributary Arrangement Warrants (prior to giving effect to the Tributary Share Consolidation) and through the assumption by Tributary of the Assumed Liabilities.

The Headwater Conveyance Agreement allocates: $1 to the Headwater Tributary Seismic Information, $1 to the Miscellaneous Interests (excluding the Headwater Tributary Seismic Information), $1 to the Other Tributary Assets, and for the balance of the Purchase Price, 80% to the Petroleum and Natural Gas Rights and 20% to the Tangibles. No separate value is attributed to the Hedges for purposes of such Purchase Price allocation. All benefits and obligations relating to the Tributary Headwater Assets have been taken into account as of the Effective Date in determining their fair market value.

*Assumed Liabilities*

Pursuant to the Headwater Conveyance Agreement, Tributary will assume, and agree to duly perform, pay, satisfy and discharge, and indemnify Headwater in respect of, the Assumed Liabilities. Under the terms of the Headwater Conveyance Agreement, Assumed Liabilities includes all Losses and Liabilities arising from, relating to or associated with the Tributary Headwater Assets or the ownership, development, construction, operation, use, maintenance, abandonment, decommissioning or reclamation thereof, whether attributable to a period or event occurring before, on or after the Effective Time (other than Losses or Liabilities that have been paid or otherwise have been satisfied and/or discharged as at the Effective Time) and whether known or unknown, accrued or unaccrued, or absolute or contingent, including: (i) Losses and Liabilities arising under or relating to the Assumed Contracts; (ii) Environmental Liabilities relating to the applicable Tributary Headwater Assets; (iii) and other Losses and Liabilities included within the definition of Assumed Liabilities in the Headwater Conveyance Agreement. For further information, see the Headwater Conveyance Agreement, which is attached as Schedule "F" to the Arrangement Agreement.

*Cash Collateral*

The Headwater Conveyance Agreement also provides for the transfer to Tributary of the benefit of the Cash Collateral, being all cash balances or cash collateral held by or on behalf of Headwater and relating primarily to the Tributary Headwater Assets, as more specifically identified in Part 5 of Schedule "A" to the Headwater Conveyance Agreement.

Within two Business Days following the closing of the Tributary Private Placement, Tributary shall pay to Headwater an amount equal to the Cash Collateral conveyed to Tributary under the Headwater Conveyance Agreement, such payment to be funded from the proceeds of the Tributary Private Placement or from such other funds that are available to Tributary as of such date.

*Rights of First Refusal*

Pursuant to the Headwater Conveyance Agreement, Tributary acknowledged and agreed that it shall be responsible for complying with all rights of first refusal ("**ROFR**"), if any, in connection with the transfer of the Tributary Headwater Assets. Tributary agreed to indemnify Headwater and its related parties for all Losses, Liabilities and Claims arising or resulting from or in connection with the exercise of such ROFR in accordance with Section 3.1 of the Headwater Conveyance Agreement.

***Tamarack Conveyance Agreement***

*The Tributary Tamarack Assets*

Under the Tamarack Conveyance Agreement, Tamarack will sell, assign, transfer, convey and set over to Tributary, and Tributary will acquire, all of Tamarack's right, title and interest in and to the Tributary Tamarack Assets, subject to all Permitted Encumbrances. The Tributary Tamarack Assets are defined as Tamarack's entire right, title, estate and interest (whether contingent, legal or beneficial) in the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests and, for greater certainty, includes the Tamarack Tributary Lands all as more particularly described and set forth in the schedules to the Tamarack Conveyance Agreement. See the Tamarack Conveyance Agreement which is attached as Schedule "G" to the Arrangement Agreement.

*The Consideration*

As consideration for the transfer of the Tributary Tamarack Assets, Tributary will provide to Tamarack the Purchase Price under the Tamarack Conveyance Agreement, being consideration equal to the fair market value of the Tributary Tamarack Assets, being $862,000, payable by the issuance of 2,034,782 Tributary Shares (prior to giving effect to the Tributary Share Consolidation), 406,956 Tributary Arrangement Warrants (prior to giving effect to the Tributary Share Consolidation) and through the assumption by Tributary of the Assumed Liabilities.

The Tamarack Conveyance Agreement allocates: $1 to the Miscellaneous Interests and for the balance of the Purchase Price, 80% to the Petroleum and Natural Gas Rights and 20% to Tangibles. All benefits and obligations relating to the Tributary Tamarack Assets have been taken into account as of the Effective Date in determining their fair market value.

*Assumed Liabilities*

Pursuant to the Tamarack Conveyance Agreement, Tributary will assume, and agree to duly perform, pay, satisfy and discharge, and indemnify Tamarack in respect of, the Assumed Liabilities. Under the terms of the Tamarack Conveyance Agreement, Assumed Liabilities includes all Losses and Liabilities arising from, relating to or associated with the Tributary Tamarack Assets or the ownership, development, construction, operation, use, maintenance, abandonment, decommissioning or reclamation thereof, whether attributable to a period or event occurring before, on or after the Effective Time (other than Losses or Liabilities that have been paid or otherwise have been satisfied and/or discharged as at the Effective Time) and whether known or unknown, accrued or unaccrued, or absolute or contingent, including: (i) Losses and Liabilities arising under or relating to the Assumed Contracts; (ii) Environmental Liabilities relating to the applicable Tributary Tamarack Assets; (iii) and other Losses and Liabilities included within the definition of Assumed Liabilities in the Tamarack Conveyance Agreement. For further information, see the Tamarack Conveyance Agreement, which is attached as Schedule "G" to the Arrangement Agreement.

*Rights of First Refusal*

Pursuant to the Tamarack Conveyance Agreement, Tributary acknowledged and agreed that it shall be responsible for complying with all ROFRs, if any, in connection with the transfer of the Tributary Tamarack Assets. Tributary agreed to indemnify Tamarack and its related parties for all Losses, Liabilities and Claims arising or resulting from or in connection with the exercise of such ROFR in accordance with Section 3.1 of the Tamarack Conveyance Agreement.

## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION REGARDING THE TRIBUTARY ASSETS

The statement of reserves data and other oil and gas information set forth below (the "**Statement**") is dated September 1, 2026. The effective date of the Statement is September 1, 2026 and the preparation date of the Statement is September 4, 2026. For a discussion of the statement of reserves data and other oil and gas information regarding the Tributary Headwater Assets as at December 31, 2025, see Schedule D attached to this Appendix.

Headwater engaged McDaniel to provide the 2026 Tributary Reserves Report, being an evaluation of the proved and probable reserves associated with the Tributary Headwater Assets as at September 1, 2026. The reserves data set forth below (the "**2026 Tributary Reserves Data**") is based upon the 2026 Tributary Reserves Report. The 2026 Tributary Reserves Data summarizes the NGLs, conventional natural gas, shale gas and heavy crude oil reserves associated with the Tributary Headwater Assets and the net present values of future net revenue for such reserves using forecast prices and costs. The 2026 Tributary Reserves Report has been prepared in accordance with the standards and the reserve definitions contained in the COGE Handbook and NI 51-101.

All reserves attributable to the Tributary Headwater Assets are in Canada and, specifically, in the Provinces of Alberta, Saskatchewan and New Brunswick.

All evaluations of future net production revenue set forth in the tables below are based on forecast prices and costs and are after direct lifting costs and future capital investments. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of Tributary's NGLs, conventional natural gas, shale gas and heavy crude oil provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual NGLs, conventional natural gas, shale gas and heavy crude oil may be greater than or less than the estimates provided herein.

In certain of the tables set forth below, the columns may not add due to rounding.

**SUMMARY OF OIL AND GAS RESERVES**
**AS AT SEPTEMBER 1, 2026**
**FORECAST PRICES AND COSTS**

| | RESERVES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | CONVENTIONAL NATURAL GAS | | SHALE GAS | | HEAVY CRUDE OIL | | NATURAL GAS LIQUIDS | | TOTAL | |
| RESERVES CATEGORY | Gross (MMcf) | Net (MMcf) | Gross (MMcf) | Net (MMcf) | Gross (Mbbl) | Net (Mbbl) | Gross (Mbbl) | Net (Mbbl) | Gross (MBOE) | Net (MBOE) |
| **Proved** | | | | | | | | | | |
| Developed Producing | 11,603.2 | 11,185.5 | 692.8 | 667.8 | 58.5 | 51.8 | 12.3 | 11.9 | 2,120.1 | 2,039.3 |
| Developed Non-Producing | - | - | 1,498.3 | 1,444.4 | - | - | 1.5 | 1.4 | 251.2 | 242.1 |
| Undeveloped | - | - | - | - | 380.9 | 361.3 | - | - | 380.9 | 361.3 |
| **Total Proved** | **11,603.2** | **11,185.5** | **2,191.1** | **2,112.2** | **439.5** | **413.2** | **13.8** | **13.3** | **2,752.2** | **2,642.7** |
| **Probable** | | | | | | | | | | |
| Developed Producing | 2,978.1 | 2,870.9 | 179.2 | 172.7 | 17.0 | 14.3 | 3.2 | 3.0 | 546.4 | 524.6 |
| Developed Non-Producing | - | - | 501.7 | 483.6 | - | - | 0.5 | 0.5 | 84.1 | 81.1 |
| Undeveloped | - | - | - | - | 510.4 | 453.3 | - | - | 510.4 | 453.3 |
| **Total Probable** | **2,978.1** | **2,870.9** | **680.9** | **656.4** | **527.3** | **467.6** | **3.7** | **3.5** | **1,140.8** | **1,059.0** |
| **Total Proved plus Probable** | **14,581.3** | **14,056.4** | **2,872.0** | **2,768.6** | **966.8** | **880.8** | **17.5** | **16.8** | **3,893.0** | **3,701.7** |

**SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE**
**AS AT SEPTEMBER 1, 2026**
**FORECAST PRICES AND COSTS[1]**

| RESERVES CATEGORY | BEFORE INCOME TAXES DISCOUNTED AT (%/year) 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) | AFTER INCOME TAXES DISCOUNTED AT (%/year)[2] 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) | UNIT VALUE BEFORE INCOME TAX DISCOUNTED AT 10%/year[3] ($/BOE) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Proved** | | | | | | | | | | | |
| Developed Producing | 95,044.9 | 77,720.9 | 64,771.5 | 55,335.0 | 48,331.1 | 91,041.8 | 74,602.8 | 62,298.7 | 53,342.6 | 46,703.2 | 31.76 |
| Developed Non-Producing | 12,483.3 | 9,855.2 | 7,932.6 | 6,534.8 | 5,495.7 | 8,912.3 | 7,104.4 | 5,749.9 | 4,761.7 | 4,027.9 | 32.76 |
| Undeveloped | 8,786.7 | 7,010.3 | 5,568.6 | 4,410.8 | 3,480.6 | 6,293.1 | 4,842.1 | 3,671.5 | 2,740.0 | 1,999.7 | 15.41 |
| **Total Proved** | **116,314.9** | **94,586.5** | **78,272.7** | **66,280.6** | **57,307.4** | **106,247.1** | **86,549.4** | **71,720.1** | **60,844.4** | **52,730.8** | **29.62** |
| **Probable** | | | | | | | | | | | |
| Developed Producing | 24,066.7 | 14,268.5 | 9,033.1 | 6,194.0 | 4,547.8 | 19,050.2 | 11,073.1 | 6,869.5 | 4,653.6 | 3,405.0 | 17.22 |
| Developed Non-Producing | 4,345.3 | 2,837.3 | 1,975.3 | 1,460.4 | 1,130.2 | 2,929.5 | 1,951.3 | 1,372.3 | 1,023.9 | 799.7 | 24.36 |
| Undeveloped | 19,013.4 | 14,518.5 | 11,325.4 | 9,018.1 | 7,314.4 | 14,515.5 | 10,884.0 | 8,362.1 | 6,566.5 | 5,255.3 | 24.98 |
| **Total Probable** | **47,425.4** | **31,624.4** | **22,333.9** | **16,672.5** | **12,992.4** | **36,495.2** | **23,908.5** | **16,603.9** | **12,244.1** | **9,460.0** | **21.09** |
| **Total Proved plus Probable** | **163,740.3** | **126,210.8** | **100,606.6** | **82,953.1** | **70,299.8** | **142,742.3** | **110,457.9** | **88,324.0** | **73,088.4** | **62,190.8** | **27.18** |

Notes:

(1) The estimated values of future net revenues disclosed do not represent fair market value.
(2) Based on Tributary's estimated tax pools as at September 1, 2026 after giving effect to the conveyance of the Tributary Assets to Tributary. The after-tax net present value of Tributary's oil and natural gas properties reflects the income tax burden on the properties on a stand-alone basis and takes into account Tributary's existing tax pools. It does not consider tax planning.
(3) Unit values are based on net reserve volumes.

**TOTAL FUTURE NET REVENUE**
**(UNDISCOUNTED)**
**AS AT SEPTEMBER 1, 2026**
**FORECAST PRICES AND COSTS[1]**

| RESERVES CATEGORY | REVENUE (M$) | ROYALTIES (M$) | OPERATING COSTS (M$) | DEVELOPMENT COSTS (M$) | ABANDONMENT AND RECLAMATION COSTS[2] (M$) | FUTURE NET REVENUE BEFORE INCOME TAXES (M$) | FUTURE INCOME TAXES (M$) | FUTURE NET REVENUE AFTER INCOME TAXES (M$) |
|---|---|---|---|---|---|---|---|---|
| Total Proved | 212,422.8 | 7,679.6 | 62,387.9 | 12,886.1 | 13,154.2 | 116,314.9 | 10,067.8 | 106,247.1 |
| Total Proved plus Probable | 301,518.8 | 14,014.6 | 91,015.0 | 18,089.8 | 14,659.1 | 163,740.3 | 20,998.0 | 142,742.3 |

Notes:

(1) Estimated values of future net revenues disclosed do not represent fair market value.
(2) For more information, see "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Additional Information Concerning Abandonment and Reclamation Costs*" in this Appendix.

**FUTURE NET REVENUE**
**BY PRODUCT TYPE**
**AS OF SEPTEMBER 1, 2026**
**FORECAST PRICES AND COSTS**

| RESERVES CATEGORY | PRODUCT TYPE | FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (M$) | UNIT VALUE[2] ($/Mcf $/Bbl) |
|---|---|---|---|
| Proved Reserves | Heavy Crude Oil[1] | 7,275.9 | 17.61 |
| | Conventional Natural Gas[1] | 59,963.1 | 5.36 |
| | Shale Gas[1] | 11,033.7 | 5.22 |
| | **Total** | **78,272.7** | |
| Proved Plus Probable Reserves | Heavy Crude Oil[1] | 19,071.2 | 21.65 |
| | Conventional Natural Gas[1] | 68,204.7 | 4.85 |
| | Shale Gas[1] | 13,330.7 | 4.81 |
| | **Total** | **100,606.6** | |

Notes:

(1) Including by-products (including NGLs). The 2026 Tributary Reserves Report does not separately report on the Future Net Revenue for NGLs.
(2) Unit values are calculated using the 10% discount rate divided by the major product type net reserves for each group.

**Pricing Assumptions**

The following tables set forth the benchmark reference prices, as at July 1, 2026, reflected in the 2026 Tributary Reserves Data. The forecast of prices, inflation and exchange rates provided in the table below were computed using the average of the forecasts by McDaniel, Sproule ERCE (formerly Sproule Associates Limited) and GLJ Ltd. effective as at July 1, 2026.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS[1]**
**AS OF JULY 1, 2026**
**FORECAST PRICES AND COSTS**

| | Crude Oil | | | | Edmonton Liquids Prices | |
|---|---|---|---|---|---|---|
| Year | WTI Crude Oil (US$/Bbl) | Edmonton Light Crude (Cdn$/Bbl) | Alberta Heavy Crude Oil (Cdn$/Bbl) | WCS Crude Oil (Cdn$/Bbl) | Edmonton Cond. & Natural Gasolines (Cdn$/Bbl) | Edmonton Butanes (Cdn$/Bbl) |
| Forecast[4] | | | | | | |
| 2026 (6 months) | 72.33 | 96.85 | 76.04 | 82.04 | 98.32 | 44.54 |
| 2027 | 73.17 | 95.00 | 75.52 | 81.49 | 97.71 | 44.47 |
| 2028 | 74.01 | 95.24 | 75.74 | 81.71 | 97.97 | 44.58 |
| 2029 | 73.31 | 94.16 | 74.91 | 80.82 | 96.92 | 44.08 |
| 2030 | 74.78 | 96.05 | 76.41 | 82.44 | 98.86 | 44.97 |
| 2031 | 76.27 | 97.97 | 77.95 | 84.08 | 100.84 | 45.87 |
| 2032 | 77.79 | 99.92 | 79.52 | 85.76 | 102.85 | 46.78 |
| 2033 | 79.35 | 101.92 | 81.11 | 87.48 | 104.91 | 47.72 |
| 2034 | 80.94 | 103.96 | 82.74 | 89.23 | 107.01 | 48.67 |
| 2035 | 82.56 | 106.04 | 84.40 | 91.01 | 109.15 | 49.65 |
| 2036 | 84.21 | 108.16 | 86.09 | 92.83 | 111.33 | 50.64 |
| Thereafter | +2%/yr | +2%/yr | +2%/yr | +2%/yr | +2%/yr | +2%/yr |

| | Natural Gas | | | | |
|---|---|---|---|---|---|
| Year | Natural Gas AECO Spot (Cdn$/MMBtu) | NYMEX Henry Hub (US$/MMBTU) | McCully Gas Price[2] (Cdn$/MMbtu) | Inflation Rate %/Year | Exchange Rate[3] (US$/Cdn$) |
| Forecast[4] | | | | | |
| 2026 (6 months) | 2.16 | 3.46 | 17.54 | - | 0.72 |
| 2027 | 2.75 | 3.78 | 15.35 | 2.00 | 0.73 |
| 2028 | 3.12 | 3.83 | 15.06 | 2.00 | 0.74 |
| 2029 | 3.43 | 3.93 | 9.34 | 2.00 | 0.74 |
| 2030 | 3.50 | 4.01 | 9.10 | 2.00 | 0.74 |
| 2031 | 3.57 | 4.09 | 9.21 | 2.00 | 0.74 |
| 2032 | 3.64 | 4.17 | 9.32 | 2.00 | 0.74 |
| 2033 | 3.71 | 4.26 | 9.44 | 2.00 | 0.74 |
| 2034 | 3.78 | 4.34 | 9.55 | 2.00 | 0.74 |
| 2035 | 3.86 | 4.43 | 9.67 | 2.00 | 0.74 |
| 2036 | 3.94 | 4.52 | 9.79 | 2.00 | 0.74 |
| Thereafter | +2%/yr | +2%/yr | +2%/yr | 2.00 | 0.74 |

Notes:

(1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
(2) Not a published forecast. Represents McCully Field realized pricing incorporating the AGT premium to NYMEX Henry Hub, the Maritime Adder and market optimization. The McCully gas price in years 2026-2028 reflects the arithmetic average of the monthly price received for the winter producing months (January to April and December) to correlate to the intermittent production strategy employed by Tributary to capture seasonal premium pricing. After 2028, the 2026 Tributary Reserves Report assumes Tributary produces volumes from its reserves continuously over the year and as such, McCully pricing reflects the full year.
(3) The exchange rate used to generate the benchmark reference prices in this table.
(4) As at July 1, 2026.

The weighted average historical prices realized, before financial derivative contracts, in respect of production from Tributary Headwater Assets for the eight months ended August 31, 2026, were $22.13/Mcf for natural gas, $127.64/Bbl for NGLs and $92.78/Bbl for heavy crude oil.

**Additional Information Relating to 2026 Tributary Reserves Data**

***Undeveloped Reserves***

Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

On May 27, 2016, the Government of New Brunswick announced its decision to continue the moratorium on hydraulic fracturing for an indefinite period. Headwater believes that all undeveloped wells in the McCully Field require hydraulic fracture stimulation to be commercially productive. As a result of this announcement, the undeveloped wells requiring hydraulic fracture stimulations in New Brunswick no longer met the necessary conditions to qualify as reserves and Headwater, together with the independent qualified reserves evaluator of Headwater at that time made the decision in June 2016 to eliminate all undeveloped reserves from its estimates of reserves. For more information, see "*Risk Factors*" in this Appendix.

McDaniel has assigned 380.9 MBOE of proved undeveloped reserves in the 2026 Tributary Reserves Report under forecast prices and costs, together with $12.9 million of associated undiscounted future capital expenditures with substantially all scheduled to be developed in the first three forecast years.

McDaniel has assigned 510.4 MBOE of probable undeveloped reserves in the 2026 Tributary Reserves Report under forecast prices and costs, together with $5.2 million of associated undiscounted future capital expenditures with substantially all scheduled to be developed in the first four forecast years.

In general, once proved and/or probable undeveloped reserves are identified, they are included in Tributary's development plans. All of the proved and/or probable undeveloped reserves are located in Alberta and Saskatchewan.

Tributary plans to develop none of its proved undeveloped reserves in December 31, 2026, 49.4% of its proved undeveloped reserves in December 31, 2027, and the remaining 50.6% of its proved undeveloped reserves in December 31, 2028. Beyond the reasons noted below, Tributary plans to continue to focus on capital discipline in the short term until commodity pricing and other market factors provide greater economic certainty to

accelerate development drilling. This drilling timeline provides strong cash flows to manage potential market uncertainties while still providing sufficient cash to accelerate its exploration opportunities and meet other corporate objectives.

Tributary plans to develop 30.7% of its probable undeveloped reserves in December 31, 2027, 15.7% of its probable undeveloped reserves in December 31, 2028, and its remaining 53.6% probable undeveloped reserves in December 31, 2029. These locations will continue to be re-evaluated to assess their relative economic merits when compared to other projects available to Tributary.

There are no undeveloped reserves planned to be developed beyond 2029. A number of factors that could result in delayed or cancelled development are as follows:

- development of a superior opportunity inventory to select from;
- changing economic conditions (due to pricing, royalties, operating and capital expenditure fluctuations);
- changing technical conditions (production anomalies (such as accelerated depletion));
- multi-zone developments (such as a prospective formation completion may be delayed until the initial completion is no longer economic);
- a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and
- surface access issues (landowners, weather conditions, regulatory approvals).

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Principal Properties*" and "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Additional Information Relating to Reserves Data – Future Development Costs*" in this Appendix for a description of Tributary's exploration and development plans and expenditures.

***Significant Factors or Uncertainties***

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting crude oil and natural gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserve estimates and the present worth of the future net revenue therefrom. These factors and assumptions include, among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability and pricing of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and government restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year end oil and gas prices and reservoir performance. Such revisions can be either positive or negative.

In addition, higher than estimated operating costs would substantially reduce Tributary's netback, which in turn would reduce the amount of cash available for reinvestment in drilling opportunities. This becomes most relevant during periods of low commodity prices when profits are more significantly impacted by high costs.

On March 27, 2015, the Government of New Brunswick enacted *An Act to Amend the Oil and Natural Gas Act* which created a moratorium on all forms of hydraulic fracturing in New Brunswick. On May 27, 2016, the New Brunswick Government announced its decision to continue the moratorium for an indefinite period. Headwater believes that all undeveloped wells on its properties in New Brunswick require hydraulic fracture stimulation to be commercially productive. As a result of such announcement, Headwater determined that it would not undertake any drilling or completion activities or incur associated capital expenditures (and it is not anticipated that Tributary will undertake drilling or completion activities) in New Brunswick until the moratorium is lifted. As a result, the undeveloped wells in New Brunswick requiring hydraulic fracturing no longer meet the necessary conditions to qualify as reserves. On August 26, 2026, the Government of New Brunswick launched a five-month public review to evaluate lifting its moratorium on natural gas development and hydraulic fracturing. For more information, see "*Risk Factors*" in this Appendix.

Tributary does not anticipate any unusually high development costs or operating costs to produce and sell any material portion of its reserves. Tributary has not entered into any contractual obligations to produce and sell a significant portion of production at prices substantially below those which could be realized except for those contractual obligations described under the heading "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Forward Contracts and Marketing*".

Tributary does not anticipate any unusually high abandonment or reclamation costs. See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Additional Information Concerning Abandonment and Reclamation Costs*" in this Appendix.

***Future Development Costs***

The following table sets forth development costs deducted in the estimation of Tributary's future net revenue attributable to the reserve categories noted below:

| | Forecast Capital Costs (M$) | |
|---|---|---|
| Year | **Proved Reserves** | **Proved Plus Probable Reserves** |
| 2026 | - | - |
| 2027 | 5,867.1 | 7,032.3 |
| 2028 | 7,019.0 | 3,908.1 |
| 2029 | - | 7,149.4 |
| Thereafter | - | - |
| Total Undiscounted | 12,886.1 | 18,089.8 |

On an ongoing basis, Tributary will use funds from the Tributary Private Placement, internally generated funds from operations, debt and new equity issues if available on favourable terms to finance its capital expenditure program. The cost of funding is not expected to have any effect on disclosed reserves or future net revenue nor make the development of a property uneconomic for Tributary.

If funds from operations are other than projected, capital expenditures may be adjusted. In addition, depending on a number of factors including commodity prices, industry conditions and Tributary's financial and operating results, debt or equity financing may not be available, which could also result in adjustments to the capital program as required.

**Other Oil and Gas Information**

***Principal Properties***

The Tributary Assets are located onshore in the Provinces of Alberta, Saskatchewan and New Brunswick. The principal properties comprising the Tributary Assets are described below. The reserve amounts stated are gross reserves, as at September 1, 2026, based on forecast costs and prices as evaluated in the 2026 Tributary Reserves Report (see "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets*" in this Appendix). The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

*New Brunswick – McCully Field*

The McCully Field, located approximately 12 kilometres northeast of Sussex, New Brunswick, includes natural gas production from the Hiram Brook formation, a conventional tight sandstone, and a portion of the Frederick Brook shale, an unconventional shale resource. The McCully Field is located onshore and is connected to the Maritimes & Northeast Pipeline, which supplies customers in the Maritimes and the New England market in the northeastern United States.

As at September 1, 2026, the McCully Field included 32 gross (24.0 net) producing natural gas wells and 8 gross (7.0 net) non-producing natural gas wells, together with one gross and net non-producing oil well. The 2026 Tributary Reserves Report attributed gross proved plus probable reserves of 14,581.3 MMcf of conventional natural gas, 2,872.0 MMcf of shale gas and 17.5 MBbl of NGLs to the McCully Field as at September 1, 2026.

Certain wells at the McCully Field are capable of production but are shut in during a portion of the year as part of an intermittent production strategy. Production is generally shut in during the summer months and resumed during the winter heating season.

There are no material statutory or mandatory relinquishments, surrenders, back-ins or changes in ownership affecting the McCully Field.

Headwater has historically sold all of its share of the natural gas produced from the McCully Field to a single purchaser pursuant to a marketing contract which terminates on April 30, 2027. This agreement is at market terms and in the ordinary course of business. The production, transportation, processing and marketing of natural gas from Nutrien Ltd.'s ("**Nutrien**") share of the production from the McCully Field are subject to agreements with Nutrien. Historically, Nutrien's share of natural gas production is either taken in kind for use at the Nutrien potash mill, located near Sussex, New Brunswick or delivered to Headwater's midstream facilities for sale by Nutrien to the Maritimes market and New England market.

All marketing, transportation and other contracts relating to the McCully Field are expected to be assigned to Tributary effective at the Effective Time.

*Saskatchewan – Handel*

The Tributary Assets in Saskatchewan are located 130 km west of Saskatoon and are prospective for both conventional Mannville and SAGD/thermal opportunities. There is 1.0 net non-producing oil well and 344.7 Mbbl gross proved plus probable reserves attributed in the 2026 Tributary Reserves Report.

Handel is an emerging Mannville heavy-oil opportunity in west-central Saskatchewan with both conventional and thermal development potential. The play contains multiple stacked Mannville targets, including Waseca and Sparky channel sands prospective for SAGD development, as well as conventional heavy-oil opportunities suitable for horizontal and multilateral drilling. The shallow reservoir setting, high-quality Mannville sands and proximity to established Saskatchewan thermal development provide the potential for both low-cost conventional development and larger-scale, low-decline thermal projects.

*Alberta – W4 Mannville Stack*

The Tributary Assets in the W4 Mannville Stack are located 160 km northeast of Edmonton where there is established production and drilling inventory in multiple stacked Mannville horizons in areas including Clay, Craigend, Sugden and Lindbergh. There is 1.0 net producing oil well, 1.0 net non-producing oil well and 622.1 Mbbl gross proved plus probable reserves of heavy oil attributed to the W4 Mannville Stack in the 2026 Tributary Reserves Report.

The W4 Mannville Stack is a shallow, multi-zone conventional heavy-oil play in eastern Alberta characterized by stacked, high-quality Mannville sandstone reservoirs that support low-cost horizontal and multilateral development.

*Alberta – Duncan*

The Tributary Assets in Duncan are located 200 km northeast of Edmonton where Tributary has a significant land position captured with potential for enhanced recovery through thermal or circulation-string style operations. There is 1.0 net producing oil well and nil gross proved plus probable reserves attributed in the 2026 Tributary Reserves Report.

Duncan is an emerging lower Mannville heavy-oil exploration opportunity in north-central Alberta, comprising a large, contiguous land position prospective for shallow heavy oil. Initial multilateral drilling has confirmed oil-bearing reservoir with minimal associated water, with further delineation and technology optimization required to establish commercial development potential.

***Oil and Gas Wells***

The following table sets forth the number and status of crude oil and natural gas wells (all of which are onshore) related to the Tributary Assets as at September 1, 2026.

| | **Oil Wells** | | | | **Natural Gas Wells** | | | |
|---|---|---|---|---|---|---|---|---|
| | **Producing** | | **Non-Producing** | | **Producing** | | **Non-Producing** | |
| | **Gross** | **Net** | **Gross** | **Net** | **Gross** | **Net** | **Gross** | **Net** |
| New Brunswick | - | - | 1 | 1.0 | 32 | 24.0 | 8 | 7.0 |
| Alberta | 2 | 2.0 | 1 | 1.0 | - | - | - | - |
| Saskatchewan | - | - | 1 | 1.0 | - | - | - | - |
| **Total** | **2** | **2.0** | **3** | **3.0** | **32** | **24.0** | **8** | **7.0** |

Notes:

(1) Excludes abandoned, water source, observation, stratigraphic test and injection wells.
(2) All wells in the above table are associated with the Tributary Headwater Assets other than 1 gross (1.0 net) non-producing oil well associated with the Tributary Tamarack Assets.

***Land Holdings Including Properties with no Attributable Reserves***

The following table sets out the developed and undeveloped land holdings associated with the Tributary Assets as at September 1, 2026.

| | **Undeveloped Acres** | | **Developed Acres** | | **Total Acres** | |
|---|---|---|---|---|---|---|
| | **Gross** | **Net** | **Gross** | **Net** | **Gross** | **Net** |
| New Brunswick | 209,823 | 191,556 | 7,118 | 5,338 | 216,941 | 196,894 |
| Alberta | 170,741 | 134,901 | 1,040 | 1,040 | 171,781 | 135,941 |
| Saskatchewan | 35,428 | 35,428 | 160 | 160 | 35,588 | 35,588 |
| Total | **415,992** | **361,885** | **8,318** | **6,538** | **424,310** | **368,423** |

Note:

(1) Land holdings in Alberta include certain land holdings associated with the Tributary Tamarack Assets. All other land holdings in the above table are associated with the Tributary Headwater Assets.

Gross and net acres have been calculated on a per lease basis. Undeveloped lands are calculated by adding the surface area acreage covered by the leases or agreements or portions of the leases or agreements without producing or potentially producing wells. In certain limited circumstances, rights are related to different formations under the same surface area pursuant to different leases or agreements. We have included the acreage with respect to all such leases or agreements.

Tributary expects approximately nil sections of undeveloped land holdings to expire prior to December 31, 2027. Tributary closely monitors land expirations as compared to its development program with the strategy of minimizing undeveloped land expirations relating to significant identified opportunities.

***Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves***

The development of properties with no attributed reserves can be affected by a number of factors including, but not limited to, project economics, forecasted price assumptions, cost estimates, well type expectations and access to infrastructure. These and other factors could lead to the delay or the acceleration of projects related to these properties.

***Forward Contracts and Marketing***

Tributary's operational results and financial condition will be dependent upon the prices received for its heavy crude oil, NGLs, conventional natural gas and shale gas production. Heavy crude oil, NGLs, conventional natural gas and shale gas prices have fluctuated widely in recent years. Any upward or downward movement in heavy crude oil, NGLs, conventional natural gas and shale gas prices could have an effect on Tributary's financial condition. For details on the various factors affecting oil and natural gas prices, see "*Industry Conditions – Pricing and Marketing in Canada*" in this Appendix.

Additionally, Tributary will be exposed to fluctuations of the Canadian to U.S. dollar exchange rate given realized pricing is directly influenced by U.S. dollar denominated benchmark pricing. See "*Risk Factors – Variations in Foreign Exchange Rates and Interest Rates*" in this Appendix.

Tributary's hedging activities could expose Tributary to losses or gains. As part of the acquisition of the Tributary Headwater Assets under the Arrangement, Tributary will assume certain hedging arrangements relating to the Tributary Headwater Assets pursuant to the Headwater Conveyance Agreement. Tributary could also be subject to credit risk associated with the parties with which it contracts. Tributary intends to mitigate this credit risk by entering into contracts with stable and creditworthy parties and through the frequent review of Tributary's exposure to these entities. The following provides details of the current hedging arrangements to be assumed by Tributary at the Effective Time:

| Commodity | Index | Type | Term | Daily Volume | Contract Price |
|---|---|---|---|---|---|
| Natural Gas | AGT GDD [(1)] | Fixed | Dec 2026 – Jan 2027 | 1,000 mmbtu/d | Cdn$25.00/mmbtu |
| Natural Gas | AGT GDD | Fixed | Dec 2026 – Mar 2027 | 5,000 mmbtu/d | Cdn$17.88/mmbtu |
| Natural Gas | AGT GDD | Fixed | Jan 2027 | 1,000 mmbtu/d | Cdn$29.00/mmbtu |

Note:
(1) Algonquin city-gates daily

***Tax Horizon***

As a newly incorporated entity, Tributary has not been required to pay any income related taxes. Following the Arrangement, Tributary is expected to have approximately $100.7 million of tax pools available, consisting primarily of Canadian Oil and Gas Property Expense and Undepreciated Capital Cost. It is expected, based upon current legislation, the projections contained in the 2026 Tributary Reserves Report and various other assumptions, that Tributary will be cash taxable in the near future. A higher level of capital expenditures than those contained in the 2026 Tributary Reserves Report, or additional acquisitions or other expenditures that generate tax deductions, could extend the estimated tax horizon.

On September 15, 2026, the Government of Canada announced the proposed Productivity Mega Deduction, which, if enacted, among other measures, would provide for immediate expensing of qualifying Canadian development expenses incurred on or after September 15, 2026 and immediate expensing of most qualifying depreciable capital property acquired on or after that date. If enacted as proposed, such measures could provide Tributary with additional tax deductions and potentially defer the time at which Tributary becomes cash taxable. The potential impact of these proposed measures has not been reflected in the foregoing estimate.

***Additional Information Concerning Abandonment and Reclamation Costs***

The costs to abandon and reclaim all the Tributary Assets are derived from a combination of published industry benchmarks and site-specific information. The abandonment and reclamation costs in New Brunswick include 41 (32.0 net) oil and gas wells (producing and non-producing), the gas processing plant and transmission pipeline.

As at September 1, 2026, Tributary is expected to incur abandonment and reclamation costs in respect of 51 gross (42.0 net) wells across New Brunswick, Alberta and Saskatchewan, and the approximate cost to abandon and reclaim all such wells and related facilities for proved plus probable reserves, discounted at 10% totals $2.3 million ($14.7 million undiscounted). Abandonment and reclamation costs undiscounted and expected to be paid over the next three years are nil, with the majority of abandonment and reclamation costs expected to be incurred past 2040.

***Costs Incurred***

The following table summarizes costs incurred for the period from January 1, 2026 to September 1, 2026 related to the Tributary Headwater Assets:

| | (M$) |
|---|---|
| Corporate Acquisition Cost | - |
| Property Acquisition Costs | |
| Proved properties | - |
| Unproved properties | 4,885 |
| Exploration costs[(1)] | 2,409 |
| Development costs | 435 |
| Dispositions | - |
| Total | 7,729 |

Note:

(1) Includes lease rentals, seismic costs and costs associated with drilling, completing and equipping 1 (1.0 net) exploratory well in Duncan.

***Exploration and Development Activities***

Headwater drilled 1 (1.0 net) exploratory well on the Tributary Headwater Assets, in the Duncan Alberta area, during the period from January 1, 2026 to September 1, 2026.

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Principal Properties*" in this Appendix for a description of Tributary's exploration and development plans.

***Production Estimates***

The following tables disclose, by product type, and by area, the total volume of gross production estimated by McDaniel for the Tributary Headwater Assets from September 1, 2026 to August 31, 2027 reflected in the estimates of future net revenue from gross proved and gross probable reserves in the 2026 Tributary Reserves Report and disclosed under "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets*" in this Appendix.

| **From Gross Proved Reserves:** | **Conventional Natural Gas (Mcf/d)** | **Shale Gas (Mcf/d)** | **Heavy Crude Oil (bbls/d)** | **Natural Gas Liquids (bbls/d)** | **BOE (BOE/d)** | **%** |
|---|---|---|---|---|---|---|
| McCully Field | 2,254.0 | 93.0 | - | 2.3 | 393.5 | 91.1 |
| Other | - | - | 38.4 | - | 38.4 | 8.9 |
| **Total** | **2,254.0** | **93.0** | **38.4** | **2.3** | **431.9** | **100** |

| **From Gross Probable Reserves:** | **Conventional Natural Gas (Mcf/d)** | **Shale Gas (Mcf/d)** | **Heavy Crude Oil (bbls/d)** | **Natural Gas Liquids (bbls/d)** | **BOE (BOE/d)** | **%** |
|---|---|---|---|---|---|---|
| McCully Field | 43.9 | 0.9 | - | - | 7.5 | 61.2 |
| Other | - | - | 4.8 | - | 4.8 | 38.8 |
| **Total** | **43.9** | **0.9** | **4.8** | **-** | **12.3** | **100** |

***Production History***

The following tables summarize certain information in respect of production (which includes royalty interest volumes), product prices received, royalties paid, production expenses and resulting netback for the Tributary Headwater Assets for the periods indicated below:

| | Period of January 1, 2026 to September 1, 2026 |
|---|---|
| **Average Daily Production[1]** | |
| Natural Gas (Mcf/d)[2] | 2,794 |
| NGLs (bbls/d) | 4 |
| Heavy Crude Oil (bbls/d) | 46 |
| Combined (BOE/d) | 515 |
| **Average Net Sales Price Received[3]** | |
| Natural Gas ($/Mcf)[2] | 22.13 |
| NGLs ($/bbls) | 127.64 |
| Heavy Crude Oil ($/bbls) | 92.78 |
| Combined ($/BOE) | 129.18 |
| **Royalties Paid[5]** | |
| Natural Gas ($/Mcf)[2] | 0.73 |
| NGLs ($/bbls) | 12.66 |
| Heavy Crude Oil ($/bbls) | 20.22 |
| Combined ($/BOE) | 5.84 |
| **Production Costs ($/BOE)[4][5]** | |
| Natural Gas ($/Mcf)[2] | 2.22 |
| NGLs ($/bbls) | - |
| Heavy Crude Oil ($/bbls) | 17.95 |
| Combined ($/BOE) | 13.63 |
| **Transportation Costs ($/BOE)[5]** | |
| Natural Gas ($/Mcf)[2] | - |
| NGLs ($/bbls) | - |
| Heavy Crude Oil ($/bbls) | 4.33 |
| Combined ($/BOE) | 0.39 |
| **Netback Received ($/BOE)** | |
| Natural Gas ($/Mcf)[2] | 19.18 |
| NGLs ($/bbls) | 114.98 |
| Heavy Crude Oil ($/bbls) | 50.28 |
| Combined ($/BOE) | 109.32 |

Notes:

(1) Before deduction of royalties.
(2) Natural gas production includes both conventional natural gas and shale natural gas. In the period from January 1, 2026 to September 1, 2026, shale natural gas was produced out of 3 wells in the McCully Field.
(3) Sales prices are before hedging and do not include revenue from gathering, processing and transportation.
(4) This figure includes all field production expenses.
(5) Headwater did not record production costs and transportation costs for NGLs as Headwater only had nominal sales of NGLs in the period from January 1, 2026 to September 1, 2026 and therefore information is included in the combined BOE.

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets as at December 31, 2025 – Other Oil and Gas Information – Production History*" in Schedule D attached to this Appendix for additional information on the production history for the Tributary Headwater Assets for the year ended December 31, 2025.

The following table indicates the average daily production from important areas associated with the Tributary Headwater Assets for the period from January 1, 2026 to September 1, 2026:

| | Natural Gas (Mcf/d) | Heavy Crude Oil (bbls/d) | Natural Gas Liquids (bbls/d) | BOE (BOE/d) |
|---|---|---|---|---|
| McCully Field | 2,794 | - | 4 | 469 |
| Other | - | 46 | - | 46 |
| **Total** | **2,794** | **46** | **4** | **515** |

## DIVIDEND POLICY

There are no restrictions in Tributary's articles or elsewhere which could prevent Tributary from paying dividends. It is not contemplated that any dividends will be paid on any Tributary Shares in the immediate future, as it is anticipated that all available funds will be invested to finance the growth of Tributary's business.

The directors of Tributary will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on Tributary's financial position at the relevant time. Any decision to pay dividends on the Tributary Shares will be made by the Tributary Board on the basis of Tributary's earnings, financial requirements and other factors existing at such future time, including commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates and the satisfaction of the liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends. Holders of Tributary Shares will be entitled to receive dividends, if, as and when declared by the Tributary Board. See "*Risk Factors*" and "*Description of Share Capital*" in this Appendix.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Tributary as at the date of the Information Circular before and after giving effect to the Arrangement, the Tributary Private Placement, the Tributary Share Consolidation and the full exercise of the Tributary Arrangement Warrants.

| | Authorized | Amount Outstanding before giving effect to the Arrangement, the Tributary Private Placement or the Tributary Share Consolidation[1] | Amount Outstanding after giving effect to the Arrangement (including the Tributary Share Consolidation) but before giving effect to the Tributary Private Placement and assuming no Tributary Arrangement Warrants have been exercised[2][3] | Amount Outstanding after giving effect to the Arrangement (including the Tributary Share Consolidation) and the Tributary Private Placement and assuming no Tributary Arrangement Warrants have been exercised[2][3][4] | Amount Outstanding after giving effect to the Arrangement (including the Tributary Share Consolidation) and the Tributary Private Placement and assuming the exercise of all Tributary Arrangement Warrants[2][3][4][5] |
|---|---|---|---|---|---|
| **Tributary Shares[8]** | unlimited | 1<br>($1.00) | 47,552,575<br>($99,860,408) | 61,838,289<br>($129,860,408) | 71,348,804<br>($149,832,490) |
| **Tributary Arrangement Warrants** | 47,552,575[6] | - | 9,510,515 | 9,510,515 | - |
| **Tributary Private Placement Warrants** | 14,285,714 | - | - | 14,285,714[7] | 14,285,714[7] |
| **Long Term Debt** | N/A | - | - | - | - |

Notes:

(1) The one Tributary Share currently outstanding as at the date hereof was issued to Headwater on September 8, 2026. See "*Prior Sales*" in this Appendix.

(2) Assumes no Dissent Rights are validly exercised in connection with the Arrangement.

(3) Pursuant to the Arrangement, an aggregate of 237,762,877 Tributary Shares and 47,552,575 Tributary Arrangement Warrants are expected to be issued prior to the Tributary Share Consolidation. The Tributary Share Consolidation will be completed as the last step of the Plan of Arrangement on a five-to-one basis. As a result, approximately 47,552,575 Tributary Shares and 9,510,515 Tributary Arrangement Warrants are expected to be outstanding following completion of the Arrangement. Each Tributary Arrangement Warrant will entitle the holder to acquire one Tributary Share at an exercise price of $2.10 per Tributary Share (equivalent to $0.42 per Tributary Share prior to the Tributary Share Consolidation) for a period of 60 days following completion of the Arrangement.

(4) Assumes that the Tributary Private Placement is completed in full, resulting in the issuance of 14,285,714 Tributary Units at a price of $2.10 per Tributary Unit (equivalent to $0.42 per Tributary Unit prior to the Tributary Share Consolidation) for aggregate gross proceeds of approximately $30 million. Each Tributary Unit will consist of one Tributary Share and one Tributary Private Placement Warrant. Each Tributary Private Placement Warrant will entitle 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. The Tributary Private Placement Warrants will vest in three equal tranches when the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $3.25, $3.75 and $4.25 (equivalent to $0.65, $0.75 and $0.85 prior to the Tributary Share Consolidation), respectively.

(5) Assumes that all 9,510,515 Tributary Arrangement Warrants are exercised in full, resulting in the issuance of 9,510,515 Tributary Shares for aggregate gross proceeds to Tributary of approximately $20 million.

(6) Authorized number is on a pre-Tributary Share Consolidation basis.

(7) If all 14,285,714 Tributary Private Placement Warrants vest and are exercised 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), Tributary will receive aggregate gross proceeds of approximately $30 million. The Tributary Private Placement Warrants will vest only if the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $3.25, $3.75 and $4.25 (equivalent to $0.65, $0.75 and $0.85 prior to the Tributary Share Consolidation), respectively. There can be no assurance that any or all of the Tributary Private Placement Warrants will vest or be exercised. The amounts shown do not give effect to the exercise of any Tributary Private Placement Warrants, and any proceeds from the exercise of Tributary Private Placement Warrants have not been included in "*Available Funds and Principal Purposes*" in this Appendix.

(8) Following completion of the Arrangement, Tributary Shares equal to 10% of the issued and outstanding Tributary Shares from time to time are expected to be reserved for issuance pursuant to the Tributary Option Plan. See "*Tributary Option Plan*" in this Appendix.

## AVAILABLE FUNDS AND PRINCIPAL PURPOSES

In connection with the Arrangement, Tributary intends to complete the Tributary Private Placement pursuant to which Tributary will issue 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. Each Tributary Unit will consist of one Tributary Share and one Tributary Private Placement Warrant.

Pursuant to the Arrangement, Tributary will also issue an aggregate of 9,510,515 Tributary Arrangement Warrants (equivalent to 47,552,575 Tributary Arrangement Warrants prior to the Tributary Share Consolidation). Each Tributary Arrangement Warrant will entitle the holder to acquire one Tributary Share at an exercise price of $2.10 per Tributary Share (equivalent to a price of $0.42 prior to the Tributary Share Consolidation) for a period of 60 days following completion of the Arrangement. If all of the Tributary Arrangement Warrants are exercised, Tributary will receive aggregate gross proceeds of approximately $20 million.

Accordingly, Tributary expects to have available funds of approximately $30 million upon completion of the Tributary Private Placement and approximately $50 million if the Tributary Private Placement is completed in full and all Tributary Arrangement Warrants are exercised, before share issuance costs and other related fees. There can be no assurance that the Tributary Private Placement will be completed in full or that any or all of the Tributary Arrangement Warrants will be exercised.

Tributary intends to use the available funds as follows:

| | **Assuming completion of the Tributary Private Placement $'000s** | **Assuming completion of the Tributary Private Placement and full exercise of the Tributary Arrangement Warrants $'000s** |
|---|---|---|
| Oil and gas activities[(1)] *(exploration for and development and appraisal of oil and gas interests)* | 27,000 | 47,000 |
| General and administrative costs and other corporate working capital[(2)] | 3,000 | 3,000 |
| **Total** | **30,000** | **50,000** |

Notes:

(1) Capital expenditures may increase dependent upon cash flow from operations.

(2) The estimate of working capital is prior to giving effect to any transaction costs of the Tributary Private Placement and potential working capital adjustments in connection with the Arrangement. As a result, the actual working capital amount may be materially different from the current estimate.

The use of available funds by Tributary is consistent with its stated business objectives and strategic goals, including the operation of its natural gas assets in New Brunswick and the acquisition, exploration, development and appraisal of oil and natural gas interests in Alberta and Saskatchewan. Other than the successful completion of the Arrangement and the Tributary Private Placement, there is no particular significant event or milestone that must occur for Tributary's business objectives to be accomplished.

While Tributary intends to use the net proceeds as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in Tributary's best interests and as a result there is no assurance Tributary will use the proceeds as stated. See "*Advisories – Forward-Looking Statements*" in this Appendix.

Pursuant to the Conveyance Agreements, Tributary has agreed to indemnify Headwater and Tamarack, as applicable, in certain circumstances. See "*Acquisition of the Tributary Assets – Conveyance Agreements*" in this Appendix.

## SELECTED OPERATIONAL AND FINANCIAL INFORMATION

The following is a summary of selected operational and financial information for the Tributary Assets for the years ended December 31, 2025, 2024 and 2023 and for the six months ended June 30, 2026 which has been derived from:

(i) the audited balance sheet of Tributary as at October 7, 2026, attached as Schedule A to this Appendix;

(ii) the audited operating statements relating to the Tributary Headwater Assets for the years ended December 31, 2025, December 31, 2024 and December 31, 2023, attached as Schedule B to this Appendix;

(iii) the unaudited operating statements relating to the Tributary Headwater Assets for the six months ended June 30, 2026, attached as Schedule C to this Appendix;

(iv) the discussion under the heading "*Management's Discussion and Analysis*" in this Appendix.

This summary financial information should be read in conjunction with the discussion under the heading "*Management's Discussion and Analysis*" included elsewhere in this Appendix.

Tributary relied on the exemption in subsection 32.9(1) of Form 41-101F1 – *Information Required in a Prospectus* ("**Form 41-101F1**") from the requirements set forth in Section 32.2 of Form 41-101F1. The Tributary Headwater Assets may be viewed as a primary business of Tributary pursuant to Section 32.1(1)(b) of Form 41-101F1. In the absence of an exemption, the treatment of the Tributary Headwater Assets as a primary business of Tributary would require Tributary to include audited financial statements in respect of the Tributary Headwater Assets. However, pursuant to Section 32.9(1) of Form 41-101F1, operating statements for the business may be provided in lieu of financial statements where the acquisition is an acquisition of a business which is an interest in an oil and gas property and certain other conditions are met.

The Tributary Tamarack Assets are not considered to form part of Tributary's primary business and, given the composition, non-producing status and relative size of the Tributary Tamarack Assets and the fact that they do not generate associated revenue or production or have any associated reserves, separate financial statements or operating statements in respect of the Tributary Tamarack Assets have not been included in this Appendix.

### Gross Production from the Tributary Headwater Assets

| | Six months ended June 30, | | Twelve Months Ended December 31, [1] | | |
|---|---|---|---|---|---|
| | **2026** | **2025** | **2025** | **2024** | **2023** |
| Natural gas (Mcf/d) | 3,752 | 4,172 | 2,964 | 3,006 | 2,740 |
| Heavy Crude Oil (Bbls/d) | 47 | 135 | 108 | 90 | - |
| NGLs (Bbls/d) | 5 | 4 | 2 | 2 | 3 |
| **Oil equivalent (BOE/d)** | **677** | **834** | **604** | **592** | **460** |

Note:

(1) See "*Management's Discussion and Analysis*" in this Appendix.

### Commodity Prices for the Tributary Headwater Assets[1][2]

| | Six months ended June 30, | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|
| | **2026** | **2025** | **2025** | **2024** | **2023** |
| **Realized Commodity Prices** | | | | | |
| Natural gas ($/Mcf) | 22.13 | 19.06 | 21.05 | 9.51 | 6.66 |
| Heavy crude oil ($/Bbl) | 91.99 | 80.23 | 76.98 | 79.13 | - |
| NGLs ($/Bbl) | 127.64 | 101.58 | 99.98 | 107.61 | 110.73 |
| **Reference Commodity Prices and Exchange Rate** | | | | | |
| WTI ($US/Bbl) [3] | 82.36 | 67.58 | 64.81 | 75.72 | 77.62 |
| WCS differential to WTI ($US/Bbl) | (14.41) | (11.47) | (11.13) | (14.75) | (18.67) |
| WCS ($Cdn/Bbl) [4] | 93.60 | 79.08 | 75.06 | 83.53 | 79.56 |
| AGT ($US/Mmbtu) [5] | 11.13 | 9.66 | 10.75 | 4.71 | 4.10 |
| NYMEX Henry Hub (US$/mmbtu) | 3.97 | 3.56 | 3.43 | 2.27 | 2.74 |
| $Cdn to $US | 0.73 | 0.71 | 0.72 | 0.73 | 0.74 |

Notes:

(1) See "*Management's Discussion and Analysis*" in this Appendix.
(2) See "*Forecast Prices and Costs – Other Oil and Gas Information*" in this Appendix.
(3) WTI = West Texas Intermediate.
(4) WCS = Western Canadian Select.
(5) AGT = Algonquin city-gates daily. The AGT price is the average for the winter producing months in the McCully Field which include January to April and December.

**Schedule of Revenue, Royalties and Production expenses for the Tributary Headwater Assets**

| | Six months ended June 30, | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|
| (thousands of dollars) | **2026** | **2025** | **2025** | **2024** | **2023** |
| Sales[1] | 16,746 | 17,440 | 27,303 | 14,446 | 8,174 |
| Royalties[1] | (672) | (731) | (1,115) | (337) | (215) |
| Excess of sales over royalties[1] | 16,074 | 16,709 | 26,188 | 14,109 | 7,959 |
| Production expense[1] | (1,218) | (1,174) | (2,589) | (4,123) | (1,947) |
| Transportation expense[1] | (36) | (114) | (206) | (78) | - |
| Operating Income[1] | 14,820 | 15,421 | 23,393 | 9,908 | 6,012 |
| Operating Income per BOE[2] | 120.94 | 102.11 | 106.17 | 45.69 | 35.80 |

Notes:

(1) Derived from the Tributary Annual Operating Statements and the Tributary Interim Operating Statements attached as Schedule B and Schedule C, respectively, to this Appendix.
(2) Derived from the discussion under the heading "*Management's Discussion and Analysis*" in this Appendix.

Tributary was not otherwise engaged in oil and gas activities as at December 31, 2025 and June 30, 2026 and therefore this Appendix does not contain the annual oil and gas information and reports of Tributary (as set out in Form 51-101F1, Form 51-101F2 – *Report on Reserves Data* and Form 51-101F3 – *Report of Management and Directors on Oil and Gas Disclosure*) as at its most recently completed year-end date as required under NI 51-101 for companies engaged in oil and gas activities. However, this Appendix does contain estimates of reserves and related future net revenue in respect of the Tributary Headwater Assets which Tributary anticipates acquiring pursuant to the Headwater Conveyance Agreement, which estimates have been independently evaluated by McDaniel in the 2026 Tributary Reserves Report, which is summarized under the heading "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets*" and in the 2025 Tributary Reserves Report, which is attached as Schedule D to this Appendix.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") is dated as of the date hereof and provides a detailed explanation of the revenue, royalties, production and transportation expenses of the Tributary Headwater Assets for the years ended December 31, 2025, 2024 and 2023 and six months ended June 30, 2026 and June 30, 2025. The MD&A contains non-GAAP measures and readers are cautioned that the MD&A should be read in conjunction with the Tributary Annual Operating Statements and the Tributary Interim Operating Statements as set forth in Schedule B and Schedule C, respectively, in this Appendix. As at June 30, 2026, Tributary has not commenced commercial operations. The explanations of revenue, royalties and transportation expenses provide users with information on the Tributary Headwater Assets, currently operated by Headwater, as disclosed in the operating statements. These statements may not be indicative of future performance and they do not necessarily reflect what results of operations and cashflows would have been if Tributary had operated as an independent entity. The operating statements have been prepared in all material respects in accordance with the financial reporting framework specified in subsection 3.17 of National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*. All references are to Canadian dollars unless otherwise indicated. All per BOE amounts are stated at a conversion rate of six thousand cubic feet of natural gas being equal to one barrel of oil or liquids.

**Petroleum and Natural Gas Sales**

| **Sales by product** | **Six months ended June 30,** | | | **Year ended December 31,** | | | |
|---|---|---|---|---|---|---|---|
| **($ thousands)** | **2026** | **2025** | **% Change** | **2025** | **2024** | **% Change** | **2023** |
| Natural gas | 15,028 | 14,390 | 4 | 22,774 | 10,460 | 118 | 6,662 |
| Heavy crude oil | 778 | 1,966 | (60) | 3,021 | 2,598 | 16 | - |
| Natural gas liquids | 115 | 67 | 72 | 80 | 70 | 14 | 138 |
| Processing and other | 825 | 1,017 | (19) | 1,428 | 1,318 | 8 | 1,374 |
| **Total sales** | **16,746** | **17,440** | (4) | **27,303** | **14,446** | **89** | **8,174** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Production** | | | | | | | |
| Natural gas (Mcf/d) | 3,752 | 4,172 | (10) | 2,964 | 3,006 | (1) | 2,740 |
| Heavy crude oil (Bbls/d) | 47 | 135 | (65) | 108 | 90 | 20 | - |
| Natural gas liquids (Bbls/d) | 5 | 4 | 25 | 2 | 2 | - | 3 |
| **Total production (BOE/d)** | **677** | **834** | (19) | **604** | **592** | **2** | **460** |
| % Liquids production | 7.7 | 16.7 | (54) | 18.2 | 15.5 | 17 | 0.7 |
| % Natural gas production | 92.3 | 83.3 | 11 | 81.8 | 84.5 | (3) | 99.3 |
| **Realized prices** | | | | | | | |
| Natural gas ($/Mcf) | 22.13 | 19.06 | 16 | 21.05 | 9.51 | 121 | 6.66 |
| Heavy crude oil ($/Bbl) | 91.99 | 80.23 | 15 | 76.98 | 79.13 | (3) | - |
| Natural gas liquids ($/Bbl) | 127.64 | 101.58 | 26 | 99.98 | 107.61 | (7) | 110.73 |
| **Realized price ($/boe)** | **129.93** | **108.74** | 19 | **117.43** | **60.54** | **94** | **40.50** |
| Average benchmark prices | | | | | | | |
| WTI (US$/bbl)[(1)] | 82.36 | 67.58 | 22 | 64.81 | 75.72 | (14) | 77.62 |
| WCS differential to WTI (US$/bbl) | (14.41) | (11.47) | 26 | (11.13) | (14.75) | (25) | (18.67) |
| WCS (Cdn$/bbl)[(2)] | 93.60 | 79.08 | 18 | 75.06 | 83.53 | (10) | 79.56 |
| AGT (US$/mmbtu)[(3)] | 11.13 | 9.66 | 15 | 10.75 | 4.71 | 128 | 4.10 |
| NYMEX Henry Hub (US$/mmbtu) | 3.97 | 3.56 | 12 | 3.43 | 2.27 | 51 | 2.74 |
| Exchange rate (Cdn$ to US$) | 0.73 | 0.71 | 3 | 0.72 | 0.73 | (1) | 0.74 |

Notes:

(1) WTI = West Texas Intermediate.
(2) WCS = Western Canadian Select.
(3) AGT = Algonquin city-gates daily. The AGT price is the average for the winter producing months in the McCully Field which include January to April and December.

Natural gas production from the Tributary Headwater Assets is derived from the McCully Field in New Brunswick. The realized price for natural gas sales is determined by the AGT daily benchmark price, adjusted for delivery location and heat content. The AGT market is characterized by significant seasonal price variability, with natural gas prices generally strengthening during the winter months as heating demand increases in the northeastern United States. To capitalize on this seasonal pricing dynamic, production from the McCully Field is shut-in during the summer months and recommences in December, allowing production to be concentrated during periods that have historically experienced stronger regional natural gas pricing.

AGT benchmark pricing strengthened significantly in 2025 and remained strong through the first six months of 2026, supported by cooler winter temperatures and below-average natural gas storage levels in the northeastern United States. The stronger regional pricing environment resulted in higher realized natural gas prices for the Tributary Headwater Assets, increasing from $6.66/Mcf in 2023 to $9.51/Mcf in 2024 to $21.05/Mcf in 2025 and from $19.06/Mcf for the six months ended June 30, 2025 to $22.13/Mcf for the six months ended June 30, 2026. Given the seasonal operating strategy at McCully, production volumes and natural gas sales can vary significantly between reporting periods and should be considered in the context of both the timing of production and prevailing AGT pricing. There is negligible associated natural gas liquids production from the McCully Field.

Heavy crude oil production from the Tributary Headwater Assets commenced in 2024 and initially related to one (1.0 net) well at Handel, Saskatchewan and one (1.0 net) well in the Clay W4 area of Alberta. The Handel well was shut-in in late 2024, while the Clay W4 well continued to produce throughout 2024 and 2025 and during the first six months of 2026. During 2026, an exploratory well was drilled in the Duncan area of Alberta and contributed to heavy crude oil production and sales during the period. As a result of these activities, heavy crude oil production increased from nil in 2023 to 90 Bbls/d in 2024 and 108 Bbls/d in 2025, while averaging 135 Bbls/d for the six months ended June 30, 2025 and 47 Bbls/d for the six months ended June 30, 2026.

The realized price received for heavy crude oil production is primarily determined by prevailing WCS benchmark pricing, adjusted for the quality of the crude oil and applicable location and transportation differentials. Realized heavy crude oil pricing averaged $79.13/Bbl in 2024, $76.98/Bbl in 2025, $80.23/Bbl for the six months ended June 30, 2025 and $91.99/Bbl for the six months ended June 30, 2026.

**Royalties**

| ($ thousands except % and per boe) | Six months ended June 30, 2026 | 2025 | % Change | Year ended December 31, 2025 | 2024 | % Change | 2023 |
|---|---|---|---|---|---|---|---|
| Royalty expense | 672 | 731 | (8) | 1,115 | 337 | 231 | 215 |
| Royalty expense as a % of sales | 4.0 | 4.2 | (5) | 4.1 | 2.3 | 78 | 2.6 |
| Royalty expense per boe | 5.49 | 4.84 | 13 | 5.06 | 1.55 | 226 | 1.28 |

Royalty expense primarily consists of crown royalties payable to the New Brunswick, Alberta and Saskatchewan provincial governments.

New Brunswick natural gas royalties are calculated monthly as the greater of 4% of the wellhead value of natural gas production, after prescribed gathering, processing and transportation deductions, and 2% of gross natural gas sales revenue.

Royalty expense increased to $1.1 million in 2025 from $0.3 million in 2024, reflecting a 231% increase, and $0.2 million in 2023, primarily due to higher realized natural gas pricing and, to a lesser extent, the addition of heavy crude oil production beginning in 2024. Royalty expense as a percentage of sales increased to 4.1% in 2025 from 2.3% in 2024 and 2.6% in 2023, primarily reflecting the impact of higher natural gas pricing on royalties payable under the New Brunswick royalty regime.

For the six months ended June 30, 2026, royalty expense was $0.7 million, or 4.0% of sales, reflecting continued strong realized natural gas pricing. Royalty expense for the six months ended June 30, 2025 was comparable at $0.7 million, or 4.2% of sales.

**Production and Transportation Expenses**

| ($ thousands except per boe) | Six months ended June 30, 2026 | 2025 | % Change | Year ended December 31, 2025 | 2024 | % Change | 2023 |
|---|---|---|---|---|---|---|---|
| Production expense | 1,218 | 1,174 | 4 | 2,589 | 4,123 | (37) | 1,947 |
| Transportation expense | 36 | 114 | (68) | 206 | 78 | 164 | - |
| Production and transportation expense | 1,254 | 1,288 | (3) | 2,795 | 4,201 | (33) | 1,947 |
| Production expense per boe | 9.94 | 7.77 | 28 | 11.75 | 19.02 | (38) | 11.60 |
| Transportation expense per boe | 0.30 | 0.76 | (61) | 0.93 | 0.36 | 158 | - |
| Production and transportation expense per boe | 10.24 | 8.53 | 20 | 12.68 | 19.38 | (35) | 11.60 |

Production expenses associated with the Tributary Headwater Assets primarily consist of costs incurred to operate and maintain the McCully natural gas field and related natural gas processing facility in New Brunswick, together with production costs associated with the heavy crude oil properties in Alberta and Saskatchewan. As production from the McCully Field is seasonally shut-in during the summer months, certain production costs are incurred throughout the year regardless of production levels. As a result, production expense per boe can vary between periods based on production volumes and the nature and timing of field activities.

Production expense associated with the McCully Field remained relatively consistent over the periods presented, reflecting the stable and predictable nature of the asset, with variability in total production expense primarily attributable to the timing and level of production from wells brought onstream in Alberta and Saskatchewan. Production expense increased to $4.1 million in 2024 from $1.9 million in 2023, primarily due to the commencement of heavy crude oil production in Saskatchewan, which incurred higher production costs associated with significant produced water volumes and related water handling and disposal. Production expense decreased by 37% to $2.6 million in 2025, reflecting a reduction in higher-cost Saskatchewan production as a result of the Handel well shut-in which occurred late 2024.

Production expense remained consistent at $1.2 million for each of the six months ended June 30, 2026 and June 30, 2025.

Transportation expense includes clean oil trucking, terminal fees and pipeline tariffs incurred to move production to the sales point in Alberta and Saskatchewan.

**Operating Income**

| ($000s) | Six months ended June 30, 2026 | 2025 | % Change | Year ended December 31, 2025 | 2024 | % Change | 2023 |
|---|---|---|---|---|---|---|---|
| Sales [(1)] | 16,746 | 17,440 | (4) | 27,303 | 14,446 | 89 | 8,174 |
| Royalties | (672) | (731) | (8) | (1,115) | (337) | 231 | (215) |
| Production expense | (1,218) | (1,174) | 4 | (2,589) | (4,123) | (37) | (1,947) |
| Transportation expense | (36) | (114) | (68) | (206) | (78) | 164 | - |
| Operating income | 14,820 | 15,421 | (4) | 23,393 | 9,908 | 136 | 6,012 |

| ($/boe) | Six months ended June 30, | | | Year ended December 31, | | | |
|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | % Change | 2025 | 2024 | % Change | 2023 |
| Sales[(1)] | 136.67 | 115.48 | 18 | 123.91 | 66.62 | 86 | 48.68 |
| Royalties | (5.49) | (4.84) | 13 | (5.06) | (1.55) | 226 | (1.28) |
| Production expense | (9.94) | (7.77) | 28 | (11.75) | (19.02) | (38) | (11.60) |
| Transportation expense | (0.30) | (0.76) | (61) | (0.93) | (0.36) | 158 | - |
| Operating income | 120.94 | 102.11 | 18 | 106.17 | 45.69 | 132 | 35.80 |

Note:

(1) Includes sales from gathering, processing and transportation.

Operating income increased over the annual periods presented, both on an absolute and per boe basis, primarily reflecting higher realized natural gas pricing, partially offset by higher royalties. Operating income per boe also benefited from lower production costs following the shut-in of the higher-cost Handel heavy oil well in late 2024.

For the six months ended June 30, 2026, operating income on an absolute basis remained relatively consistent with the six months ended June 30, 2025, as higher realized pricing was offset by lower production volumes.

The primary factor that causes significant variability of the Tributary Headwater Assets' operating income is commodity prices. The Tributary Headwater Assets' operating income will be dependent on the prices received for crude oil and natural gas. Commodity prices have fluctuated widely and are determined by economic and political factors. Supply and demand factors, including weather and general economic conditions as well as conditions in other oil and natural gas regions, impact prices. Any movement in commodity prices could have a material effect on operating income. As a result of changes in commodity prices, historical financial performance may not be indicative of future performance. See "*Risk Factors – Risks Relating to Tributary and the Tributary Assets – Prices, Markets and Marketing*" in this Appendix.

## DESCRIPTION OF SHARE CAPITAL

Tributary is authorized to issue an unlimited number of Tributary Shares.

### Disclosure of Outstanding Security Data on a Fully Diluted Basis

Following the completion of the Arrangement, the Tributary Private Placement and the Tributary Share Consolidation and assuming 14,285,714 Tributary Units are issued under the Tributary Private Placement, but prior to the exercise of any Tributary Arrangement Warrants, 61,838,289 Tributary Shares are expected to be issued and outstanding. In addition, on a post-Tributary Share Consolidation basis, Tributary expects to have outstanding: (i) 9,510,515 Tributary Arrangement Warrants, with 9,510,515 Tributary Shares reserved for issuance upon the exercise thereof; and (ii) 14,285,714 Tributary Private Placement Warrants, with 14,285,714 Tributary Shares reserved for issuance upon the exercise thereof. Accordingly, 85,634,518 Tributary Shares are expected to be issued and outstanding on a fully diluted basis. Further, Tributary plans to reserve for issuance pursuant to grants under the Tributary Option Plan such number of Tributary Shares which is equal to 10% of the number of Tributary Shares issued and outstanding at the time of grant.

See "*Consolidated Capitalization*" in this Appendix.

### Overview of Tributary Securities

The following is a summary of the material attributes and characteristics of the securities of Tributary. The following description may not be complete and is subject to, and qualified in its entirety by reference to the terms and provisions of Tributary's articles and the Tributary Option Plan, as applicable.

*Tributary Shares*

The holders of Tributary Shares are entitled to: (a) vote at any meeting of shareholders of Tributary; (b) receive any dividend declared by Tributary; and (c) receive the remaining property of Tributary upon dissolution.

At any meeting of Tributary Shareholders for the transaction of business, a quorum shall be at least two persons present in person, each being a Tributary Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Tributary Shareholder so entitled, and representing in the aggregate not less than 25% of the outstanding Tributary Shares.

*Tributary Arrangement Warrants*

Tributary Arrangement Warrants will be issued in connection with the closing of the Arrangement and the transfer of the Tributary Assets. Each whole Tributary Arrangement Warrant will entitle the holder to purchase one Tributary Share at an exercise price of $2.10 (equivalent to $0.42 prior to the Tributary Share Consolidation) for a period of 60 days following closing of the Arrangement.

*Tributary Private Placement Warrants*

Tributary Units are expected to be issued under the Tributary Private Placement at a price of $2.10 per Tributary Unit (equivalent to $0.42 prior to the Tributary Share Consolidation).

Each Tributary Unit will consist of one Tributary Share and one Tributary Private Placement Warrant. Each Tributary Private Placement Warrant will entitle the holder to acquire one Tributary Share at an exercise price of $2.10 per Tributary Share (equivalent to $0.42 prior to giving effect to the Tributary Share Consolidation), subject to customary anti-dilution adjustments. The Tributary Private Placement Warrants will be exercisable for a period of four years following the closing of the Tributary Private Placement and will vest in three equal tranches as follows: (i) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $3.25 (equivalent to $0.65 prior to giving effect to the Tributary Share Consolidation); (ii) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $3.75 (equivalent to $0.75 prior to giving effect to the Tributary Share Consolidation); and (iii) one-third of the Tributary Private Placement Warrants will vest once the 20-day volume-weighted average trading price of the Tributary Shares first equals or exceeds $4.25 (equivalent to $0.85 prior to giving effect to the Tributary Share Consolidation). After the second anniversary of the date of issuance of the Tributary Private Placement Warrants, if all of the vesting thresholds have been satisfied, the Tributary Board may accelerate the expiry date of the Tributary Private Placement Warrants by providing the holders thereof thirty days written notice prior to the new expiry date. The Tributary Private Placement will be offered to directors, officers, employees and consultants of Tributary and certain other investors.

*Tributary Options*

Pursuant to the Tributary Option Plan, the total number of Tributary Shares reserved for issuance pursuant to the Tributary Options (as defined herein) granted and outstanding under the Tributary Option Plan shall not exceed a number of Tributary Shares equal to 10% of the number of issued and outstanding Tributary Shares. As of the date of the Information Circular, no Tributary Options have been granted. For more information, see "*Tributary Option Plan*" in this Appendix.

## PRIOR SALES

The following table sets forth the Tributary Shares issued by Tributary since incorporation:

| Date | Number of Tributary Shares Issued | Issue Price Per Tributary Share ($) | Aggregate Issue Price ($) | Nature of Consideration |
|---|---|---|---|---|
| September 8, 2026 | 1[(1)] | $1.00 | $1.00 | Cash |

Note:

(1) The one Tributary Share currently outstanding as at the date hereof was issued to Headwater on September 8, 2026 upon the incorporation of Tributary.

Please see "*The Arrangement*" in the Information Circular for more information on the Arrangement and the securities issuable or to be transferred thereunder. The above table does not include the Tributary Shares to be transferred in connection with the Arrangement.

As of the date hereof, Tributary has no securities posted or listed for trading on any Canadian or foreign market, however, Tributary has applied to list the Tributary Shares (including all Tributary Shares issuable upon exercise of Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. For more information, see "*Listing of the Tributary Shares and Securities Law Matters*" in this Appendix.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the knowledge of Tributary, as at the date hereof, there are no securities of Tributary in escrow or that are subject to a contractual restriction on transfer.

The Tributary Shares issued to directors and officers of Tributary pursuant to the Tributary Private Placement (including any Tributary Shares issued upon the exercise of the Tributary Private Placement Warrants) may be subject to escrow requirements or other contractual resale restrictions imposed by the TSX as a condition of the listing of the Tributary Shares on the TSX. If imposed, such restrictions would apply to approximately 11,728,095 Tributary Shares (the "**Subject Securities**"), representing approximately 19.0% of the outstanding Tributary Shares (prior to the exercise of any Tributary Arrangement Warrants or Tributary Private Placement Warrants), and would prohibit the transfer, sale, assignment or other disposition of such Tributary Shares except in accordance with the applicable escrow agreement or other contractual arrangement. If such escrow conditions are imposed, it is anticipated that 25% of the Subject Securities would be released on the date the Tributary Shares are listed on the TSX, a further 25% of the Subject Securities would be released six months following the listing date, a further 25% of the Subject Securities would be released 12 months following the listing date, and the remaining 25% of the Subject Securities would be released 18 months following the listing date.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of Tributary, as at the date hereof, no person or corporation owns or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Tributary Shares other than as set out below:

| Name and Municipality of Residence | Ownership | Number and Percentage of Tributary Shares held as of the date hereof |
|---|---|---|
| Headwater Exploration Inc. | Registered | 1 (100%) |

Following completion of the Arrangement, Tributary does not anticipate that any one shareholder will, directly or indirectly, hold more than 10% of the issued and outstanding Tributary Shares at such time.

## LISTING OF THE TRIBUTARY SHARES AND SECURITIES LAW MATTERS

Tributary has applied to list Tributary Shares (including all Tributary Shares issuable upon exercise of Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. As of the date hereof, the TSX has not conditionally approved Tributary's listing application and there is no assurance that the TSX will approve the listing application. Provided that Tributary meets all of the listing requirements of the TSX, trading in the Tributary Shares and the Tributary Arrangement Warrants is expected to commence concurrently with the delisting of the Headwater Shares from the TSX, or shortly thereafter, which is currently expected to occur two to three days following the Effective Date. It is not a condition to the completion of the Arrangement that the TSX shall have conditionally approved the listing of the Tributary Shares and the Tributary Arrangement Warrants.

Upon completion of the Arrangement, Tributary will become a reporting issuer or the equivalent thereof in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan and will become subject to the informational reporting requirements under Applicable Canadian Securities Laws. Tributary Shares to be transferred to Headwater Shareholders and Tamarack Shareholders pursuant to the Arrangement will, except for trades by "control persons", generally not be subject to any resale or transfer restrictions in Canada. As at the date of the Information Circular, Tributary does not have any of its securities listed or quoted, and, other than its application to the TSX, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

The holders of Tributary Shares are entitled to dividends if, as and when declared by the Tributary Board, to vote at any meetings of the holders of Tributary Shares and upon liquidation, dissolution or winding up of Tributary, to receive the remaining property and assets of Tributary. See "*Description of Share Capital*" in this Appendix.

See "*Procedure for the Arrangement to Become Effective – Regulatory and TSX Matters – Stock Exchange Matters*", "*Procedure for the Arrangement to Become Effective – Regulatory and TSX Matters – Securities Law Matters – Canada*" and "*Procedure for the Arrangement to Become Effective – Regulatory and TSX Matters – Securities Law Matters – United States*" in the Information Circular, as well as "*Description of Share Capital*" in this Appendix.

## DIRECTORS AND OFFICERS

The following table provides the name, province and country of residence, positions held with Tributary and principal occupation during the preceding five years of each of the current and anticipated directors and officers of Tributary.

| Name and Province and Country of Residence | Position to be held with Tributary | Held Office Since | Principal Occupation For the Past Five Years |
|---|---|---|---|
| Neil Roszell<br>Alberta, Canada | Executive Chair and Director | September 8, 2026 | Executive Chair of Headwater since January 1, 2024; previously Executive Chair and Chief Executive Officer of Headwater from March 4, 2020 to January 1, 2024. |
| Jason Jaskela<br>Alberta, Canada | President, Chief Executive Officer and Director | September 8, 2026 | President and Chief Executive Officer of Headwater since January 1, 2024; previously President and Chief Operating Officer of Headwater from March 4, 2020 to January 1, 2024. |
| Ali Horvath,<br>Alberta, Canada | Chief Financial Officer | September 8, 2026 | Chief Financial Officer of Headwater since October 1, 2024; previously Vice President, Finance and Chief Financial Officer of Headwater from March 4, 2020 to October 1, 2024. |
| Terry Danku<br>Alberta, Canada | Vice President, Corporate Planning | September 8, 2026 | Executive Vice President of Headwater since January 1, 2025; previously Vice President, Engineering of Headwater from March 4, 2020 to January 1, 2025. |
| Brad Christman<br>Alberta, Canada | Vice President, Operations | September 8, 2026 | Chief Operating Officer of Headwater since January 1, 2024; previously Vice President, Production of Headwater from March 4, 2020 to January 1, 2024. |
| Georgia Little<br>Alberta, Canada | Vice President, Finance | September 8, 2026 | Vice President, Finance of Headwater since October 1, 2024; previously Interim Vice President, Finance and Chief Financial Officer of Headwater from October 16, 2023 to October 1, 2024 and Controller of Headwater from April 2020 to October 16, 2023. |
| Scott Rideout<br>Alberta, Canada | Vice President, Land | September 8, 2026 | Vice President, Land of Headwater since March 4, 2020. |
| Dieter Deines<br>Alberta, Canada | Vice President, Exploration | September 8, 2026 | Vice President, Exploration of Headwater since September 1, 2023; previously Geology Manager of Tundra Oil & Gas Ltd. from 2018 to 2023. |
| Jeff Magee<br>Alberta, Canada | Vice President, Engineering | September 8, 2026 | Vice President, Engineering of Headwater since January 1, 2025; previously Engineering Manager of Headwater from August 2023 to January 1, 2025 and an Exploitation Engineer with Headwater from December 2020 to August 2023. |
| Wade Hein<br>Alberta, Canada | Vice President, Production | September 8, 2026 | Vice President, Operations of Headwater since January 1, 2025; previously Production Manager of Headwater from April 2023 to January 1, 2025 and a Production Engineer with Headwater from December 2020 to April 2023. |
| Kevin Olson<br>Alberta, Canada | Director | Proposed[(1)] | Independent businessman; previously President of Camber Capital Corp., a private equity fund, since March 2019, and President of Kyklopes Capital Management Ltd., a private equity fund, from 2011 to February 2019. |
| Chandra Henry<br>Alberta, Canada | Director | Proposed[(1)] | Chief Financial Officer and Chief Compliance Officer of Longbow Capital Inc., a private equity investment management company, since June 2019. |
| Stephen Larke<br>Alberta, Canada | Director | Proposed[(1)] | Independent businessman since 2017; previously an Operating Partner and Advisory Board member with Azimuth Capital Management Inc., an energy-focused private equity fund, from 2015 to 2017. |
| Kam Sandhar<br>Alberta, Canada | Director | Proposed[(1)] | Executive Vice President and Chief Financial Officer of Cenovus Energy Inc.; previously held various senior positions with Cenovus Energy Inc., including Executive Vice President, Strategy and Corporate Development and Senior Vice President, Conventional. |
| Cheree Stephenson<br>Alberta, Canada | Director | Proposed[(1)] | Vice President, Finance and Chief Financial Officer of Topaz Energy Corp. since 2020; previously Vice President, Finance and Chief Financial Officer of Petrus Resources Ltd. |
| Edward (Ted) Brown<br>Alberta, Canada | Corporate Secretary | September 8, 2026 | Partner and Co-Leader of the Business Law Group at the Calgary based law firm of Burnet, Duckworth & Palmer LLP and has practiced corporate and securities law since 2005. |

Notes:

(1) The proposed director and/or officer of Tributary has not yet been appointed to the position noted in the table, although it is anticipated that such director and/or officer will hold the position noted in the table at the Effective Time.

Tributary intends to establish an Audit Committee (the "**Audit Committee**"), a Corporate Governance and Compensation Committee (the "**CG&C Committee**"), an Environment, Safety & Sustainability Committee (the "**ES&S Committee**") and a Reserves Committee (the "**Reserves Committee**" and collectively, the "**Tributary Committees**") following completion of the Arrangement. All of the members of these committees following completion of the Arrangement are expected to be independent in accordance with the requirements of the ABCA, Applicable Canadian Securities Laws and the rules and policies of the TSX. The composition of the Tributary Committees is anticipated to be as follows:

***Audit Committee***

1. Chandra Henry (Chair)
2. Cheree Stephenson
3. Kam Sandhar

***Corporate Governance and Compensation Committee***

1. Stephen Larke (Chair)
2. Chandra Henry
3. Cheree Stephenson

***Environment, Safety & Sustainability Committee***

1. Kevin Olson (Chair)
2. Chandra Henry
3. Stephen Larke

***Reserves Committee***

1. Kam Sandhar (Chair)
2. Kevin Olson
3. Stephen Larke

Each of the directors of Tributary will hold office until the first annual meeting of the holders of Tributary Shares or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with Tributary's articles or by-laws.

As at the date hereof, the current and proposed directors and officers of Tributary, as a group, do not beneficially own, directly or indirectly, or exercise control or direction over any Tributary Shares.

Following completion of the Arrangement (including the Tributary Share Consolidation but before giving effect to the Tributary Private Placement and assuming no Tributary Arrangement Warrants have been exercised), and assuming that there are 47,552,575 Tributary Shares and 9,510,515 Tributary Arrangement Warrants issued and outstanding, it is expected that the directors and officers of Tributary listed above shall beneficially own or control or direct, directly or indirectly: (i) approximately 982,349 Tributary Shares, being approximately 2% of the anticipated issued and outstanding Tributary Shares; and (ii) approximately 586,508 Tributary Arrangement Warrants, being approximately 6% of the anticipated issued and outstanding Tributary Arrangement Warrants.

Following completion of the Arrangement (including the Tributary Share Consolidation) and the Tributary Private Placement (assuming no Tributary Private Placement Warrants have been exercised), and assuming all Tributary Arrangement Warrants have been exercised and that there are 71,348,804 Tributary Shares and 14,285,714 Tributary Private Placement Warrants issued and outstanding, it is expected that the directors and officers of Tributary listed above shall beneficially own or control or direct, directly or indirectly: (i) approximately 13,296,952 Tributary Shares, being approximately 19% of the anticipated issued and outstanding Tributary Shares; and (ii) approximately 11,728,095 Tributary Private Placement Warrants, being approximately 82% of the anticipated issued and outstanding Tributary Private Placement Warrants.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

***Cease Trade Orders***

To the knowledge of Tributary, no proposed director or executive officer of Tributary (nor any personal holding company of any of such persons) is, as of the date of the Information Circular, or was within ten years before the date of the Information Circular, a director, chief executive officer or chief financial officer of any company (including Tributary), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was

issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

***Bankruptcies***

To the knowledge of Tributary, no proposed director or executive officer of Tributary (nor any personal holding company of any of such persons) or shareholder holding a sufficient number of securities of Tributary to affect materially the control of Tributary: (a) is, as of the date of the Information Circular, or has been within the ten years before the date of the Information Circular, a director or executive officer of any company (including Tributary) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

***Penalties or Sanctions***

To the knowledge of Tributary, no proposed director or executive officer of Tributary (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of Tributary to affect materially the control of Tributary, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**Conflicts of Interest**

Circumstances may arise where members of the Tributary Board or officers of Tributary are directors or officers of companies, which are in competition with the interests of Tributary. Pursuant to the ABCA, directors who have an interest in a proposed transaction upon which the Tributary Board is voting are required to disclose their interests and refrain from voting on the transaction.

As at the date hereof, Tributary is not aware of any existing or potential material conflicts of interest between Tributary and a subsidiary of Tributary and a director or officer of Tributary or of a subsidiary of Tributary, other than in respect of the Arrangement and as otherwise described in the Information Circular and this Appendix including under the heading "*Interests of Certain Persons or Companies in the Arrangement*" in the Information Circular. At the current time and at the time the Arrangement was voted upon by the Tributary Board, Tributary is/was a wholly-owned subsidiary of Headwater and therefore the interests of the two entities are not divergent. The ABCA provides that for contracts and transactions between "affiliates" (which Headwater and Tributary are) directors need not refrain from voting in respect of such contracts.

**Advance Notice By-law**

Tributary's by-laws contain advance notice provisions regarding advance notice of nominations of directors of Tributary (the "**Advance Notice Provisions**"). The Advance Notice Provisions provide that advance notice to Tributary must be made in circumstances where nominations of persons for election to the Tributary Board are made by Tributary Shareholders other than pursuant to: (a) a "proposal" made in accordance with the ABCA; or (b) a requisition of a meeting made pursuant to the ABCA.

The Advance Notice Provisions fix a deadline by which Tributary Shareholders must submit director nominations to the Chief Financial Officer of Tributary prior to any annual or special meeting of Tributary Shareholders and outlines the specific information that a nominating Tributary Shareholder must include in the written notice to the Chief Financial Officer of Tributary for an effective nomination to occur. No person nominated by a Tributary Shareholder will be eligible for election as a director of Tributary unless nominated in accordance with the provisions of the Advance Notice Provisions.

In the case of an annual meeting of Tributary Shareholders, notice to the Chief Financial Officer of Tributary must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Tributary Shareholders (which is not also an annual meeting), notice to Tributary must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

If Notice-and-Access Provisions are used for delivery of proxy-related materials in respect of a meeting described above and the notice date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

In the event of an adjournment or postponement of an annual meeting or special meeting of Tributary Shareholders or any announcement thereof, a new time period shall commence for the giving of timely notice.

The Tributary Board may, in its sole discretion, waive any requirement of the Advance Notice Provisions of Tributary's by-laws.

## STATEMENT OF EXECUTIVE COMPENSATION

Pursuant to NI 51-102, Tributary is required to disclose certain information with respect to its compensation of executive officers and directors, as summarized below.

***Period Ended June 30, 2026 and in the Year Ended December 31, 2025***

Tributary was not in existence during the six-month period ended June 30, 2026 or in the year ended December 31, 2025, and as such Tributary had no executive officers and did not pay or award any salaries or other forms of compensation to any person.

***Expectations for Executive Compensation following completion of the Arrangement***

To date, Tributary has not carried on any active business (except in respect of the Arrangement) and has not completed a fiscal year of operations. No compensation has been paid by Tributary to its executive officers or directors and none is expected to be paid until after the Arrangement is completed.

Following the completion of the Arrangement, it is anticipated that the Tributary Board will adopt an appropriate compensation structure for executive officers given Tributary's intended strategy going forward. In the near term, it is expected that Tributary will have limited operations and will focus on organic development of the Tributary Assets while also considering strategic acquisitions in the western Canadian sedimentary basins. As a result, the compensation structure in the near term is expected to be focused on maintaining general and administrative expenses at a relatively low level to preserve Tributary's balance sheet strength for acquisition opportunities in the short-term and to align the interests of the executive officer's with the shareholders' interests in increasing the value of the Tributary Shares over the long-term. To accomplish these goals, the elements of the compensation program for the executive officers of Tributary are expected to consist of: (i) base salaries, (ii) Tributary Options under the Tributary Option Plan; and (iii) other typical benefits and any perquisites. The following is a description of each element of compensation that is anticipated to be paid or awarded to the executive officers of Tributary.

*Base Salary*

Certain executive officers, including Neil Roszell – Executive Chair, Jason Jaskela – President and Chief Executive Officer, Ali Horvath – Chief Financial Officer, Terry Danku – Vice-President, Corporate Planning, and Brad Christman – Vice President, Operations have all agreed to initially not take a salary, while all other executive officers have agreed that they will receive an annual salary of $150,000, which is well below what such executive officers would be paid at comparable companies. The salaries (or lack thereof in certain cases) for the executive officers reflects Tributary's objective of managing its general and administrative costs during its initial stage of growth.

*Tributary Options*

Following the closing of the Arrangement, and assuming that the Tributary Option Plan is approved at the Headwater Meeting and the Tamarack Meeting, it is anticipated that the CG&C Committee will meet and make recommendations to the Tributary Board of Tributary Options to be granted to executive officers of Tributary. The grants of Tributary Options under the Tributary Option Plan are anticipated to align the interests of the executive officers with the long-term accretion in the value of the Tributary Shares through development of the Tributary Assets and strategic acquisitions. In determining the number of Tributary Options to be granted, the CG&C Committee is expected to take into account the low base salaries paid to the executive officers and heavily weight compensation to equity compensation rather than any form of cash payments. All of the Tributary Options granted to the executive officers are expected to vest as to one-third on the first, second and third anniversary of the date of grant, expire four years from the date of grant and have an exercise price based on the closing price of the Tributary Shares on the TSX on the trading day immediately preceding the date of grant. For a description of the Tributary Option Plan, see "*Tributary Option Plan*".

*Other Benefits and Perquisites*

The executive officers are also expected to participate in other group benefit plans and perquisites (life, disability, health and dental insurance and parking) that will be available to all employees of Tributary, and which are expected to be comparable to those offered to industry peers.

*Summary*

It is not anticipated that the CG&C Committee or the Tributary Board will implement any type of short-term incentive or cash bonus program in the near-term following completion of the Arrangement. It is anticipated that any grant of cash bonuses or other type of short-term incentive to the executive officers will be based on an assessment by the CG&C Committee and the Tributary Board of the performance of the management team in achieving the strategic goals of Tributary of organically developing the Tributary Assets and making strategic acquisitions in the western Canadian sedimentary basin.

It is expected that the CG&C Committee will continue to evaluate Tributary's compensation programs in relation to the executive officers of Tributary as Tributary's operations change and grow and will adapt such compensation programs over time as appropriate to reflect the stage of development of Tributary's operations.

***Termination and Change of Control Benefits***

In connection with completion of the Arrangement, certain individuals who are expected to become executive officers of Tributary will receive severance payments from Headwater. See "*Interests of Certain Persons or Companies in the Arrangement*" in the Information Circular for further information on such severance payments.

It is not anticipated that Tributary will enter into any employment agreements or other agreements that provide for contractual severance payments or termination payments on termination of employment or a change of control of Tributary. See "*Tributary Option Plan*" for a description of how Tributary Options will be treated in the event of a change of control of Tributary.

***Expectations for Director Compensation following completion of the Arrangement***

Following completion of the Arrangement, it is anticipated that the CG&C Committee will meet to review and consider the compensation program for non-management directors going forward. Given Tributary's anticipated limited operations and management's intention to focus on pursuing organic development of the Tributary Assets and strategic acquisitions, it is anticipated that non-management directors will be granted Tributary Options as the only form of compensation for the near term. The intent of this approach is to maintain general and administrative expenses at a relatively low level to preserve Tributary's balance sheet strength for organic development and acquisition opportunities in the short-term and to align the interests of the non-management directors with shareholders' interests in increasing the value of the Tributary Shares over the long-term. The CG&C Committee is expected to continue to evaluate the compensation programs in relation to the non-management directors as Tributary's operations change and grow and anticipate adapting such compensation programs over time as appropriate to reflect the stage of development of Tributary's operations. It is anticipated that Tributary will reimburse directors for all reasonable expenses incurred in order to attend meetings.

## TRIBUTARY OPTION PLAN

The Tributary Board intends to adopt the Tributary Option Plan, which must be approved by Headwater Shareholders and Tamarack Shareholders (voting separately at the Headwater Meeting and the Tamarack Meeting, respectively), pursuant to which options ("**Tributary Options**") may be granted to the directors, officers, employees and consultants of Tributary or, if applicable, any of its subsidiaries (collectively, "**Tributary Service Providers**"). The purpose of the Tributary Option Plan is: (i) to promote a proprietary interest in Tributary and greater alignment of interests between Tributary Service Providers and Tributary Shareholders by providing a means to accumulate a financial interest in Tributary; (ii) to provide a compensation system for Tributary Service Providers that is reflective of the responsibility and commitment accompanying their role in conducting the business and operations of Tributary; and (iii) to assist Tributary in attracting and retaining individuals with experience and ability to act as officers, employees and consultants of Tributary.

Assuming the Headwater Option Plan Resolution and Tamarack Option Plan Resolution are approved by the Headwater Shareholders and Tamarack Shareholders, respectively, the Tributary Option Plan is expected to be adopted by the Tributary Board immediately following the Effective Time. No Tributary Options have been granted under the Tributary Option Plan as of the date hereof and none will be granted until after the listing of the Tributary Shares on the TSX. Headwater Shareholders will be asked at the Headwater Meeting to vote on a resolution to approve the Tributary Option Plan for the ensuing year and Tamarack Shareholders will be asked at the Tamarack Meeting to vote on a resolution to approve the Tributary Option Plan for the ensuing year.

A copy of the Tributary Option Plan has been filed on Headwater's SEDAR+ issuer profile concurrently with the filing of the Information Circular under the category "*Other*". A summary of the Tributary Option Plan is provided below.

***The following is a summary only of the material terms of the Tributary Option Plan and is subject to, and qualified in its entirety by, the full text of the Tributary Option Plan. Headwater Shareholders and Tamarack Shareholders are urged to read the Tributary Option Plan, which has been filed on Headwater's SEDAR+ issuer profile concurrently with the filing of the Information Circular under the category "Other". Terms used but not defined in the below summary have the meanings ascribed thereto in the Tributary Option Plan.***

The Tributary Option Plan is expected to be administered by the Tributary Board (which may delegate its authority to the CG&C Committee or other committee), which will have authority to administer and interpret the Tributary Option Plan, including any questions in respect of any Tributary Options granted thereunder. The Tributary Options granted thereunder are not transferable or assignable, nor do they entitle the holder of such Tributary Options to any rights as a securityholder.

The Tributary Board expects to set the term of the Tributary Options, provided that such term does not exceed a maximum term of six (6) years (it is anticipated that Tributary Options will have no longer than a four (4) expiry date from the date of grant). Unless otherwise determined by the Tributary Board, Tributary Options shall vest equally on the first, second and third anniversaries of the date of grant. The exercise price of Tributary Options shall not be less than the closing price of the Tributary Shares on the TSX on the trading day immediately preceding the date of grant of Tributary Options (the "**Market Price**") or such other minimum price as may be required by the TSX.

In addition to the typical exercise method of issuing Tributary Shares to the holder in exchange for payment of the exercise price of the Tributary Option, the Tributary Option Plan will also allow Tributary Options, if permitted by the Tributary Board, to be exchanged for the issuance of Tributary Shares equal to the number determined by dividing the Market Price on the date of exercise into the difference between the Market Price and the exercise price of such Tributary Options. Additionally, any Grantee (as defined in the Tributary Option Plan) may make an offer to Tributary, at any time, for the disposition and surrender by the same to Tributary (and the termination thereof) of any of the Tributary Options

granted under the Tributary Option Plan for an amount not to exceed Market Price (as of the date of the exercise) less the exercise price of the Tributary Options and Tributary has the sole discretion as to whether to accept such offer.

Under the Tributary Option Plan, Tributary Options may be granted in respect of Tributary Shares provided that the aggregate number of Tributary Shares reserved for issuance under the Tributary Option Plan does not exceed 10% of the aggregate number of issued and outstanding Tributary Shares and any other share compensation arrangements established by Tributary.

The Tributary Option Plan limits Insider (as defined in the Tributary Option Plan) participation such that in aggregate, no more than 10% of the issued and outstanding Tributary Shares (on a non-diluted basis) may be reserved at any time for insiders of Tributary under the Tributary Option Plan, together with all of Tributary's other security-based compensation arrangements. Further, the number of securities Tributary issues to insiders of Tributary within a twelve (12)-month period under all of Tributary's security-based compensation arrangements (including the Tributary Option Plan) shall not exceed 10% of the issued and outstanding Tributary Shares. The aggregate number of Tributary Shares that may be reserved for issuance pursuant to Tributary Options awarded to non-executive directors of Tributary shall not exceed 1% of the Tributary Shares outstanding from time to time.

The Tributary Board will have discretion to make amendments to the Tributary Option Plan which it may deem necessary without having to obtain Tributary Shareholder approval provided that in all cases it does not make any of the following amendments without first obtaining approval of the Tributary Shareholders: (i) increase the percentage of the issued and outstanding Tributary Shares that are available to be issued pursuant to granted and outstanding Tributary Options at any time above 10%; (ii) increase the number of Tributary Shares that may be issued to insiders of Tributary above the restrictions contained in the Tributary Option Plan; (iii) increase the number of Tributary Shares that may be reserved for issuance pursuant to the exercise of Tributary Options granted to non-executive directors under the Tributary Option Plan; (iv) extend the expiry date of any outstanding Tributary Options under the Tributary Option Plan; (v) make any reduction in exercise price of a Tributary Option or permit a reduction in the exercise price of an Tributary Option granted under the Tributary Option Plan by the cancellation and immediate re-issue of Tributary Options or other entitlements; (vi) permit the transfer or assignment of Tributary Options except in the case of death of a Grantee; or (vii) amend the amendment provisions of the Tributary Option Plan.

Under the Tributary Option Plan, in the event of a Grantee's death, the Grantee's personal or legal representative may within twelve (12) months from the date of death and prior to the expiry date of the Tributary Options, exercise Tributary Options which were vested within such period after which time any remaining Tributary Options shall terminate and become null and void. In addition, if a Grantee ceases to be a Tributary Service Provider (other than as a result of death), and the date on which the Grantee ceases to be a Tributary Service Provider (the "**Termination Date**") is prior to the expiry date of the Tributary Option, all Tributary Options held by the Grantee which have vested as of the Termination Date shall be forfeited by the Grantee effective on the earlier of: (i) the expiry date; and (ii) the date that is ninety (90) days from the Termination Date; or all Tributary Options which have not vested as of the Termination Date shall terminate and become null and void. These provisions of the Tributary Option Plan are subject to any alternative arrangements that may be contained in a separate Tributary Option agreement or employment agreement between Tributary and a particular Grantee.

If a Change of Control (as defined in the Tributary Option Plan) occurs prior to the date on which Tributary pays cash or issues Tributary Shares to the Grantee in respect of an outstanding Tributary Option and the Grantee is terminated without cause in connection with such Change of Control or within six (6) months following such Change of Control, all Tributary Options shall vest and if such termination occurs prior to, or at the effective time of such Change of Control, the Grantee shall be entitled to exercise all Tributary Options held by the Grantee until immediately prior to the Change of Control and if such termination occurs following the Change of Control, the Grantee shall be entitled to exercise all such Tributary Options until the date that is ninety (90) days after the Termination Date.

Alternatively, if within six (6) months following a Change of Control, the Grantee voluntarily resigns for an event or events that constitute Good Reason (as defined in the Tributary Option Plan), all Tributary Options held by the Grantee shall vest and the Grantee shall be entitled to exercise all Tributary Options held by such Grantee until the date that is ninety (90) days after the Grantee's Termination Date. "Good Reason" is defined in the Tributary Option Plan to mean any materially adverse change by Tributary without the agreement of a Grantee, in any of the Grantee's duties, powers, rights, salary, title or lines of reporting, such that immediately after such change or series of changes, the responsibilities and status of such Grantee, taken as a whole, are fundamentally diminished compared to those assigned to the Grantee immediately prior to such change or series of changes, or any other reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction in Alberta.

If Tributary enters into a transaction or series of transactions whereby substantially all of the Tributary Shares or substantially all of Tributary's property or assets become the property or assets of another body corporate, trust, partnership or other person (the "**Continuing Entity**"), Tributary and the Continuing Entity shall take all necessary steps prior to or contemporaneously with the consummation of such transaction(s) to ensure all Tributary Options remain outstanding following the completion of the transactions and the Continuing Entity will be required to assume all covenants and obligations of Tributary under the Tributary Option Plan, the outstanding Tributary Options and the Tributary Option agreements in a manner that preserves and does not impair the rights of the Grantees thereunder in any material respect, and the Continuing Entity may exercise every right and power of Tributary under the Tributary Option Plan, and Tributary shall be relieved of its obligations thereunder.

No Tributary Options are outstanding as of the date of the Information Circular. See "*Other Matters of Special Business Relating to Tributary – Tributary Option Plan*" of the Information Circular.

**Outstanding Tributary Options**

As at the date hereof, no Tributary Shares have been reserved for issuance pursuant to the Tributary Option Plan and no Tributary Options have been granted.

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

At no time since the incorporation of Tributary has there been any indebtedness of any director or officer of Tributary, any proposed director of Tributary, or any associate or affiliate of any such director or officer, to Tributary or to any other entity which is, or at any time since the beginning of the most recently completed financial period has been, the subject of a guarantee, support agreement, letter of agreement or other similar arrangement or understanding provided by Tributary.

## CORPORATE GOVERNANCE DISCLOSURE

Following the Effective Date, it is expected that Tributary will establish the Tributary Committees, being an Audit Committee, a Corporate Governance and Compensation Committee, an Environment, Safety & Sustainability Committee and a Reserves Committee. It is expected that all of the Tributary Committees will operate under written mandates similar to those currently in place for Headwater which will be established following completion of the Arrangement.

The following sets out information in respect of Tributary's proposed corporate governance practices in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Information relating to Tributary's proposed Audit Committee as required by National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") can be found under "*Audit Committee Information*" in this Appendix.

**Tributary Board**

The Tributary Board will be comprised of seven (7) directors, of which five (5) are independent within the meaning of "independence" in section 1.4 of NI 52-110. All of the directors of Tributary are expected to be independent except for Neil Roszell and Jason Jaskela. Messrs. Roszell and Jaskela are not considered independent by virtue of being the Executive Chair and President and Chief Executive Officer, respectively, of Tributary. Accordingly, a majority of the Tributary Board is expected to be independent.

In order to facilitate the exercise of independent judgment, it is expected that members of the Tributary Board will recuse themselves from the discussion of and voting on any matters of Tributary which may be perceived to place them in a conflict of interest. In addition, it is anticipated that the independent directors of Tributary will hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, typically in conjunction with each regularly scheduled meeting of the Tributary Board. Further, the Tributary Board is expected to facilitate its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, it is expected that the Tributary Board will examine the effectiveness of Tributary's internal control processes and information systems.

**Board Mandate**

The Tributary Board has not yet implemented a board mandate. It is expected that the Tributary Board will implement a mandate following completion of the Arrangement that will be in substantially the same form as the current Headwater Board mandate. The mandate of the Headwater Board is attached as Schedule B to the Headwater AGM Information Circular, which is incorporated by reference in the Information Circular.

**Lead Independent Director**

The Tributary Board is not expected to have an independent Chair; however, Stephen Larke, an independent director, is expected to serve as Lead Independent Director. The Lead Independent Director's primary role is expected to be to act as liaison between management of Tributary and the independent directors of Tributary to ensure the Tributary Board is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Tributary Board. In addition, the Lead Independent Director is expected to have the following responsibilities: (i) to chair the "in camera" portions of Tributary Board meetings held without management being present; (ii) to endeavour to ensure that Tributary Board leadership responsibilities are conducted in a manner that will allow it to function independently of management; (iii) to liaise with directors, officers, employees, shareholders and other stakeholders of Tributary to address any areas of concerns raised by such stakeholders; (iv) to provide input, as determined appropriate by the Lead Independent Director, on preparation of agendas for meetings of the Tributary Board; (v) to meet periodically with each director to obtain insight as to where they believe the Tributary Board and its committees could be operating more effectively; (vi) to ensure that reasonable procedures are in place for directors to engage outside advisors at Tributary's expense in appropriate circumstances; and (vii) to perform such other duties and responsibilities as may be delegated to the Lead Independent Director by the Tributary Board from time to time. In addition, the Lead Independent Director will have the right to convene meetings of the Tributary Board and approve any meeting materials for such meetings.

**Meetings of Independent Directors**

It is expected that, at the end of or during each meeting of the Tributary Board or a Tributary Committee, the independent directors will be given the opportunity to meet in-camera without the members of management (including the Executive Chair and the President and CEO) of Tributary present. In addition, other meetings of the independent directors may be held from time to time, if required.

**Position Descriptions**

As the Tributary Committees have not been constituted as of the date of the Information Circular, the Tributary Board has not developed written position descriptions for the chair of each committee. The Tributary Board expects to develop written position descriptions for its Executive Chair, its President and CEO, its Lead Independent Director and the Chairs of each of the Tributary Committees. It is expected that the foregoing position descriptions will be developed following completion of the Arrangement and will be in substantially the same form as the respective position descriptions of Headwater. See "*Corporate Governance – Position Descriptions*" in the Headwater AGM Information Circular, which is incorporated by reference in the Information Circular.

**Orientation and Continuing Education**

While the Tributary Board does not currently have a formal orientation and educational program for new recruits to the Tributary Board as Tributary was only recently incorporated, such orientation and education is expected to be provided on an informal basis for any new appointees. Tributary's management team will provide new members of the Tributary Board with corporate policies, information about Tributary and information on its performance and strategic plan. In addition, any new future members of the Tributary Board are expected to be provided with an outline of the general duties and responsibilities entailed in carrying out their duties. The Tributary Board believes that these procedures will prove to be a practical and effective approach. Tributary's management team also expects to provide directors with regular opportunities to increase their knowledge and understanding of Tributary's business. Pre-meeting reading materials will be provided in quarterly Tributary Board packages sent to directors in advance of regularly scheduled Tributary Board meetings. Briefings on strategic issues are expected to be conducted at most Tributary Board meetings, including reviews of the competitive environment Tributary operates in and Tributary's performance relative to its peers. From time to time, Tributary's management team may bring in industry experts to brief its directors on activity and trends in the oil and gas sector, including mergers and acquisitions, financings, market activity, regulatory matters, cyber security, artificial intelligence and insurance coverage and risks to assist the Tributary Board in making strategic decisions and assessing risks facing Tributary. Information on any other developments that could materially affect Tributary's business is expected to be provided as developments occur. In addition, the Tributary Board will be briefed regularly on governance developments and emerging best practices in governance.

All of the proposed directors of Tributary (who are all current members of the Headwater Board) regularly engage in a variety of continuing education activities, including industry conferences and seminars. Two directors, namely Ms. Henry and Mr. Larke have completed the ICD Directors Education Program and each hold the ICD.D designation. In addition to external educational activities, the Chair of the Tributary Board expects to work with the Tributary Board and senior management to raise continuing education topics for discussion.

**Ethical Business Conduct**

It is anticipated that the Tributary Board will adopt a Code of Business Conduct and Ethics and a Whistleblower Policy following completion of the Arrangement and that both will be in substantially the same form as the respective policies of Headwater. For additional information regarding Headwater's Code of Business Conduct and Ethics, see "*Corporate Governance – Ethical Business Conduct*" in the Headwater AGM Information Circular, which is incorporated by reference in the Information Circular.

**Tributary Board and Officer Public Company Experience**

One of Tributary's proposed directors is a director of other reporting issuers, as indicated in the table below:

| Name | Name and Jurisdiction of Reporting Issuer | Name of Trading Market | Position | From | To |
|---|---|---|---|---|---|
| Stephen Larke | Vermilion Energy Inc. | TSX and NYSE | Director | June 2017 | Present |
| | Topaz Energy Corp. | TSX | Director | November 2019 | Present |

**Nomination of Directors – CG&C Committee**

It is expected that, in conjunction with the Chair of the Tributary Board, the CG&C Committee will be responsible for recommending suitable candidates as nominees for election or appointment as director of Tributary, and, in consultation with the Tributary Board, recommending the criteria governing the overall composition of the Tributary Board and governing the desirable characteristics for Tributary directors. In making such recommendations, it is expected that the CG&C Committee, in consultation with the Tributary Board, will consider: (i) the competence and skills that the Tributary Board considers to be necessary for the Tributary Board, as a whole, to possess; (ii) the competence and skills that the Tributary Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the Tributary Board; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Tributary Board. In addition, the CG&C Committee is also expected to consider the diversity of the Tributary Board and whether there are any nominees that are women or representatives of other under-represented groups that have the skills and experience that are complementary to the skills and experience of the existing Tributary Board members.

The CG&C Committee is also expected to review, on a periodic basis, the composition of the Tributary Board to ensure that an appropriate number of independent directors sit on the Tributary Board and analyze the needs of the Tributary Board and recommend nominees who meet such needs.

**Compensation – CG&C Committee**

The members of the CG&C Committee have not yet been determined, but it is anticipated that the following individuals will be appointed to the CG&C Committee: (i) Stephen Larke (Chair); (ii) Chandra Henry; and (iii) Cheree Stephenson, each of whom is highly experienced executives, directors and/or businesspeople who have dealt with compensation issues in the course of his or her respective leadership roles and each of whom is independent. It is expected that the CG&C Committee will be responsible for formulating and making recommendations to the Tributary Board in respect of human resources and compensation issues relating to the directors, officers and employees of Tributary. The skills and experience that are expected to enable the members of the CG&C Committee to make decisions on the suitability of Tributary's compensation policies and practices are as follows:

**Stephen Larke –** Mr. Larke has over 25 years of experience in energy capital markets, including research, sales, trading and equity finance, and currently serves on the boards of Vermilion Energy Inc. (since 2017) and Topaz Energy Corp. (since 2019). He is formerly an Operating Partner and Advisory Board member with Azimuth, an energy-focused private equity fund based in Calgary, Alberta. Prior to joining Azimuth, Mr. Larke was Managing Director and an Executive Committee member with Calgary-based Peters & Co., from 2005 to 2015, and prior thereto, was Vice President and Director with TD Newcrest from 1997 to 2005. Both at Peters & Co. and TD Newcrest, Mr. Larke received leading rankings in the Brendan Wood International survey of institutional investors. Mr. Larke has a Bachelor of Commerce degree (with distinction) from the University of Calgary and holds the Chartered Financial Analyst designation. Mr. Larke also holds the ICD.D designation from the Institute of Corporate Directors and is a Fundamentals of Sustainability Accounting (FSA) Credential holder.

**Chandra Henry –** Ms. Henry has more than 25 years of progressive experience in finance, treasury, risk, taxation and operations within the financial services industry crossing multiple geographic and business segments. She is currently the Chief Financial Officer and Chief Compliance Officer of Longbow Capital Inc., a private equity firm investing in the North American energy markets since June 2019. Prior to Longbow, Ms. Henry held various senior finance positions including Chief Financial Officer of WestBlock Inc. (2018-19), Director of Finance for GMP Securities L.P. (2016-17) and Chief Financial Officer for FirstEnergy Capital Corp. (2001-16). Ms. Henry has a Bachelor of Commerce degree from the University of Calgary and has earned the Chartered Professional Accountant (CPA, CA), Chartered Financial Analyst (CFA) and Institute of Corporate Directors (ICD.D) designations. In addition, Ms. Henry is a Fundamentals of Sustainability Accounting (FSA) Credential Holder. Ms. Henry is also a member of the board of directors of the TELUS Friendly Future Foundation Calgary and Southern Alberta Chapter. Ms. Henry also previously served on the board of directors of Whitecap Resources Inc. as a member of both the Audit Committee and the Sustainability & Advocacy Committee and of Bonavista Energy Corporation, as Chair of the Audit and Risk Committee of the board of directors of Pengrowth Energy Corporation and as Director, Treasurer and Chair of the Audit Committee of the Alberta Ballet Company.

**Cheree Stephenson –** Ms. Stephenson has over 25 years of experience in the oil and gas industry including 15 years' experience at an executive level, in the areas of leadership, corporate finance, risk management, financial reporting, budgeting, accounting, information systems and security, treasury and tax. Since 2020, Ms. Stephenson has served as the Vice-President, Finance and Chief Financial Officer of Topaz Energy Corp., a TSX listed royalty and energy infrastructure company. Ms. Stephenson's previous experience includes serving as Vice-President, Finance and Chief Financial Officer of Petrus Resources Ltd. and Controller of Peyto Exploration & Development Corp. after commencing her career at Ernst & Young LLP. Ms. Stephenson is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Commerce degree from the Haskayne School of Business at the University of Calgary.

Since the CG&C Committee has not been established, a mandate for the CG&C Committee has not been implemented. However, it is expected that the CG&C Committee, once constituted, will implement a mandate in substantially the same form as that of Headwater following completion of the Arrangement. Under such mandate, it is expected that the CG&C Committee will be responsible for the following in respect of compensation matters:

- reviewing and reporting to the Tributary Board concerning the overall compensation program and philosophy and alignment with salient stakeholders;
- reviewing and recommending to the Tributary Board the compensation program, remuneration levels and incentive plans and any changes therein for senior management, including the CEO;
- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, evaluating the CEO's performance in light of those goals and objectives, and either, as a committee or together with the independent directors (as determined by the Tributary Board) determining and approving the CEO's compensation based on this evaluation;
- making recommendations to the Tributary Board with respect to compensation of executive officers (other than the CEO), including grants and awards under incentive compensation and equity-based plans that are subject to Board approval;
- reviewing the adequacy and form of compensation to the directors ensuring it realistically reflects their responsibilities and risk and making recommendations to the Tributary Board as to such compensation matters;
- reviewing annually and recommending for approval to the Tributary Board the executive compensation disclosure and compensation discussion and analysis disclosure in its information circulars for future annual general meetings of Tributary Shareholders;
- reviewing annually the mandate of the CG&C Committee;
- administering any incentive plans implemented by Tributary, in accordance with their respective terms; and
- reporting on executive officer compensation on an annual basis.

From time to time, Tributary may retain a compensation consultant or advisor to assist the Tributary Board or the CG&C Committee in determining the compensation of the directors or executive officers of Tributary.

**Other Board Committees**

In addition to the Audit Committee and the CG&C Committee, the Tributary Board is also expected to have a Reserves Committee and an ES&S Committee.

The Reserves Committee is expected to be responsible for overseeing the evaluation of Tributary's petroleum and natural gas reserves, including the retention of one or more independent "qualified reserves evaluators or auditors" (as defined in NI 51-101), to report to the Reserves Committee (or, if requested, the Tributary Board) on Tributary's "reserves data" (as defined in NI 51-101). See "*Reserves Committee*" below for further information.

The ES&S Committee is expected to be responsible for overseeing and monitoring Tributary's programs, policies, procedures and performance on matters relating to environment, health and safety and sustainability and, from time to time, is expected to make recommendations to the Tributary Board as to such matters. See "*ES&S Committee*" below for further information.

In addition to the responsibilities of the CG&C Committee relating to nominations and compensation, the CG&C Committee is expected to have a number of responsibilities relating to corporate governance matters, as described below.

***Corporate Governance Responsibilities – CG&C Committee***

It is expected that the CG&C Committee will be responsible for the following corporate governance-related responsibilities:

- annually reviewing the mandates of the Tributary Board and its committees and recommending to the Tributary Board such amendments to those mandates as the CG&C Committee believes are necessary or desirable;
- considering and, if thought fit, approving requests from directors or committees of directors of the engagement of special advisors from time to time;
- preparing and recommending to the Tributary Board annually a statement of corporate governance practices to be included in Tributary's annual report or information circular;
- reviewing on a periodic basis the composition of the Tributary Board and ensuring that an appropriate number of independent directors sit on the Tributary Board, analyzing the needs of the Tributary Board and recommending nominees who meet such needs;
- assessing, at least annually, the effectiveness of the Tributary Board as a whole, the committees of the Tributary Board and the contribution of individual directors, including considering the appropriate size of the Tributary Board;
- with the assistance or recommendations of outside consultants where appropriate, identifying individuals qualified to become Tributary Board members, consistent with criteria set out below and any other criteria that may be approved by the Tributary Board, and maintaining a list of potential candidates for Tributary Board membership and where appropriate, interviewing potential candidates for Tributary Board membership;
- in addition to other criteria established by the Tributary Board for potential candidates for Tributary Board membership, in making its recommendations to the Tributary Board for potential candidates, the CG&C Committee should consider:
  - the competencies and skills that the Tributary Board considers to be necessary for the Tributary Board, as a whole, to possess;
  - the competencies and skills that the Tributary Board considers each existing director to possess;
  - the competencies and skills each new nominee will bring to the boardroom; and
  - whether or not each potential candidate can devote sufficient time and resources to his or her duties as a Tributary Board member;
- selecting, or recommending that the Tributary Board select, the director nominees for the next annual meeting of Tributary Shareholders;
- developing and recommending to the Tributary Board a set of corporate governance guidelines applicable to Tributary;
- overseeing the evaluation of the Tributary Board and management;
- implementation of an orientation and education program for new recruits to the Tributary Board;
- with the assistance or recommendations of management or outside consultants where appropriate, make recommendations to the Tributary Board regarding appointments of corporate officers and senior management; and
- reviewing and recommending to the Tributary Board the succession plan for senior executives and matters in respect of executive capacity.

The CG&C Committee is expected to be authorized to engage outside advisors to assist the CG&C Committee in compensation and corporate governance matters and has the authority to approve such advisors' fees and other retention terms.

See "*Statement of Executive Compensation*" in this Appendix.

***Reserves Committee***

The members of the Reserves Committee of the Tributary Board have not yet been determined, but it is anticipated that the following individuals will be appointed to the Reserves Committee of Tributary: (i) Kam Sandhar (Chair); (ii) Stephen Larke; and (iii) Kevin Olson, all of whom are independent directors in accordance with NI 58-101 and NI 51-101.

The Reserves Committee's general responsibilities are expected to include:

- reviewing Tributary's procedures relating to the disclosure of information with respect to oil and gas activities, including reviewing its procedures for complying with disclosure requirements and restrictions set forth under applicable securities law requirements;

- reviewing the appointment of Tributary's independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;
- reviewing Tributary's procedures for providing information to the independent evaluator for the purposes of NI 51-101;
- meeting, as considered necessary, with management and the independent evaluator of Tributary to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on Tributary's reserves information and data (the "**Reserves Data**") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);
- providing a recommendation to the Tributary Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities law requirements including any reports of the independent engineer and of management in connection therewith;
- reviewing Tributary's procedures for reporting other information associated with oil and gas producing activities; and
- generally reviewing all matters relating to the preparation and public disclosure of estimates of Tributary's reserves.

***ES&S Committee***

The members of the ES&S Committee have not yet been determined, but it is anticipated the following individuals will be appointed to the ES&S Committee: (i) Kevin Olson (Chair); (ii) Stephen Larke; and (iii) Chandra Henry, all of whom are independent directors in accordance with NI 58-101.

The ES&S Committee's responsibilities are expected to include:

*Environmental, Health and Safety Matters*

- reviewing Tributary's fundamental policies and procedures pertaining to environment, health and safety and ensuring policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value;
- reviewing management reports on safety performance, information technology business risks, mitigation actions taken by management relative to reported incidents, persistent trends and high-risk observations from periodic management system assurance activities through inquiries of senior management about the persistent trends or high-risk observations and assess steps senior management has taken to minimize such risks to Tributary;
- oversee remedial or mitigating action taken to manage an identified environment, health or safety risk;
- reviewing Tributary's performance with applicable laws and regulations with respect to environment, health and safety;
- reviewing the findings of any significant report by regulatory agencies, external environment, health and safety consultants or auditors concerning Tributary's performance in environment, health and safety matters and corrective measures taken to address same;
- reviewing emerging trends, issues and regulations related to environment, health and safety that are relevant to Tributary; and
- providing reports and recommendations to the Tributary Board as determined necessary on environment, health and safety that are relevant to Tributary.

*Sustainability Matters*

- oversee Tributary's policies, procedures, practices and strategies relating to environmental, social and climate related issues and other sustainability matters to ensure due consideration of risks, opportunities and potential performance improvement relating thereto;
- ensure Tributary's sustainability policy and strategic plan, commitments and procedures are consistent and integrated with the Audit Committee, Reserves Committee, CG&C Committee and/or the Tributary Board;
- review and report to the Tributary Board with respect to the consideration and integration of environmental, social and climate related and sustainability issues in the development of Tributary's business strategy and financial planning;
- consider and review the setting of, and performance against, appropriate targets, benchmarking, procedures and reporting methods used by Tributary to measure its environmental, social, climate and other relevant sustainability performance;
- consider and review:
  - third-party reports on Tributary's sustainability performance and peer sustainability performance;
  - material regulatory or legislative change relating to environmental, social and climate related issues or other sustainability matters which could require modification of Tributary's business practices;
  - ongoing or threatened litigation relating to environmental, social and climate related issues or other sustainability matters; and
  - insurable risks on environmental, social and climate related issues or other sustainability matters with evaluation of costs relative to benefit, taking into account, as determined necessary, Audit Committee consultation and recommendations on insurance matters;
- review Tributary's enterprise risk management program relating to identifying, assessing and managing climate related risks and opportunities, whether physical or transitional, in view of plausible future scenarios, and other risks related to environment, social and sustainability, and report to the Audit Committee and/or the Tributary Board;
- review Tributary's disclosure, reporting and external communication practices pertaining to environmental, social, climate and sustainability issues, including but not limited to assessments of materiality, development and publication of environmental, social and governance reports and/or sustainability reports and approach to analogous disclosure, media and social media campaigns and other written communication with stakeholders;
- review Tributary's sustainability plan with key stakeholders;
- review engagement with key stakeholders, Indigenous relations, and local community support and investment; and

- review shareholder proposals relating to environmental, social, climate or other sustainability issues and provide a report to the Tributary Board.

**Assessments**

It is expected that the CG&C Committee will be responsible for evaluating the effectiveness of the Tributary Board, its committees and individual directors. The CG&C Committee is expected to lead an annual evaluation process where each of the Tributary directors will be asked to provide feedback on their views of the effectiveness of the Tributary Board and each of its committees as well as a peer review of the skills and contributions of the other members of the Tributary Board. The CG&C Committee is also expected to assess other factors such as independence of the directors to ensure that the Tributary Board is operating effectively and independently of Tributary management.

**Succession Planning**

The CG&C Committee is also expected to have the responsibility to review and recommend a succession plan with respect to Tributary's senior officers. Specific discussions of succession plans are expected to be periodically scheduled at least annually at CG&C Committee or Tributary Board meetings as agenda items to ensure that the matter will receive the necessary time for consideration and review by the CG&C Committee and the Tributary Board. Prior to discussions of succession matters senior officers of Tributary are expected to be canvassed to determine any potential retirement plans or other plans that may impact their term of service with Tributary. In addition, the skills and experience of the senior officers and other officers and employees of Tributary are expected to be reviewed to determine whether personnel within the organization have the necessary skills and experience to fulfill the role of a senior officer in the event of the retirement or other loss of a senior officer.

In addition to the succession planning for senior officers, the CG&C Committee is also expected to consider and review succession planning for Tributary Board members as part of its annual evaluation of the Tributary Board and its members. As part of this review, the Chair of the CG&C Committee is expected to canvass each member of the Tributary Board to determine their expectations as to length of service and whether they have any imminent retirement plans. The CG&C Committee will use such information to determine whether the Tributary Board has any need, or may have a need in the near future, to replace or complement the skills and experience of the existing members of the Tributary Board with any new nominees.

**Director Term Limits and Other Mechanisms for Board Renewal**

Tributary does not expect to adopt fixed term limits, mandatory retirement ages or other mechanisms for Tributary Board renewal, as the Tributary Board does not believe that fixed term limits or mandatory retirement ages are in the best interest of Tributary. While term limits and mandatory retirement ages ensure fresh viewpoints on a board of directors, they also cause a company to lose the valuable contributions of those directors who best understand the business of such company and the challenges it faces.

However, when considering nominees for the Tributary Board on an annual basis, the CG&C Committee expects to review the skills and experience of its current directors to assess whether the Tributary Board's skills and experience need to be strengthened in any area. In addition to considering the skills and experience of the Tributary Board, the CG&C Committee expects to assess the knowledge and character of all nominees to the Tributary Board and other factors such as independence of the directors to ensure that the Tributary Board is operating effectively and independently of management. The CG&C Committee will also consider both the term of service and age of individual directors, the average term of the Tributary Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of Tributary.

As the tenure of the Tributary directors increases, it is anticipated that the benefits of Tributary Board renewal may begin to outweigh some of the benefits of the institutional knowledge of the Tributary Board members. As such, the CG&C Committee anticipates taking a proactive approach in future years to ensure that the Tributary Board undertakes a deliberate and planned renewal process if it determines it is in the best interests of Tributary to do so.

As indicated above, the CG&C Committee expects to annually review the skills and experience of the current Tributary directors to assess whether the Tributary Board's skills and experience need to be strengthened in any area. In conducting its annual review, the CG&C Committee expects to evaluate the skills and experience of the individual Tributary Board members and the Tributary Board as a whole.

In addition to considering the skills and experience of the Tributary Board, the CG&C Committee also expects to assess the knowledge and character of all members of the Tributary Board and other factors such as independence of its directors to ensure that the Tributary Board operates effectively and independently of management.

**Diversity Matters**

The Tributary Board has not yet adopted a diversity policy. However, it is expected that following completion of the Arrangement, it will consider whether it is appropriate and advisable to adopt a policy. As of the date hereof, two of the proposed Tributary Board members are women, representing approximately 29% of the proposed members of the Tributary Board, and two women are serving in executive officer positions of Tributary, representing approximately 20% of the expected executive officer positions of Tributary. Additionally, one proposed Tributary Board member is a member of a visible minority group, representing approximately 14% of the Tributary Board.

**Sustainability and Environmental, Social and Governance ("ESG") Integration**

***Sustainability and Governance Oversight***

The Tributary Board is expected to be responsible for establishing policies and for the oversight of all matters relating to environmental, health, safety, climate and sustainability. Given the importance of these matters to the business of Tributary and the breadth of these matters, the Tributary Board expects to empower several of the Tributary Committees with oversight over different aspects of environmental, health, safety, climate and sustainability topics.

The ES&S Committee is expected to oversee a number of matters relating to environmental, social and climate issues and other sustainability matters. In conjunction with the Audit Committee and the Tributary Board, the ES&S Committee expects to oversee management's review of Tributary's enterprise risk management program relating to identifying, assessing and managing climate-related risks and opportunities, whether physical or transitional, in view of plausible future scenarios.

In addition to reviewing the policies and procedures pertaining to environment, health and safety matters, the ES&S Committee will have responsibility for, among other things, reviewing management reports on safety performance, mitigation actions taken by management relative to reported incidents, persistent trends and high-risk observations from periodic management system assurance activities and remedial action taken to manage identified environment, health and safety risks. In furtherance of these responsibilities, the ES&S Committee expects to meet quarterly to receive a report from management on, a variety of items, including, among other things, lost-time injuries, recordable injuries, near misses, hazards identified, corrective actions implemented, safety observations performed, leadership site visits, inspections performed, safety meetings held and emergency response drills completed.

***Sustainability and ESG Reporting***

As Tributary is a newly incorporated company, it has not published any ESG related disclosure. It expects to follow a similar approach to Headwater with respect to potential future ESG related reporting, including with respect to evaluating the provisions of the Competition Act and any further guidance provided to determine how to provide future disclosure on its environmental goals and performance in the future. For further information on Headwater's historical approach to ESG reporting, see "*Corporate Governance – Sustainability and Environmental, Social and Governance ("ESG") Integration – Sustainability and ESG Reporting*" in the Headwater AGM Information Circular, which is incorporated by reference in the Information Circular.

***Identification and Mitigation of Climate-Related Risks***

Management and the Tributary Board expect to strive to provide Tributary Shareholders and other stakeholders with meaningful disclosure on risks related to climate change both physical and transitional in nature, in view of plausible future scenarios. Tributary expects to include disclosure related to these risks on a regular basis both in Tributary's annual information form on an annual basis and in its management's discussion and analysis on a quarterly basis, all of which will be available under Tributary's issuer profile on SEDAR+ at www.sedarplus.ca.

**Cyber Security**

Information technology ("**IT**") is expected to play a critical role in the success of Tributary. While IT is not expected to drive the business, it will be the digital environment that Tributary will rely upon. Tributary's primary directives are expected to be to provide reliable, secure and highly available IT services and support to allow Tributary to achieve its corporate objectives.

Tributary plans to harden infrastructure against attacks by implementing various protocols, settings, and updates such as requiring multi-factor authentication, restricted access to specific geographic locations, and limiting non-essential network traffic and services. Tributary expects to complete backups of all data to the cloud and test data restoration on a regular basis to ensure its integrity and conduct regular training with all staff and hold annual cyber security awareness training to educate everyone on good cyber hygiene practices.

The Tributary Board expects to delegate the oversight of technology and system risks associated with Tributary's operations to the Audit Committee. Under its mandate, and in conjunction with management, the Audit Committee will have the responsibility to identify, monitor and mitigate business risks, including risks relating to cyber security attacks, cyber-fraud events and other technology risks, such as the use of antificial intelligence ("**AI**"). The Audit Committee and the Tributary Board expect to receive quarterly updates from management on IT matters, which updates will include an overview of any cyber security metrics and measures, any cyber security incidents, and risk mitigation efforts implemented by Tributary (including but not limited to IT general controls and AI oversight). Audit Committee and Tributary Board members are also expected to be provided with educational resources regarding developments in cyber security and AI, which will allow members to play an active role in decision-making regarding Tributary's security measures.

**Shareholder Engagement with the Tributary Board**

Tributary plans to carry out Tributary Shareholder engagement activities through a variety of methods. In addition to the annual Tributary Shareholder meeting, Tributary expects to participate in numerous investor conferences and one-on-one meetings.

## AUDIT COMMITTEE INFORMATION

The purpose of the Audit Committee of the Tributary Board, once established following completion of the Arrangement, will be to provide assistance to the Tributary Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of Tributary. It is the objective of the Audit Committee to maintain a free and open means of communication among the Tributary Board, the independent auditors and the senior management of Tributary.

### Audit Committee Charter

Since the Audit Committee has not been established, a mandate for the Audit Committee has not been implemented. However, it is expected that the Audit Committee, once constituted, will implement a charter in substantially the same form as that of Headwater following completion of the Arrangement. The mandate of the Audit Committee of the Headwater Board is attached as Schedule "C" to the Headwater AIF, which is incorporated by reference in the Information Circular.

### Composition of the Audit Committee

The members of the Audit Committee of the Tributary Board have not yet been determined; however, it is expected that Chandra Henry (Chair), Cheree Stephenson and Kam Sandhar, who are the current members of Headwater's audit committee will be appointed to the Audit Committee of Tributary. Each of the proposed members of the Audit Committee is expected to be independent within the meaning of section 1.4 of NI 52-110 financially literate within the meaning of section 1.6 of NI 52-110. For additional information regarding the Audit Committee of Headwater and the members thereof, including a description of the education and experience of each anticipated member of the Audit Committee, see "*Audit Committee Information*" in the Headwater AIF, which is incorporated by reference in the Information Circular.

### Pre-Approved Policies and Procedures

The Audit Committee is expected to adopt a policy to review and pre-approve any non-audit services to be provided to Tributary by external auditors and to consider the impact on the independence of such auditors to adopt specific policies and procedures for the engagement of non-audit services similar to the policy adopted by Headwater. The policy is expected to include that the Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that such member(s) report to the Audit Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Audit Committee from time to time.

### External Auditor Services Fees

As of the date of the Information Circular, Tributary has not paid any fees to external auditors since incorporation.

## INDUSTRY CONDITIONS

Companies operating in the Canadian oil and gas industry are subject to extensive regulation and control of operations (including with respect to land tenure, exploration, development, production, refining and upgrading, transportation, and marketing). Legislation has been enacted by, and agreements have been entered into between, various levels of government with respect to the pricing and taxation of petroleum and natural gas, all of which should be carefully considered by investors in Tributary. All current legislation is a matter of public record and Tributary is unable to predict what additional legislation or amendments governments may enact in the future.

Tributary's assets and operations are regulated by administrative agencies that derive their authority from legislation enacted by the applicable level of government. Regulated aspects of Tributary's upstream oil and natural gas business include all activities associated with the exploration and production of oil and natural gas, including, among other matters: (i) permits for drilling wells and constructing related infrastructure; (ii) technical drilling and well requirements; (iii) permitted locations and access to operation sites; (iv) operating standards regarding conservation of produced substances and avoidance of waste, such as restrictions on flaring and venting; (v) minimizing environmental impacts, including reducing emissions; (vi) storage, injection and disposal of substances associated with production operations; and (vii) abandonment and reclamation of impacted sites. To conduct oil and natural gas operations and remain in good standing with the applicable regulatory regimes, producers must comply with applicable legislation, regulations, orders, directives and other directions (all of which are subject to governmental oversight, review and revision, from time to time). Compliance in this regard can be costly and a breach of the same may result in fines or other sanctions.

The discussion below outlines some of the principal aspects of legislation, regulations, agreements, orders, directives, and other pertinent conditions that impact the oil and gas industry in Western Canada, where Tributary's assets are primarily located. While these matters do not affect Tributary's operations in any manner that is materially different from the way they affect other similarly sized industry participants with comparable assets and operations, investors should consider such matters carefully.

### Exports of Crude Oil, Natural Gas and NGLs from Canada

Over the past year, U.S. tariffs on certain Canadian products, including energy, along with Canada's reciprocal measures, have added complexity to cross-border energy trade. The U.S.-Canada tariff environment remains volatile, with duties affecting products that do not qualify under USMCA exemptions. On February 20, 2026, the U.S. Supreme Court ("**SCOTUS**") held that the Trump administration lacked legal authority to impose certain tariffs under the International Emergency Economic Powers Act and U.S. Customs and Border Protection announced that it would cease

collecting the affected tariffs. In response to the SCOTUS decision, the Trump administration indicated that it intends to impose alternative tariffs or adopt other trade measures on its trading partners, including Canada. SCOTUS' decision, the Trump administration's response and the ongoing USMCA review add further uncertainty regarding whether crude oil, natural gas, and NGL exports to the U.S. could ultimately be subject to tariffs or other trade measures. These dynamics influence export costs, market access, and demand for Canadian energy products. The impact of continuing or new tariffs or other trade measures on the Canadian economy and Canadian energy producers is uncertain.

In recent years, Canada has expanded oil and gas exports beyond the U.S. The completion of the Trans Mountain Expansion has enabled crude shipments to Asia and Europe, with China, South Korea, and India emerging as major buyers. Seaborne exports to Europe have also increased. In natural gas, Canada's first large-scale liquefied natural gas ("**LNG**") terminal began operations in mid-2025, opening access to global markets. These developments mark a strategic shift toward diversified energy export destinations; however, the U.S. remains the largest customer of Canadian energy products. As a result, actions taken by the Trump administration or other events impacting U.S. demand for Canadian energy products can result in a significant impact on the pricing Tributary and other Canadian producers receive for their energy products.

**Pricing and Marketing in Canada**

The price of crude oil, natural gas, and NGLs is negotiated between buyers and sellers. Various factors may influence prices, including global supply and demand, product quality, distance to market, availability of transportation, value of refined products, prices of competing products, price of competing stock, contract terms, weather conditions, supply/demand balance, and other contractual provisions.

**Transportation Constraints and Market Access**

Despite having significant capacity to move crude oil, natural gas, and NGLs from Western Canada, much of this transportation infrastructure is oriented toward the United States. As a result, even though Western Canada possesses the ability to transport large volumes, market access remains constrained because limited capacity is available for deliveries to Eastern Canada and overseas markets. This reliance on U.S.-bound infrastructure continues to restrict Canada's ability to diversify export destinations. Many proposed projects that could broaden access, particularly those aimed at enabling greater movement to other international markets, have been cancelled or delayed due to regulatory hurdles, court challenges, and economic or socio-political factors.

**Oil Pipelines**

In Canada, producers negotiate with pipeline operators to transport their products to market on a firm, spot or interruptible basis depending on the specific pipeline and the specific substance. Transportation availability is highly variable across different jurisdictions and regions. This variability can determine the nature of transportation commitments available, the number of potential customers and the price received.

Under Canadian constitutional law, the development and operation of interprovincial and international pipelines fall within federal jurisdiction and, under the *Canadian Energy Regulator Act*, new interprovincial and international pipelines require a federal regulatory review and Cabinet approval before they can proceed. In recent years, however, there has been a perceived lack of policy and regulatory certainty in this regard such that, even when projects are approved, they often face delays due to actions taken by provincial and municipal governments and legal opposition related to issues such as Indigenous rights and title, the government's duty to consult and accommodate Indigenous peoples and the sufficiency of relevant environmental review processes. Export pipelines from Canada to the United States face additional unpredictability as such pipelines also require approvals from several levels of government in the United States.

In June 2025, Bill C-5 (the *One Canadian Economy Act*) came into force, granting the federal government authority to expedite approval of "national interest" infrastructure projects, including pipelines. While the legislation aims to reduce regulatory delays, it has drawn mixed reactions: industry stakeholders generally support its streamlining measures, whereas certain rights holders, particularly Indigenous groups, have expressed concerns regarding its implications. The federal government is currently engaged in consultations with provinces, territories, and Indigenous communities regarding implementation.

On November 27, 2025, the governments of Canada and Alberta signed a Memorandum of Understanding (the "**MOU**") to collaborate on supporting the development of oil and gas resources, renewable energy, critical minerals, and other resource sectors in Western Canada. The MOU includes a federal government commitment to not implement the *Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations* ("**Oil and Gas Emissions Cap**") and the commitment of both levels of government to design and commit to sector-specific stringency factors for large Alberta emitters under Alberta's *Technology Innovation and Emissions Reduction Regulation* ("**TIER**"), and to continue the annual carbon tax rate increase up to $130 per tonne.

The agreements to be established under the MOU are expected to be finalized in 2026 and 2027.

**Natural Gas and LNG**

Natural gas prices in Western Canada have been constrained in recent years, reaching record lows in 2025 due to increasing North American supply, limited market access, and restricted storage capacity. Companies that secure firm access to infrastructure for transporting natural gas out of Western Canada may be able to access additional markets and achieve better pricing. Companies without firm access may be forced to accept spot pricing in Western Canada, which is generally lower than prices in other North American regions.

In October 2020, TC Energy Corporation ("**TC**") received federal approval to expand the Nova Gas Transmission Line system (the "**NGTL System**"). The NGTL system is currently implementing a $9.9 billion infrastructure program. In July 2024, TC announced a historic equity interest purchase agreement with an Indigenous-owned investment partnership which will enable up to 72 Indigenous communities to become equity owners of the network of infrastructure assets spanning Western Canada, however as of September 2024, the deal has been delayed.

In 2025, LNG Canada became fully operational as the country's first large-scale LNG export terminal, marking a significant milestone in Canada's emergence as a global LNG supplier. The project exported its first cargo from the Kitimat terminal in July 2025, and by September had already shipped ten cargoes to international markets, with export volumes continuing to rise thereafter. In addition, on August 6, 2025, JGC and Fluor were awarded a contract to update the Front-End Engineering and Design for the proposed Phase 2 expansion, which aims to double the facility's annual LNG production capacity.

A wide range of energy infrastructure projects, including natural gas pipelines, oil pipelines, LNG export facilities, and related transmission upgrades, remain in various stages of development across Canada. These include projects that are under construction, as well as others that are proposed, awaiting regulatory approvals, or still pending final investment decisions. Together, these projects reflect a significant pipeline of potential development subject to evolving market conditions, regulatory processes, and investment decisions.

**Land Tenure**

***Mineral Rights***

Except for Manitoba, each provincial government in Western Canada owns most of the mineral rights to oil and natural gas located within its borders. Provincial governments grant rights to explore for and produce oil and natural gas through leases, licences and permits (for the purposes of this section, collectively, "**leases**") for varying terms and subject to conditions set forth in provincial legislation, including requirements to perform specific work or make payments in lieu thereof. Provincial governments in Western Canada conduct land sales where oil and natural gas companies bid for leases necessary to explore for and produce provincially owned oil and natural gas. These leases generally have fixed terms but may be continued beyond their initial terms if the required conditions are satisfied.

Private ownership of oil and natural gas (i.e., freehold mineral lands) also exists in Western Canada, as well as rights to explore for and produce privately owned oil and natural gas are granted by a lease or other contract on terms and conditions negotiated between the mineral rights holder and companies seeking to explore for and/or develop oil and natural gas reserves.

Tributary will operate on, or near, First Nation reserve lands or in areas subject to Indigenous rights or title and its success will be closely tied to building and maintaining strong, respectful, and durable relationships with Indigenous peoples. This may take various forms, including the negotiation of Impact Benefit Agreements, participation in equity ownership frameworks, collaboration on environmental stewardship, and engagement protocols that reflect the priorities, governance structures, and decision-making processes of the potentially affected First Nations. Many proposed and ongoing energy and infrastructure projects across Canada increasingly require proactive partnership with Indigenous communities, both to secure regulatory approvals and to support long-term operational certainty. As such, constructive engagement, grounded in transparency, mutual benefit, and recognition of Indigenous rights, is a critical component of Tributary's ability to advance and sustain its activities in these regions.

An additional category of mineral rights ownership is Canadian federal government ownership of mineral rights on First Nation reserve lands (as designated under the *Indian Act*), which is managed and regulated by a separate government body under distinct legislation. Tributary does not have operations on reserve lands.

***Surface Rights***

To develop oil and natural gas resources, producers must also secure access rights to the surface lands required to conduct operations. For Crown lands, surface access rights can be obtained directly from the government. For private lands, access rights are typically negotiated with the landowner. Where an agreement cannot be reached, each province has developed its own process that producers can follow to obtain and maintain the surface access necessary to conduct operations.

**Royalties and Incentives**

Each province has legislation and regulations in place to govern Crown royalties and establish the royalty rates that producers must pay for the production of Crown resources. Provincial royalty regimes operate in conjunction with applicable federal and provincial taxes and are a significant factor in the profitability of oil sands projects and oil, natural gas, and NGL production. Royalties payable on production from lands where the Crown does not hold the mineral rights are negotiated between the mineral freehold owner and the lessee, although certain provincial taxes and other charges on production or revenues may still apply. Royalties from production on Crown lands are determined by provincial regulation and are generally calculated as a percentage of the value of production.

Producers and working interest owners of oil and natural gas rights may create additional royalties or royalty-like interests, such as overriding royalties, net profits interests, and net carried interests, through private transactions, the terms of which are subject to negotiation.

From time to time, the federal and provincial governments create incentive programs for businesses operating in specific industries, such as oil and gas. These programs are often introduced when commodity prices are low to encourage exploration and development activity. They may provide volume-based incentives, royalty rate reductions, royalty holidays, or royalty tax credits. Governments may also introduce incentive programs to encourage producers to prioritize certain kinds of development or to utilize technologies that enhance recovery of oil, natural gas, and NGLs, or improve environmental performance.

***New Brunswick***

The Crown owns all crude oil and natural gas resources in New Brunswick. Though New Brunswick currently has no commercial crude oil production, the province calculates royalties on oil by assigning a sliding scale percentage to monthly production. The royalty percentage assigned to oil production ranges from 5% at production volumes of 1- 49m3, to 12% at volumes equal to or greater than 720 m3.

Natural gas royalties in New Brunswick consist of a basic royalty component and an economic rent royalty component. Unlike other provinces, New Brunswick does not charge royalties on a per well basis, applying the royalty to a producer's aggregate production. The basic royalty is the greater of 4% of the product of the wellhead price of produced natural gas and all units of natural gas produced by the licensee or lessee in the province in that month, and 2% of a licensee's or lessee's monthly gross revenue from natural gas sales at all of its wells. The wellhead price is the selling price of natural gas minus transportation costs and a gas processing allowance. The economic rent royalty is 25% of the cumulative gross revenue from all of a licensee's or lessee's natural gas operations in New Brunswick, minus the sum of all capital expenditures and operating costs associated with those operations. Thus, the economic rent royalty will not come into effect until the licensee or lessee recovers all eligible costs and begins to make a profit.

The royalty on all by-products obtained in the production of oil and natural gas, including sulphur, helium, NGLs and condensates is 10% of the greater of the actual selling price of those by-products, or their fair market value at the time and place of production.

**Regulatory Authorities and Environmental Regulation**

The Canadian oil and gas industry is subject to environmental regulation under a variety of federal, provincial, territorial, and municipal laws and regulations, all of which are subject to governmental review and revision from time to time. These regulations provide for, among other things, restrictions and prohibitions on the spill, release, or emission of substances produced in association with certain oil and gas operations, such as sulphur dioxide and nitrous oxide. Regulatory regimes also establish the requirements for oilfield waste handling and storage, habitat protection, and the proper operation, maintenance, abandonment, and reclamation of well, facility, and pipeline sites.

Compliance with these regulations can require significant expenditures, breaches may result in suspension or revocation of licences and authorizations, civil liability, and the imposition of material fines and penalties. In addition, future changes to environmental legislation, including legislation related to air pollution and greenhouse gas ("**GHG**") emissions (typically measured in terms of global warming potential and expressed as carbon dioxide equivalent ("**$CO_2e$**")), may impose further requirements on operators and other companies in the oil and gas industry. Companies engaged in hydraulic fracturing operations are subject to additional operational, regulatory, and reporting requirements.

***New Brunswick***

Oil and natural gas exploration in New Brunswick is regulated by the Department of Environment and Local Government, and the Department of Natural Resources and Energy Development. Environmental protection is legislated in the *Clean Air Act*, *Clean Water Act*, *Clean Environment Act*, and the associated regulations.

On February 15, 2013, New Brunswick released the "*Responsible Environmental Management of Oil and Natural Gas Activities in New Brunswick*", a document detailing the province's rules for the oil and gas industry. The document addresses several important areas of industry management including concerns associated with geophysical (seismic) testing, the escape of contaminants from the wellbore and well pad, GHG emissions, public safety and emergency planning, protecting communities and the environment, and reducing financial risk and protecting landowner rights.

In 2015, New Brunswick implemented the *Prohibition Against Hydraulic Fracturing Regulation*, banning all hydraulic fracturing in the province. The New Brunswick Government announced on May 27, 2016 that it would indefinitely continue a moratorium on hydraulic fracturing. In November 2018, the Government of New Brunswick expressed its intention to allow natural gas development in the Sussex region, where the McCully Field is located. On June 5, 2019, the Government of New Brunswick amended the *Prohibition Against Hydraulic Fracturing Regulation* to allow the Minister of Natural Resources and Energy Development to exempt certain operations in the Sussex region from the moratorium, though regulatory uncertainty remains regarding the availability of such exemptions. On August 26, 2026, the Government of New Brunswick launched a five-month public review to evaluate lifting its moratorium on natural gas development and hydraulic fracturing.

See "*Risk Factors – Risks Relating to Tributary and the Tributary Assets – Hydraulic Fracturing*" in this Appendix.

**Liability Management**

The Alberta Energy Regulator ("**AER**") administers several liability management programs to manage liability for most conventional upstream oil and natural gas wells, facilities, and pipelines in Alberta. The province continues to transition from a prescriptive framework toward a more holistic approach under its Liability Management Framework.

Alberta maintains an orphan fund to cover the costs of suspending, abandoning, remediating, and reclaiming wells, facilities, or pipelines included in certain AER programs if a licensee or working interest participant becomes insolvent or is otherwise unable to meet its obligations. The orphan fund is financed through levies imposed on industry participants and provincial loans. In March 2025, the Alberta government approved a $144.45 million levy for the Orphan Well Association's 2025/26 operating budget.

The Supreme Court of Canada's ("**SCC**") decision in Orphan Well Association v. Grant Thornton (often referred to as the "**Redwater**" decision) continues to shape Alberta's liability management regime. As a result of the Redwater decision, receivers and trustees can no longer avoid the AER's legislated authority to impose abandonment orders or require security deposits before approving licence transfers during insolvency proceedings. Insolvent estates can no longer disclaim assets that have reached the end of their productive lives to prioritize valuable assets without first satisfying abandonment and reclamation obligations. The burden of a defunct licensee's obligations first falls on its working interest partners; thereafter, the AER may direct the orphan fund to assume care and custody and accelerate clean-up of wells or sites which do not have a responsible owner.

To address abandonment and reclamation liabilities, the AER periodically implements programs to encourage the decommissioning, remediation, and reclamation of inactive or marginal oil and natural gas infrastructure. In December 2024, the AER introduced mandatory annual closure spending requirements effective in 2026, reinforcing proactive liability reduction measures.

Similar to Alberta, British Columbia's regulator has moved away from formulaic liability management toward a holistic assessment of a permit holder's ability to meet abandonment and reclamation obligations. B.C. also maintains an orphan site program. The British Columbia Dormancy and Shutdown Regulation, amended effective April 1, 2025, establishes legally binding timelines for restoring oil and natural gas wells, aiming for 100% reclamation of currently dormant sites by 2036, with additional timelines for sites that became dormant between 2019 and 2023 and those becoming dormant after 2024.

Saskatchewan administers liability management through its Licensee Liability Rating program and the Inactive Liability Reduction Program, which mandates annual decommissioning expenditures. Saskatchewan's orphan fund, funded entirely by industry, continues to reclaim orphaned wells and facilities, with over 1,000 inactive sites restored as of early 2025.

Manitoba has not implemented a formal liability management rating program like those in other Western Canadian provinces. However, the province has processes in place to sell or abandon wells or facilities when a licensee or permittee fails to comply with a shutdown order, including rehabilitating abandoned sites and addressing any adverse property impacts.

**Climate Change Regulation**

Climate change regulation is a significant aspect of the operating environment for Canada's oil and gas industry. International agreements, federal initiatives, and provincial programs continue to shape emissions reduction targets, carbon pricing mechanisms, and reporting requirements. Current frameworks include measures such as carbon taxes, emissions caps, and incentives for low-carbon technologies, with ongoing reviews aimed at tightening standards to meet Canada's climate commitments.

***Federal***

Canada is a signatory to the United Nations Framework Convention on Climate Change and ratified the Paris Agreement, committing to reduce greenhouse gas emissions by 30% below 2005 levels by 2030. In 2021, Canada strengthened this target to a 40–45% reduction by 2030 and net-zero emissions by 2050. Canada has also pledged to reduce methane emissions from the oil and gas sector by 75% from 2012 levels by 2030; cap emissions from the oil and gas sector; and phase out thermal coal exports by 2030. At the 2023 United Nations Climate Change Conference, Canada reaffirmed its commitment to transition away from fossil fuels and accelerate greenhouse gas reductions.

The Government of Canada launched the Pan-Canadian Framework on Clean Growth and Climate Change in 2016 and, in 2018, enacted the *Greenhouse Gas Pollution Pricing Act*. This legislation established a federal carbon pricing system composed of two key elements: a fuel charge applied to fossil fuels, and an Output-Based Pricing System ("**OBPS**") for large industrial emitters. The federal regime applied nationwide unless a province or territory implemented a system that met or exceeded federal benchmarks. However, effective April 1, 2025, the federal government introduced regulations that eliminated the federal fuel charge and removed the requirement for provinces and territories to maintain a consumer-facing carbon price.

Canada also regulates methane emissions under the *Federal Methane Regulations*, which came into force in 2020 and initially targeted a 40–45% reduction below 2012 levels by 2025. In December 2023, the federal government proposed amendments to achieve a 75% reduction by 2030, introducing stricter limits, new prohibitions, and continuous monitoring requirements. These amendments are expected to take effect in 2027.

Additional federal measures include the *Multi-Sector Air Pollutants Regulation*, which limits emissions of nitrogen oxides and sulphur dioxide from industrial equipment, and commitments to cap oil and gas sector emissions and phase out thermal coal exports.

The *Canadian Net-Zero Emissions Accountability Act* ("**CNEAA**"), in force since 2021, commits Canada to achieving net-zero emissions by 2050. It establishes rolling five-year emissions reduction targets, requires detailed plans to meet each target, and mandates annual progress reporting.

Under the CNEAA, Canada released its 2030 Emissions Reduction Plan in March 2022, outlining measures to cut emissions 40–45% below 2005 levels by 2030. The plan includes incentives for electric vehicles ("**EV**"), renewable electricity, and an emissions cap for the oil and gas sector.

The federal government continues to implement and revise measures aimed at reducing greenhouse gas emissions, creating ongoing regulatory uncertainty for industry. The *Clean Fuel Regulations*, effective July 2023, impose increasingly stringent carbon-intensity reduction requirements and operate through a compliance credit market, which may affect fuel supply costs and credit availability. The federal Greenhouse Gas Offset Credit System, launched in 2022, allows eligible projects to generate offset credits for use under the federal OBPS, but future protocol development, credit supply, and pricing remain uncertain.

In November 2024, the federal government released the proposed Oil and Gas Emissions Cap, which would establish a sector-wide cap-and-trade system for upstream oil and gas emissions. Although originally expected to take effect in 2026, the November 2025 federal budget introduced significant changes to Canada's climate-policy framework, creating uncertainty about whether the emissions cap will be implemented as proposed, revised, or withdrawn. Changes to federal carbon-pricing requirements, compliance mechanisms and potential new reporting obligations may increase compliance costs and affect Tributary's anticipated operations, investment decisions, and long-term planning.

Canada's Carbon Management Strategy aims to deploy technologies such as carbon capture to help achieve climate targets. As part of this strategy, the federal government has committed $319 million over seven years to research and development. In June 2024, the government enacted the Carbon Capture, Utilization, and Storage Investment Tax Credit, a refundable credit available for eligible projects from January 1, 2022, until December 31, 2040, with a 50% reduction in credit value beginning in 2031.

As discussed under "*Oil Pipelines*", in November 2025, the governments of Canada and Alberta signed an MOU pursuant to which the federal government committed to not implementing the Oil and Gas Emissions Cap and both governments committed to developing sector-specific stringency factors for large Alberta emitters under TIER, concluding an agreement on industrial carbon pricing, and establishing a minimum effective credit price of $130 per tonne.

In February 2026, the federal government introduced an updated national automotive strategy that includes more than $3 billion in planned financial commitments to support industry expansion, modernization, and diversification into additional export markets. As part of this initiative, the federal government will implement a new program to lower the cost of EVs for Canadians, introduce new EV purchase and lease incentives for individuals and businesses, expand charging infrastructure, and advance a broader trade framework intended to enhance the competitiveness of the automotive sector. It also replaces the Electric Vehicle Availability Standard (which required automakers to sell an increasing percentage of zero emission light-duty vehicles, reaching 100% by 2035) with updated greenhouse gas emissions standards and new targets of achieving 75% EV sales by 2035 and 90% by 2040. Tributary will be unable to predict how this new automotive strategy will impact the demand for fossil fuels and Canadian energy products.

***Provincial***

In December 2016, the *Oil Sands Emissions Limit Act* (Alberta) came into force, establishing an annual 100 megatonne limit for GHG emissions from all oil sands sites, but the regulations necessary to enforce the limit have not yet been developed. The delay in drafting these regulations has been inconsequential thus far, as Alberta's oil sands emitted roughly 85 megatonnes of GHG in 2024, well below the 100 megatonne limit.

On January 1, 2020, TIER came into effect for large emitters. It meets the federal benchmark's stringency requirements, allowing relevant facilities to remain under TIER rather than the federal OBPS. Since its introduction, TIER has undergone various amendments and program updates intended to refine compliance mechanisms and maintain alignment with federal benchmark stringency requirements.

In contrast, Saskatchewan and Manitoba do not have provincial equivalents, so the federal OBPS applies in full to their large industrial emitters. British Columbia, having implemented its own provincial OBPS on April 1, 2024, is exempt from the federal system as its program meets federal equivalency standards.

Alberta committed to reducing methane emissions by 45% from 2014 levels by 2025 and achieved this goal three years early. The province enacted the Methane Emission Reduction Regulation on January 1, 2020. Later that year, Alberta and Canada signed a five-year equivalency agreement exempting Alberta from the Federal Methane Regulations. In October 2025, the parties renewed the agreement, with some modifications, extending the exemption through 2030.

***New Brunswick***

In December 2016, New Brunswick released a climate change action plan, "Transitioning to a Low-carbon Economy" (the "**Transition Plan**"). Pursuant to this plan, the province announced that it intended to procure electricity from cleaner generation sources, including renewable sources and the use of renewable technologies, regulate GHG emissions from large industrial facilities, and reduce overall emissions in a manner that

reflects the realities of the New Brunswick economy. Other initiatives under the plan include the phasing out of coal as a source of electricity, investing in new pollution-reduction technology, and increasing progress reporting and oversight by government committees.

The *Electricity Act* requires that 40% of in-province electricity sales in New Brunswick is electricity from renewable sales.

In March 2018, New Brunswick enacted the *Climate Change Act*, which became effective on January 1, 2016. Under the Climate Change Act, New Brunswick committed to lowering its GHG emissions to 14.8 megatonnes by 2020, 10.7 megatonnes by 2030, and 5 megatonnes by 2050, targets that were originally established in the Transition Plan. New Brunswick has already met its 2020 emissions reduction goal. The *Climate Change Act* also established a Climate Change Fund. The legislation did not immediately introduce a carbon pricing system or fuel charge levy. As a result, the output-based emissions trading program for large emitters and federal fuel charge levy applied in the province as of January 1, 2019 and April 1, 2019, respectively. However, the legislation did allow the New Brunswick Minister of Environment and Local Government to enter into agreements with the federal government regarding carbon pricing and funds generated from it.

In December 2019, the federal government announced that it had accepted New Brunswick's proposed fuel charge program. On March 13, 2020, New Brunswick passed two Acts amending the *Gasoline and Motive Fuel Tax Act* (the "**GMTA**") to reflect the terms proposed to the federal government. These amendments received royal assent on March 17, 2020, and the New Brunswick fuel charge took effect on April 1, 2020. Under the GMTA, a charge equivalent to the federal fuel charge applies to the consumption of "carbon emitting products" in the province; however, the provincial government has lowered its excise tax on gasoline such that the net effect of the charge is a $0.02 per litre increase. All revenues from this charge will be invested in climate change initiatives. In addition, the provincial government rebates the fuel charge collected on natural gas to Liberty Utilities, the provincial distributor of natural gas for utilities purposes, which amount is then credited to customers.

On the same day that the amendments to the GMTA received royal assent, an *Act to Amend the Climate Change Act* also received royal assent. These amendments establish the framework for a provincially administered output-based pricing mechanism for industrial emitters. Under this program—deemed to have come into force on January 1, 2019—industrial facilities that emit more than 50,000 tonnes of CO2e per year will be subject to a mandatory emissions reduction requirements and charges for non-compliance. Facilities that emit more than 10,000 tonnes of CO2e but less than 50,000 CO2e may opt-in to the program. Facilities that fail to meet their targets may purchase credits to offset their surplus emissions and facilities that exceed their reductions targets can earn performance credits that they can then sell to other facilities. In September 2020, the Government of Canada notified the Government of New Brunswick that its OBPS for industrial emitters satisfied federal standards. No changes to the provincial OBPS have been announced.

**Indigenous Rights**

Constitutionally mandated government-led consultation with, and if applicable, accommodation of the rights of, Indigenous groups impacted by regulated industrial activity, as well as proponent-led consultation and accommodation or benefit sharing initiatives, play an increasingly important role in the Western Canadian oil and gas industry. In addition, Canada is a signatory to the United Nations Declaration on the Rights of Indigenous Peoples ("**UNDRIP**") and the principles set forth therein may continue to influence the role of Indigenous engagement in the development of the oil and gas industry in Western Canada. For example, in November 2019, the *Declaration on the Rights of Indigenous Peoples Act* ("**DRIPA**") became law in British Columbia. The DRIPA aims to align British Columbia's laws with UNDRIP. In June 2021, the *United Nations Declaration on the Rights of Indigenous Peoples Act* ("**UNDRIP Act**") came into force federally in Canada. Similar to British Columbia's DRIPA, the UNDRIP Act requires the Government of Canada to take all measures necessary to ensure the laws of Canada are consistent with the principles of UNDRIP and to implement an action plan to address UNDRIP's objectives.

As of June 2022, the federal government has sought to implement the UNDRIP Act by, among other things, creating a Secretariat within the Department of Justice to support Indigenous participation in the implementation of UNDRIP (the "**Implementation Secretariat**"), consulting with Indigenous peoples to identify their priorities, drafting an action plan to align federal laws with UNDRIP's, and implementing efforts to educate federal departments on UNDRIP principles. On June 21, 2023, the Implementation Secretariat released Canada's UNDRIP Action Plan (the "**Action Plan**") with respect to aligning federal laws with UNDRIP, which has a 2023-2028 implementation timeframe. In August 2025, the federal government tabled its Fourth Annual Progress Report on the implementation of the UNDRIP Act, which provides various progress updates, including on the implementation of the Action Plan.

The federal government is in the process of developing various regulatory regimes that could create new requirements when doing business with Indigenous groups and on or near First Nation lands, for example, the *National Strategy Respecting Environmental Racism and Environmental Justice Act,* which received royal assent in June 2024 and the new Indigenous co-administration agreement provisions of the *Impact Assessment Act* for which regulations, policy, guidance and procedures are forthcoming.

On June 29, 2021, the B.C. Supreme Court's decision, *Yahey v. British Columbia,* held that cumulative impacts of industrial development on the traditional territory of Blueberry River First Nation ("**BRFN**") breached BRFN's Treaty 8 rights. On January 18, 2023, B.C. and BRFN signed the Blueberry River First Nations Implementation Agreement ("**BRFN Agreement**"), introducing key measures such as a $200 million restoration fund, ecosystem-based land-use planning, limits on new oil and gas development, and revenue-sharing provisions. Under the agreement, BRFN will receive $87.5 million over three years, with potential for additional benefits. In July 2024, BRFN filed a civil claim challenging the first implementation plan, highlighting concerns about execution.

The BRFN Agreement has served as a template for other Treaty 8 arrangements. Later in January 2023, B.C. and four First Nations (Fort Nelson, Saulteau, Halfway River, and Doig River) reached consensus on a collaborative approach to land and resource planning, adopting similar principles to implement cumulative effects management, new land-use plans, and revenue-sharing. However, two of these First Nations later sued the B.C. government, alleging deception, misrepresentation, and withholding of information during negotiations. These disputes underscore the implementation challenges of such agreements.

Similar claims have been brought by First Nations in Alberta, including Beaver Lake Cree Nation's ("**BLCN**") claim against the Government of Alberta in 2008 and Duncan's First Nation's lawsuit against the Government of Alberta in 2022. After years of litigation, the BLCN case led to an SCC decision which established a new legal test for advance costs in public interest litigation. This ruling clarified that First Nations should not have to exhaust community resources or impoverish themselves to pursue constitutional claims, setting an important precedent for access to justice in treaty rights cases. The long-term impacts of these lawsuits on the Canadian oil and gas industry remain uncertain.

Recent British Columbia court decisions have the potential to influence the interpretation of Aboriginal title and the duty to consult framework in the province. In *Cowichan Tribes v Canada (Attorney General)*, the Supreme Court of British Columbia declared portions of the City of Richmond to be subject to Aboriginal title, a finding that raises unresolved questions regarding the interaction between Aboriginal title and existing fee simple ownership. In *Gitxaala v British Columbia (Chief Gold Commissioner)*, the British Columbia Court of Appeal held that British Columbia's DRIPA incorporates UNDRIP into domestic law and creates legally enforceable obligations on the Province, including positive duties to ensure that provincial laws are consistent with UNDRIP. Premier David Eby has since announced plans to amend DRIPA to limit judicial involvement in that process.

While these developments may have limited direct application in Alberta given Alberta's treaty landscape and the absence of province-level UNDRIP implementation legislation, they underscore the rapidly evolving nature of Indigenous rights jurisprudence. Indigenous rights claims may still arise in Alberta on different factual or legal grounds, and these decisions nonetheless highlight the increasing importance of early, proactive, and sustained engagement with Indigenous groups in regulatory, land-use, and project-development contexts.

## RISK FACTORS

Tributary will be subject to both risks that directly affect Tributary's anticipated business and operations, as well as indirect risks that impact third parties or the industry generally. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks that will be associated with Tributary's business, the business of third parties with whom Tributary will conduct business and the crude oil and natural gas business in general. If any event arising from the risk factors set forth below occurs, Tributary's anticipated business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Additional risks and uncertainties not yet known or which currently are considered immaterial may also impair the anticipated business and operations of Tributary and cause the price of the Tributary Shares to decline.

**Readers should carefully consider the risk factors set out below and consider all other information contained herein before making a decision related to Tributary. The risks set out below are not exhaustive and should not be taken as a complete summary or description of all the risks associated with Tributary's business and the oil and natural gas business generally. Readers are also encouraged to carefully consider the risk factors set out in the Information Circular under "*Risk Factors*" in conjunction with the risk factors set out in this Appendix.**

### Risks Relating to the Arrangement

#### *Possible Failure to Realize Anticipated Benefits of the Arrangement and the Tributary Private Placement*

Completing the Arrangement and the Tributary Private Placement is anticipated to position Tributary in the oil and natural gas industry to create opportunity and to realize certain benefits. Achieving the benefits of the Arrangement depends in part on factors that will be outside of Tributary's control, including, but not limited to, commodity prices, regulatory regimes and tax and royalty regimes. The consideration for the Tributary Assets pursuant to the Conveyance Agreements is partially based on engineering and economic assessments made by independent petroleum engineers as well as actual historical financial and operating results. These assessments and historical results include a number of material assumptions and factors regarding matters such as recoverability and marketability of oil, natural gas and NGLs, future prices of oil, natural gas and NGLs, and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and will be beyond the control of the operators of the Tributary Assets, Tributary, Headwater and Tamarack. In particular, changes in the prices of and markets for petroleum, natural gas, NGLs and sulphur from those anticipated at the time of making such assessments will affect the return on the value of the Tributary Shares. In addition, all such assessments involve a measure of geological and engineering uncertainty which could result in lower production and reserves than that attributed to the Tributary Assets.

Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas, future operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and will be beyond the control of Tributary. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher

operating or capital expenditures than anticipated. Although select title and environmental reviews will be conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat Tributary title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the anticipated value of the Tributary Assets and Tributary securities.

**Failure to Complete the Tributary Private Placement**

***Possible Failure to complete the Tributary Private Placement***

There is no assurance that the Tributary Private Placement will be completed or that the number of Tributary Shares or Tributary Units that will be issued pursuant to the Tributary Private Placement will be equal to the anticipated number of Tributary Shares and Tributary Units, respectively. The Tributary Private Placement will be subject to the approval of the TSX, the approval by the Headwater Shareholders at the Headwater Meeting and the approval by the Tamarack Shareholders at the Tamarack Meeting. In the event that the Tributary Private Placement is not completed or that the number of Tributary Shares or Tributary Units issued pursuant to the Tributary Private Placement is less than anticipated, Tributary may need to seek additional debt and/or equity financing. For more details, please see "*Other Matters of Special Business Relating to Tributary – Tributary Private Placement*" in the Information Circular, and "*Available Funds and Principal Purposes*" in this Appendix.

**Other Risks Relating to the Arrangement**

***Forward-Looking Statements May Prove Inaccurate***

Headwater Shareholders, Tamarack Shareholders and prospective investors are cautioned not to place undue reliance on forward-looking statements regarding Tributary. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found under the heading "*Forward-Looking Statements*" in this Appendix and under the heading "*Forward-looking Statements*" in the Information Circular.

For a description of the other risks related to the Arrangement, see the Information Circular under the heading "*Risk Factors*".

**Risks Relating to Tributary and the Tributary Assets**

***Prices, Markets and Marketing***

***Various factors may adversely impact the marketability of oil and natural gas, affecting net production revenue, production volumes and development and exploration activities***

Numerous factors that will be beyond Tributary's control will affect the marketability and price of oil and natural gas acquired, produced, or discovered by Tributary. Tributary's ability to market its oil and natural gas may depend upon its ability to acquire capacity in pipelines that deliver oil and natural gas to commercial markets or contract for the delivery of oil by rail. Deliverability uncertainties related to the distance of Tributary's reserves, as disclosed herein, from pipelines, railway lines, processing and storage facilities; operational problems affecting pipelines, railway lines and processing and storage facilities; and government regulation relating to prices, taxes, tariffs, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business may also affect Tributary.

Oil and natural gas prices may be volatile for a variety of reasons including market uncertainties over the supply and demand of these commodities due to the current state of the world economies, actions of OPEC, political uncertainties including the threat of imposed tariffs on oil and natural gas imports into the United States, sanctions imposed on certain oil producing nations by other countries, the Russian-Ukrainian war, conflicts in the Middle East (including the recent attacks by the U.S. and Israel on Iran and Iranian retaliation), geopolitical developments in Venezuela or other adverse economic or political development in the United States, South America, Europe, or Asia. Additionally, the occurrence or threat of terrorist attacks in the United States or other countries could adversely affect the global economy. Prices of oil and natural gas are also subject to the availability of foreign markets and Tributary's ability to access such markets.

A material decline in prices could result in a reduction of Tributary's anticipated net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes and the value of Tributary's reserves as disclosed herein. Tributary may also elect not to produce from certain wells at lower prices. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on Tributary's anticipated carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects. See "*Industry Conditions – Transportation Constraints and Market Access*" in this Appendix.

Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for, and project the return on, acquisitions and development and exploitation projects.

***Exploration, Development and Production Risks***

***Tributary's future performance may be affected by the financial, operational, environmental and safety risks associated with the exploration, development and production of oil and natural gas***

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Tributary will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, Tributary's reserves as disclosed herein, and the production from them, will decline over time as Tributary produces from such reserves. A future increase in Tributary's reserves will depend on both the ability of Tributary to explore and develop its existing properties and its ability to select and acquire suitable producing properties or prospects. There is no assurance that Tributary will be able to find satisfactory properties to acquire or participate in. Moreover, management of Tributary may determine that current markets, terms of acquisition, or participation or pricing conditions make potential acquisitions or participation uneconomic. There is also no assurance that Tributary will discover or acquire further commercial quantities of oil or natural gas.

Future oil and natural gas exploration may involve unprofitable efforts from dry wells or from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing (including hydraulic fracturing), operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents, shut-ins of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or geological and mechanical conditions. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment and cause personal injury or threaten wildlife. Particularly, it is anticipated that Tributary may explore for and produce sour gas in certain areas. An unintentional leak of sour gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to Tributary.

Oil and natural gas production operations are also subject to geological and seismic risks, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on Tributary's business, financial condition, results of operations and prospects.

As is standard industry practice, Tributary will not be fully insured against all risks, nor are all risks insurable. Although Tributary will maintain liability insurance and business interruption insurance in an amount that it considers consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. See "*Risk Factors – Risks Relating to Tributary and the Tributary Assets – Insurance*" in this Appendix. In either event, Tributary could incur significant costs.

***Trade War***

***The current United States administration has imposed tariffs on imports from various countries including Canada which could have a significant impact on the Canadian economy and the business of Tributary***

Since the inauguration of Donald Trump as president of the United States, the United States has made a number of announcements relating to imposing tariffs on exports from Canada to the United States. The current U.S.-Canada tariff environment remains highly dynamic and uncertain. Legislative or regulatory changes by the Trump administration could materially impact Tributary's anticipated operations and financial condition. In March 2025, the United States imposed a series of tariffs on goods imported from Canada and other countries, triggering a de facto global trade war, and prompting Canada and several trading partners to implement retaliatory measures. Since then, tariff policies have continued to evolve, creating ongoing uncertainty regarding U.S. support for existing trade agreements, including USMCA.

At present, the United States maintains tariffs on a range of Canadian exports, including steel and aluminum, automobiles and automotive parts, copper, lumber, and certain wooden products. Canada has implemented reciprocal tariffs on these categories. Additionally, U.S. tariffs apply to Canadian potash and energy products that do not qualify for USMCA exemptions. On February 20, 2026, SCOTUS issued its decision regarding the authority of the Trump administration to impose U.S. tariffs without congressional approval, ultimately deciding that the President does not have such authority under applicable legislation. In response to the SCOTUS decision, the Trump administration has indicated that it intends to impose alternative tariffs or adopt other trade measures on its trading partners, including Canada. SCOTUS' decision, the Trump's administration's response and the ongoing USMCA review add further uncertainty regarding whether crude oil, natural gas, and NGL exports to the U.S. could ultimately be subject to tariffs or other trade measures. These dynamics influence export costs, market access, and demand for Canadian energy products. The impact of continuing or new tariffs or other trade measures on the Canadian economy and Canadian energy producers is uncertain.

***Market Price of Tributary Shares***

***The trading price of the Tributary Shares may be adversely affected by factors related and unrelated to the oil and natural gas industry***

The trading price of the securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of issuers. Factors unrelated to Tributary's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices and changing perceptions of the oil and natural gas market. In recent years, the volatility of commodities prices has increased due in part to the implementation of computerized trading and the decrease of discretionary commodity trading. In addition, the volatility, trading volume and share price of issuers have been impacted by increasing investment levels in passive funds that track major indices, as such funds only purchase securities included in such indices. Similarly, the market price of the Tributary Shares could be subject to significant fluctuations in response to variations in Tributary's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Tributary Shares will trade cannot be accurately predicted.

***Failure to Realize Anticipated Benefits of Acquisitions and Dispositions***

***The anticipated benefits of acquisitions may not be achieved and Tributary may dispose of non-core assets for less than their carrying value on the financial statements as a result of weak market conditions***

It is anticipated that Tributary will consider acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner and Tributary's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of Tributary. The integration of acquired businesses and assets may require substantial management effort, time and resources diverting management's focus from other strategic opportunities and operational matters. Tributary's management will continually assess the value and contribution of services provided by third parties and the resources required to provide such services. In this regard, non-core assets may be periodically disposed of so Tributary can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of Tributary acquired by way of the Arrangement, if disposed of, may realize less on disposition than their assessed carrying value on the financial statements of Tributary.

***Geopolitical Risks***

***Tributary's business may be adversely affected by political and social events and decisions made in Canada, the United States, Europe, the Middle East and elsewhere***

Tributary's anticipated results may be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third party opposition to industrial activity generally or projects specifically, and duration of regulatory reviews could impact Tributary's planned operations and projects. This will include actions by regulators or other political actors that may delay or deny necessary licences or permits for Tributary's anticipated activities or restrict the operation of third party infrastructure on which Tributary will rely. Additionally, changes in environmental regulations, assessment processes or other laws, and increasing and expanding stakeholder consultation (including Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact Tributary's anticipated results.

In particular, the current U.S.-Canada tariff environment remains highly dynamic and changes to existing tariffs or new trade restrictions could have a material adverse impact on the Canadian economy, the Canadian oil and natural gas industry and Tributary. Refer to "*Risk Factors – Trade War*".

Other government and political factors that could adversely affect Tributary's anticipated financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards or the use of alternative fuels or uncompetitive fuel components could affect Tributary's proposed operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources. The success of these initiatives may decrease demand for Tributary's anticipated products.

A change in federal, provincial, state or municipal governments in Canada or the United States may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry including the balance between economic development and environmental policy. The oil and natural gas industry has become an increasingly politically polarizing topic resulting in a rise in civil disobedience surrounding oil and natural gas development – particularly with respect to infrastructure projects. Protests, blockades and demonstrations may have the potential to delay and disrupt Tributary's anticipated activities. See "*Industry Conditions – Regulatory Authorities and Environmental Regulation" and "Industry Conditions – Transportation Constraints and Market Access*" in this Appendix.

***Middle Eastern Conflicts***

***Tributary's business may be adversely affected by geopolitical conflicts abroad***

Tributary's business may be adversely affected by geopolitical conflicts abroad. Hostilities that began in October 2023 between Israel and Hamas have evolved into a broader regional conflict. The Syrian Assad regime collapsed in late 2025, and the political climate remains in flux.

In June 2025, U.S. airspace strikes targeted Iranian nuclear facilities at Fordow, Natanz, and Isfahan, prompting Iranian missile attacks on U.S. assets in Qatar. A ceasefire between Hamas and Israel has held since mid-2025, but tensions remain high, with sporadic clashes continuing in Gaza and southern Lebanon.

On February 28, 2026, the U.S. and Israel launched a large scale coordinated missile and airstrike campaign across Iran striking multiple military and governmental sites. Supreme Leader Ayatollah Ali Khamenei and various other senior regime leaders were killed in the campaign. Iran immediately retaliated with missile and drone attacks targeting U.S. and Israeli assets across the region as well as neighbouring Middle East countries.

The conflict has disrupted maritime activity in the Strait of Hormuz, a critical global energy transit chokepoint, with shipping curtailed and vessel movements restricted. These conditions have disrupted global energy supply and transportation routes, and any sustained interruption in the Strait of Hormuz may significantly affect supply chains, increase transportation and insurance costs, and contribute to volatility in energy and related markets.

The duration and long-term consequences of the conflict remain uncertain, particularly regarding future Middle Eastern oil and gas output and the movement of those commodities worldwide. Any sustained or intensified conflict could adversely affect global economic conditions, including the Canadian oil and gas industry and Tributary.

***Russian Ukrainian War***

***Tributary's business may be adversely affected by geopolitical conflicts abroad***

Tributary's business may be adversely affected by geopolitical conflicts abroad. Russia's invasion of Ukraine in February 2022 has developed into a prolonged and intense conflict, with heavy fighting continuing in eastern Ukraine and ongoing missile and drone attacks. The North Atlantic Treaty Organization ("**NATO**") and allied nations, including Canada, have provided substantial military and financial support to Ukraine, while maintaining strict sanctions against Russia. Although peace negotiations have advanced, no comprehensive settlement has been reached, and territorial and security issues remain unresolved. These developments pose ongoing risks to regional stability, global energy and industrial supply chains, and international markets, which could negatively impact the world economy, the Canadian oil and gas industry, and Tributary.

***U.S.-Venezuela Conflict***

***Tributary's business may be adversely affected by geopolitical conflicts abroad***

Tributary's business could be adversely impacted by geopolitical developments affecting global oil markets. On January 3, 2026, United States military forces conducted an operation in Caracas, Venezuela, resulting in the capture of President Nicolás Maduro and his spouse, Cilia Flores. Subsequent statements by U.S. leadership indicated an intention to administer Venezuela temporarily and facilitate significant investment by American oil companies in Venezuela's petroleum sector. These actions have drawn widespread international attention, and the extent of resulting political and economic repercussions remains uncertain. Given that the United States is the primary destination for Canadian crude oil exports, increased U.S. access to Venezuela's substantial reserves could reduce U.S. demand for Canadian crude and negatively affect pricing and market competitiveness.

***Operational Dependence***

***The successful operation of a portion of Tributary's proposed properties will depend on third parties***

Tributary could acquire assets where other companies will operate some of the assets and Tributary will have limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect Tributary's anticipated financial performance. Tributary's projected return on assets operated by others will depend upon a number of factors that may be outside of Tributary's control, including, but not limited to, the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

In addition, due to volatile commodity prices, many companies, including companies that may operate some of the assets in which Tributary will have an interest, may encounter financial difficulty. This could impact their ability to fund and pursue capital expenditures, carry out their operations in a safe and effective manner and satisfy regulatory requirements with respect to abandonment and reclamation obligations. If companies that operate some of the assets in which Tributary will have an interest fail to satisfy regulatory requirements with respect to abandonment and reclamation obligations, Tributary may be required to satisfy such obligations and to seek reimbursement from such companies. To the extent that any such companies go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in such assets being shut-in, Tributary potentially becoming subject to additional liabilities relating to such assets and

Tributary having difficulty collecting revenue due from such operators or recovering amounts owing to Tributary from such operators for their share of abandonment and reclamation obligations. Any of these factors could have a material adverse effect on Tributary's anticipated financial and operational results.

***Abandonment and Reclamation Costs***

***Tributary may have to pay certain costs associated with abandonment and reclamation***

Tributary will need to comply with the terms and conditions of environmental and regulatory approvals and all legislation regarding the abandonment of its projects and reclamation of the project lands at the end of their economic life, which may result in substantial abandonment and reclamation costs. Any failure to comply with the terms and conditions of Tributary's approvals and legislation may result in the imposition of potentially material fines and penalties. Generally, abandonment and reclamation costs are substantial and, while Tributary will accrue a reserve in its financial statements for such costs in accordance with IFRS Accounting Standards, such accruals may be insufficient.

It is not possible at this time to estimate abandonment and reclamation costs reliably since they will, in part, depend on future regulatory requirements. In addition, in the future, Tributary may determine it prudent or be required by applicable laws, regulations or regulatory approvals, to establish and fund one or more reclamation funds to provide for payment of future abandonment and reclamation costs. If Tributary establishes a reclamation fund, its liquidity and cash flow may be adversely affected.

Alberta has developed liability management programs designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines if a licensee or permit holder is unable to satisfy its regulatory obligations. The implementation of or changes to the requirements of liability management programs may result in significant increases to the security that must be posted by licensees, increased and more frequent financial disclosure obligations or may result in the denial of licence or permit transfers, which could impact the availability of capital to be spent by such licensees which could in turn materially adversely affect Tributary's anticipated business and financial condition. In addition, these liability management programs may prevent or interfere with a licensee's ability to acquire or dispose of assets, as both the vendor and the purchaser of oil and natural gas assets must comply with the liability management programs (both before and after the transfer of the assets) for the applicable regulatory agency to allow for the transfer of such assets.

***Project Risks***

***The success of Tributary's anticipated operations may be negatively impacted by factors outside of its control resulting in operational delays, and cost overruns***

Tributary will manage a variety of small and large projects in the conduct of its business. Project interruptions may delay expected revenues from operations. Significant project cost overruns could make a project uneconomic. Tributary's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond Tributary's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the availability of, and the ability to acquire, water supplies needed for drilling, hydraulic fracturing, and waterfloods or Tributary's ability to dispose of water used or removed from strata at a reasonable cost and in accordance with applicable environmental regulations;
- the effects of inclement and severe weather events, including fire, drought, extreme cold and flooding;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- regulatory changes;
- availability and productivity of skilled labour;
- political uncertainty;
- environmental and Indigenous activism that may result in delays or cancellations of projects; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, Tributary may be unable to execute projects on time, on budget, or at all.

***Gathering and Processing Facilities, Pipeline Systems, Trucking and Rail***

***Lack of capacity and/or regulatory constraints on gathering and processing facilities, pipeline systems and railway lines may have a negative impact on Tributary's ability to produce and sell its oil and natural gas***

Tributary will deliver its products through gathering and processing facilities and pipeline systems. The amount of oil and natural gas that Tributary is able to produce and sell will be subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems, trucking routes and railway lines. The lack of firm pipeline capacity, production limits and limits on availability of capacity in gathering and processing facilities, pipeline systems or railway lines continues to affect the oil and natural gas industry and limits the ability to

transport produced oil and natural gas to market. In particular, the limited pipeline capacity to tidewater and the lack of liquified natural gas facilities in Canada significantly impacts the ability of Canadian oil and natural gas companies to export their products outside of North America which limits demand for their products and results in lower prices. This limited ability to export oil and natural gas outside of North America puts Canadian oil and natural companies at greater risk with the Trump administration's recent actions relating to tariffs on Canadian imports into the United States. The inability to export oil and natural gas could result in Tributary's inability to realize the full economic potential of its production or in a reduction of the price Tributary receives for its products. Unexpected shutdowns or curtailment of capacity of pipelines for maintenance or integrity work or because of actions taken by regulators could also affect Tributary's anticipated production, operations and financial results.

It is expected that a portion of Tributary's production will, from time to time, be processed through facilities owned by third parties and over which Tributary will not have control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could have a material adverse effect on Tributary's ability to process its anticipated production and deliver the same to market. Midstream and pipeline companies may take actions to maximize their return on investment, which may in turn adversely affect producers and shippers, especially when combined with a regulatory framework that may not always align with the interests of shippers.

***Industry Competition***

***Tributary will compete with other oil and natural gas companies, some of which have greater financial and operational resources***

The petroleum industry is competitive in all of its phases. Tributary will compete with numerous other entities in the exploration for, and the development, production and marketing of oil and natural gas. Tributary's competitors will include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of Tributary. Some of these companies not only explore for, develop and produce oil and natural gas, but also carry on refining operations and market oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than Tributary will. Tributary's ability to increase its reserves in the future will depend not only on its ability to explore and develop its proposed properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, process, methods, and reliability of delivery and storage.

***Cost of New Technologies***

***Tributary's ability to successfully implement new technologies into its anticipated operations in a timely and efficient manner will affect its ability to compete***

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies will have greater financial, technical and personnel resources that allow them to implement and benefit from technological advantages. There can be no assurance that Tributary will be able to respond to such competitive pressures and implement such technologies on a timely basis, or at an acceptable cost. If Tributary does implement such technologies, there is no assurance that Tributary will do so successfully. One or more of the technologies potentially implemented by Tributary in the future may become obsolete. If Tributary is unable to utilize the most advanced commercially available technology, or is unsuccessful in implementing certain technologies, its anticipated business, financial condition and results of operations could also be adversely affected, potentially in a material way.

***Alternatives to and Changing Demand for Petroleum Products***

***Changes to the demand for oil and natural gas products and the rise of petroleum alternatives may negatively affect Tributary's financial condition, results of operations and cash flow***

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and renewable energy generation systems could reduce the demand for oil and natural gas. In recent years, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. Advancements in energy-efficient products have a similar effect on the demand for oil and natural gas products. Tributary will be unable to predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and cash flow by decreasing Tributary's anticipated profitability, increasing its anticipated costs, limiting its access to capital and decreasing the value of the Tributary Assets.

***Regulatory Landscape***

***Modification to current or implementation of additional regulations may reduce the demand for oil and natural gas, increase Tributary's anticipated costs and delay planned operations***

The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for oil and natural gas and increase Tributary's costs, either of which may have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects. Further, third party challenges to regulatory decisions and orders can reduce the efficiency

of the regulatory regime, as the implementation of decisions and orders may be delayed resulting in uncertainty and interruption to the business of the oil and natural gas industry.

To conduct oil and natural gas operations, Tributary will require regulatory permits, licences, registrations, approvals and authorizations from various governmental authorities at the municipal, provincial and federal level. There can be no assurance that Tributary will be able to obtain all of the permits, licences, registrations, approvals and authorizations that may be required to conduct operations that it may wish to undertake. In addition, certain federal legislation such as the *Competition Act* and the *Investment Canada Act* could negatively affect Tributary's anticipated business, financial condition and the market value of Tributary Shares or Tributary's assets acquired by way of the Arrangement, particularly when undertaking, or attempting to undertake, acquisition or disposition activity. See "*Industry Conditions – Regulatory Authorities and Environmental Regulation*" in this Appendix.

***Royalty Regimes***

***Changes to royalty regimes may negatively impact Tributary's anticipated cash flows***

Governments in the jurisdictions in which Tributary will have assets may adopt new royalty regimes, or modify the existing ones, which may affect the economic viability of Tributary's anticipated projects. An increase in royalties would reduce Tributary's earnings and could make future capital investments or operations, less economic. See "*Industry Conditions – Royalties and Incentives"* in this Appendix.

***Waterflood***

***Regulatory water use restrictions and/or limited access to water or other fluids may impact Tributary's production volumes from its waterflood***

It is anticipated that Tributary will undertake certain waterflooding programs which involve the injection of water or other liquids into an oil reservoir to increase production from the reservoir and to decrease production declines. To undertake such waterflooding activities Tributary will need to have access to sufficient volumes of water, or other liquids, to pump into the reservoir to increase the pressure in the reservoir. There is no certainty that Tributary will have access to the required volumes of water. In addition, in certain areas there may be restrictions on water use for activities such as waterflooding. If Tributary is unable to access such water it may not be able to undertake waterflooding activities, which may reduce the amount of oil and natural gas that Tributary is ultimately able to produce from its reservoirs. In addition, Tributary may undertake certain waterflood programs that ultimately prove unsuccessful in increasing production from the reservoir and as a result have a negative impact on Tributary's results of operations.

***Availability of Water***

***Lack of availability of water may affect Tributary's ability to implement various processes***

Tributary plans to use water in certain operations, including drilling, completions, and waterflooding, and reduced availability could adversely affect its business. Alberta continues to face drought risks following several warm, dry winters. In April 2024, the province entered voluntary water-sharing agreements with major licensees in southern Alberta river basins to mitigate drought impacts, and in 2025 introduced a Drought Response Plan and changes to water licence transfer rules to improve flexibility. Despite these measures, prolonged drought or stricter water allocation requirements could lead to operational delays, increased costs, or other adverse effects on Tributary's financial condition.

***Environmental Regulation***

***Compliance with environmental regulations may require the dedication of a portion of Tributary's financial and operational resources***

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, the initiation and approval of new oil and natural gas projects, and restrictions and prohibitions on the spill, release or emission of various substances produced in association with oil and natural gas industry operations. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites. New environmental legislation at the federal and provincial levels may increase uncertainty among oil and natural gas industry participants as the new laws are implemented, and the effects of the new rules and standards are felt in the oil and natural gas industry. See "*Industry Conditions – Regulatory Authorities and Environmental Regulation*" in this Appendix.

Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liabilities and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Tributary to incur costs to remedy such discharge. In November 2024, the federal government published a draft of the proposed *Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations*, which, if enacted as drafted, would cap emissions from a range of industrial activities in the oil and gas sector, establish a cap-and-trade system for emissions allowances, and require facility operators to comply with various reporting and remittance obligations. Such proposed regulations, which could affect investor confidence, increase decarbonization initiatives and lead to production cuts, are expected to be finalized in and come into force in 2026.

Although it is expected that Tributary will be in material compliance with current applicable environmental legislation, no assurance can be given that environmental compliance requirements will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects.

***Greenwashing Legislation***

***Anti-greenwashing rules introduce risk into making certain environmental-related disclosures***

Amendments to the *Competition Act* introduced in June 2024 prohibit companies from making false or misleading environmental claims. The new rules are complex and uncertain, and initially led many companies to suspend voluntary sustainability reporting. While private rights of action for greenwashing came into effect in June 2025, *Budget 2025 Implementation Act, No. 1* subsequently removed this access and clarified substantiation requirements to address unintended consequences. Despite these improvements, the regulatory landscape continues to evolve and penalties for non-compliance remain significant, including up to the greater of $10 million for a first order, $15 million for subsequent orders, or 3% of global annual revenues. Companies making voluntary environmental disclosures face ongoing risk of liability and reputational harm.

***Climate Change***

***Climate change concerns could result in increased operating costs and reduced demand for Tributary's proposed products and shares, while the potential physical effects of climate change could disrupt Tributary's anticipated production and cause it to incur significant costs in preparing for or responding to those effects.***

Global climate issues continue to attract public and scientific attention. Numerous reports, including reports from the United Nations Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially fossil fuel combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of GHG, including emissions of carbon dioxide and methane from the production and use of oil and natural gas. The majority of countries, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement and in November 2025 at COP30 in Brazil, Canada reaffirmed its commitments to transitioning away from fossil fuels in line with the Paris Agreement. As discussed below, Tributary will face both transition risks and physical risks associated with climate change and climate change policy and regulations. See "*Industry Conditions – Climate Change Regulation*" in this Appendix.

*Transition risks*

Foreign and domestic governments continue to evaluate and implement policy, legislation, and regulations focused on restricting GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. It is not possible to predict what measures foreign and domestic governments may implement in this regard, nor is it possible to predict the requirements that such measures may impose or when such measures may be implemented. However, international multilateral agreements, the obligations adopted thereunder and legal challenges concerning the adequacy of climate-related policy brought against foreign and domestic governments may accelerate the implementation of such measures. Given the evolving nature of climate change policy and the control of GHG emissions and resulting requirements, including carbon taxes and carbon pricing schemes implemented by varying levels of government, it is expected that current and future climate change regulations will have the effect of increasing Tributary's production expenses, and, in the long-term, potentially reducing the demand for oil and natural gas and related products, resulting in a decrease in Tributary's profitability and a reduction in the value of its proposed assets.

Claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public nuisance under certain laws or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. Individuals, governmental authorities, or other organizations may make claims against oil and natural gas companies, including Tributary, for alleged personal injury, property damage, or other potential liabilities. Tributary could be named in actions making similar allegations. An unfavourable ruling in any such case could adversely affect the demand for and price of Tributary's securities, impact its operations and have an adverse impact on its financial condition.

Due to long-term risks from environmental policy changes, regulations, legal challenges, and market shifts related to climate change, recent efforts have targeted the financial sector. Investment advisors, banks, pension funds, universities, and other institutional investors are engaging companies on climate action, using voting rights, and reallocating capital toward low-carbon assets while divesting from high-emission businesses. Stakeholders are also pressuring insurers and banks to stop financing or insuring oil, gas, and related infrastructure. These efforts may negatively impact Tributary's operations, securities demand and pricing, and its cost and access to capital.

Climate-related regulations and reporting standards continue to evolve. In June 2023, the International Sustainability Standards Board ("**ISSB**") issued two global disclosure standards, IFRS S1 and S2, to promote consistent, comparable, and reliable environmental reporting. In December 2024, the Canadian Sustainability Standards Board finalized similar Canadian sustainability disclosure standards, CSDS 1 and CSDS 2 (the "**Canadian Standards**"). In December 2025, the ISSB announced targeted amendments to IFRS S2; whether the Canadian Standards will be revised remains uncertain. Meanwhile, in April 2025, due to significant changes in the global economic and geopolitical landscape, the Canadian Securities Administrators paused work on its own climate disclosure initiative. If Tributary is not able to meet future climate-related reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to

attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital, may be adversely affected. See "*Industry Conditions – Climate Change Regulation*" in this Appendix.

*Physical risks*

The potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope, and severity of potential impacts. Many experts believe global climate change could increase extreme variability in weather patterns such as increased frequency of severe weather, rising mean temperature and sea levels, and long-term changes in precipitation patterns. Extreme hot and cold weather, heavy snowfall, heavy rainfall, drought and wildfires may restrict Tributary's ability to access its proposed properties and cause operational difficulties, including damage to equipment and infrastructure. Extreme weather also increases the risk of personnel injury as a result of dangerous working conditions. Certain of Tributary's assets acquired by way of the Arrangement, will be proximate to forests and rivers and a wildfire or flood may lead to significant downtime and/or damage to such assets or cause disruptions to the production and transport of its products or the delivery of goods and services in its supply chain.

***Indigenous Land and Rights Claims***

***Opposition by Indigenous groups to the conduct of Tributary's operations, development or exploratory activities may negatively impact Tributary***

Opposition by Indigenous groups to the conduct of Tributary's anticipated operations, development or exploratory activities in any of the jurisdictions in which Tributary will conduct business may negatively impact it in terms of public perception, diversion of management's time and resources, and legal and other advisory expenses, and could adversely impact Tributary's progress and ability to explore and develop properties.

Some Indigenous groups across Canada have established and asserted treaty entitlements, title to land and Aboriginal rights. Although there are no treaty, title or rights claims on lands where Tributary will operate, no certainty exists that any lands currently unaffected by such claims brought by Indigenous groups will remain unaffected by future claims. Such claims, if successful, could have a material adverse effect on its operations or pace of growth.

The Canadian federal and provincial governments have a duty to consult with Indigenous peoples when contemplating actions that may adversely affect asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate them. The scope of the duty to consult by federal and provincial governments varies upon the circumstances and is often the subject of litigation. The fulfillment of the duty to consult Indigenous peoples and any associated accommodations may adversely affect Tributary's ability to, or increase the timeline to, obtain or renew, permits, leases, licences and other approvals, or to meet the terms and conditions of those approvals. In 2021, the British Columbia Supreme Court determined that the cumulative impacts of government sanctioned industrial development on the traditional territories of a First Nation in northeast British Columbia breached that group's treaty rights. In 2023, the Government of British Columbia and the First Nation came to an agreement relating to further industrial activities in the area. The developments in northeastern British Columbia relating to Indigenous rights may lead to similar claims of cumulative effects across Canada in other areas covered by treaties. The long-term impacts and associated risks of the decision on the Canadian oil and natural gas industry and Tributary remain uncertain.

The federal government has enacted federal legislation to implement the UNDRIP and British Columbia has adopted similar provincial legislation under the DRIPA. The practical implications of these statutes have remained uncertain; however, recent judicial decisions in 2025 provide important guidance.

In February 2025, the Federal Court in *Kebaowek First Nation v Canadian Nuclear Laboratories* directed a decision-maker to reconsider whether the duty to consult and accommodate had been satisfied in light of UNDRIP principles. In December 2025, the British Columbia Court of Appeal in *Gitxaala v British Columbia (Chief Gold Commissioner)* held that DRIPA imposes immediate, positive statutory obligations on the provincial government, including taking concrete and diligent steps to align provincial laws with UNDRIP. British Columbia Premier, David Eby, has since announced that the government plans to amend DRIPA to remove the courts' ability to scrutinize that alignment process.

Although the scope of UNDRIP implementation continues to evolve, these recent decisions demonstrate a judicial willingness to confer substantive legal effect on UNDRIP both in British Columbia and federally. Additional processes may be created and legislation associated with project development and operations may be amended or introduced, further increasing uncertainty with respect to project regulatory approval timelines and requirements. See "*Industry Conditions – Indigenous Rights*" in this Appendix.

***Inflation and Interest Rates***

***A failure to secure the services and equipment necessary to Tributary's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on Tributary's financial performance and cash flows***

Tributary's anticipated financial performance and cash flows may be adversely affected by inflationary pressures and fluctuations in interest rates. Inflation can lead to increased operating costs through higher prices for labour, equipment, materials, and services, as well as contribute to supply chain disruptions and regulatory changes. If Tributary is unable to effectively manage these cost increases, project economics and future development decisions may be negatively impacted.

Although interest rates have begun to decline, they remained elevated for an extended period as central banks implemented measures to curb inflation. Higher borrowing costs during these periods may affect Tributary's anticipated financing expenses and reduce returns on capital projects. Sustained periods of elevated interest rates can also slow economic growth, reduce energy demand, depress commodity prices, and limit industry activity. The duration and combined impact of inflationary pressures and interest rate volatility on energy demand, commodity pricing, and the Tributary's anticipated operations remain uncertain.

***Forest and Wild Fires***

***Tributary's anticipated oil and natural gas operations could be disrupted and its equipment and other assets could be damaged or destroyed by wild fires***

Certain of Tributary's anticipated operations may occur in heavily forested areas in Alberta. Such areas are subject to forest fires in hot and dry summer months. Forest or other wild fires in close proximity to Tributary's anticipated operations may result in a reduction of drilling and exploratory activities and may also result in the shut-in of some of Tributary's anticipated production. In addition, forest or other wild fires may restrict access to properties in which Tributary is expected to have an interest and cause operational difficulties. Forest or other wild fires can also cause damage to equipment and infrastructure, personnel injury and loss of life.

***Variations in Foreign Exchange Rates and Interest Rates***

***Variations in foreign exchange rates and interest rates could adversely affect Tributary's financial condition***

World oil and natural gas prices are quoted in United States dollars. The Canadian/United States dollar exchange rate, which fluctuates over time, consequently affects the price received by Canadian producers of oil and natural gas. Material increases in the value of the Canadian dollar relative to the United States dollar will negatively affect Tributary's anticipated production revenues. Accordingly, exchange rates between Canada and the United States could affect the future value of Tributary's reserves, acquired by way of the Arrangement, as determined by independent evaluators. Although a low value of the Canadian dollar relative to the United States dollar may positively affect the price Tributary receives for its anticipated oil and natural gas production, it could also result in an increase in the price for certain goods used in Tributary's anticipated operations, which may have a negative impact on Tributary's anticipated financial results.

To the extent that Tributary will engage in risk management activities related to foreign exchange and interest rates, there is a credit risk associated with counterparties with which Tributary may contract.

An increase in interest rates could result in a significant increase in the amount Tributary is currently projected to pay to service debt, resulting in a reduced amount of funds available to fund its exploration and development activities, and if applicable, the cash available for dividends. Such an increase could also negatively impact the market price of the Tributary Shares.

***No Prior Public Market for Tributary Shares***

Prior to the listing of the Tributary Shares on the TSX, no public market will exist for the Tributary Shares. Tributary has applied to list the Tributary Shares (including all Tributary Shares issuable upon exercise of the Tributary Arrangement Warrants and the Tributary Private Placement Warrants) and the Tributary Arrangement Warrants on the TSX. Listing of the Tributary Shares and Tributary Arrangement Warrants will be subject to Tributary meeting and fulfilling all listing requirements of the TSX and there is no assurance that Tributary will meet such listing requirements. The TSX has not conditionally approved Tributary's listing application as of the date of the Information Circular and there can be no assurance that the TSX will approve the listing application or that the Tributary Shares or Tributary Arrangement Warrants will be listed on the TSX. A failure to list the Tributary Shares on the TSX could result in a determination that the Tributary Shares are not qualified investments under the Tax Act for deferred plans and would likely render such Tributary Shares "taxable Canadian property" for purposes of the Tax Act. An active and liquid market for the Tributary Shares may not develop following completion of the Arrangement or, if developed, may not be maintained. If an active and liquid market does not develop or is not maintained, Tributary Shareholders may have difficulty selling their Tributary Shares.

***Substantial Capital Requirements***

***Tributary's access to capital may be limited or restricted as a result of factors related and unrelated to it, impacting its ability to conduct future operations, and acquire and develop reserves***

It is anticipated that Tributary will be making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. As future capital expenditures will be financed out of cash generated from operations, borrowings, proceeds from asset sales and possible future equity sales, Tributary's ability to do so is dependent on, among other factors:

- the overall state of the capital markets;
- Tributary's credit rating (if applicable);
- commodity prices;
- interest rates;
- royalty rates;
- tax burden due to current and future tax laws; and

- investor appetite for investments in the energy industry and Tributary's securities.

Further, if Tributary's anticipated revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. The conditions in, or those affecting, the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies to access financing and/or the cost thereof. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Tributary. If this occurs, Tributary may be required to seek additional equity financing on terms that are highly dilutive to existing shareholders. The inability of Tributary to access sufficient capital for its operations could have a material adverse effect on Tributary's anticipated business financial condition, results of operations and prospects.

***Additional Funding Requirements***

***Tributary may require additional financing from time to time to fund the acquisition, exploration and development of properties and its ability to obtain such financing in a timely fashion and on acceptable terms may be negatively impacted by current economic conditions and global market volatility***

Tributary's cash flow from its reserves, as disclosed herein, may not be sufficient to fund its ongoing activities at all times and, from time to time, Tributary may require additional financing in order to carry out oil and natural gas acquisition, exploration and development activities. Failure to obtain financing on a timely basis could cause Tributary to forfeit its interest in its proposed properties, miss certain acquisition opportunities and reduce its operations.

As a result of global economic and political volatility, Tributary may, from time to time, have restricted access to capital and increased borrowing costs. Failure to obtain suitable financing on a timely basis could cause Tributary to forfeit its interest in proposed properties, miss certain acquisition opportunities and reduce or terminate its anticipated operations. If Tributary's revenues from its reserves, as disclosed herein, decrease as a result of lower oil and natural gas prices or otherwise, it will affect Tributary's ability to expend the necessary capital to replace its reserves or to maintain its production. To the extent that external sources of capital become limited, unavailable or available on onerous terms, Tributary's ability to make capital investments and maintain existing assets acquired by way of the Arrangement may be impaired, and its anticipated assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of Tributary's proposed petroleum properties may require additional financing and there are no assurances that such financing will be available or, if available, will be available upon acceptable terms. Alternatively, any available financing may be highly dilutive to existing shareholders. Failure to obtain any financing necessary for Tributary's capital expenditure or acquisition plans may result in a delay in development of or production from Tributary's proposed properties.

***Asset Concentration***

***Tributary's anticipated operations and drilling activities are vulnerable to risks associated with operating in a limited geographic area***

The main producing properties anticipated to be conveyed to Tributary pursuant to the Arrangement are geographically concentrated in the Province of New Brunswick. Demand for and costs of personnel, equipment, power, services, and resources in such geographic area remain high. This high level of demand could result in a delay or inability to secure such personnel, equipment, power, services, and resources. Any delay or inability to secure the personnel, equipment, power, services or resources could result in oil and natural gas production volumes being below Tributary's forecasts. In addition, any such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on Tributary's anticipated financial conditions, results of operations, cash flow, and profitability.

As a result of this anticipated geographical concentration, Tributary may be disproportionately exposed to the impact of delays or interruptions of operations or production in this area caused by external factors such as governmental regulation, provincial politics, Indigenous rights claims, market limitations, supply shortages, or extreme weather-related conditions.

***Credit Facility Arrangements***

***Failing to comply with covenants under a credit facility could result in restricted access to additional capital or being required to repay all amounts owing thereunder***

Should the Arrangement be completed, it is expected that Tributary will have a credit facility available to it; however, there is no certainty that such credit facility will be finalized and approved. Alternatively, even if such credit facility is approved, such credit facility may provide for a lesser amount of borrowing capacity than anticipated. Tributary is expected to require credit facilities from time to time, as needed to fund its operations and meet its financial obligations. Tributary will be required to comply with covenants under these credit facilities, which will include certain financial ratio tests, which, from time to time, will either affect the availability, or price, of additional funding. If Tributary does not comply with these covenants, Tributary's access to capital could be restricted or repayment could be required. Events beyond Tributary's control may contribute to Tributary's failure to comply with such covenants. A failure to comply with covenants could result in default under credit facilities which could result in Tributary being required to repay amounts owing thereunder. The acceleration of indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the terms of a credit facility may impose operating and financial restrictions on Tributary that could include restrictions on the payment of dividends, repurchase

or making of other distributions with respect to Tributary's securities, incurring of additional indebtedness, the provision of guarantees, the assumption of loans, making of capital expenditures, the entering into of amalgamations, mergers, take-over bids or acquisitions, and the disposition of assets, among others.

If Tributary is unable to obtain a credit facility either at all or in an amount less than expected it could impact Tributary's expected activities and capital expenditure plans. If Tributary ultimately borrows money under any credit facility, a lender could require repayment of all or a portion of an amount outstanding under such credit facility for any reason, including for a default of a covenant. There is no certainty that Tributary would be in a position to make such repayment. Even if Tributary was able to obtain new financing in order to make any required repayment under a credit facility, such financing may not be on commercially reasonable terms, or terms that are acceptable to Tributary. If Tributary were unable to repay amounts owing under a credit facility, a lender could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness.

***Issuance of Debt***

***Increased debt levels may impair Tributary's ability to borrow additional capital on a timely basis to fund opportunities as they arise***

It is anticipated that Tributary may enter into transactions to acquire assets or shares of other organizations. These transactions may be financed in whole or in part with debt, which could increase Tributary's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, Tributary may require additional debt financing that may not be available or, if available, may not be available on favourable terms. Neither Tributary's articles nor its by-laws will limit the amount of indebtedness that Tributary may incur. The level of Tributary's indebtedness from time to time could impair Tributary's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

***Hedging***

***Hedging activities expose Tributary to the risk of financial loss and counter-party risk***

From time to time, it is anticipated that Tributary might enter into agreements to receive fixed prices or derivative contracts on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that Tributary engages in price risk management activities to protect itself from commodity price declines, it may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, Tributary's hedging arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the hedged volumes or prices fall significantly lower than projected;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement;
- the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil or natural gas prices.

Similarly, from time to time it is anticipated that Tributary may enter into agreements to fix the exchange rate of Canadian dollars to United States dollars or other currencies in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to other currencies. However, if the Canadian dollar declines in value compared to such fixed currencies, Tributary would not benefit from the fluctuating exchange rate.

***Diluent Supply***

***A decrease in, or restriction in access to, diluent supply may increase Tributary's operating costs***

Heavy crude oil and bitumen are characterized by high specific gravity or weight and high viscosity or resistance to flow. Diluent is required to facilitate the transportation of heavy crude oil and bitumen. A shortfall in the supply of diluent, or a restriction in access to diluent, may cause its price to increase, increasing the cost to transport heavy crude oil and bitumen to market. An increase to the cost of bringing heavy crude oil and bitumen to market may increase Tributary's anticipated operating cost and result in decreased net revenues, negatively impacting the overall profitability of Tributary's heavy crude oil and bitumen projects.

***Title to and Right to Produce from Assets***

***Defects in the title or rights to produce Tributary's properties may result in a financial loss***

Tributary's actual title to and interest in its proposed properties, and its right to produce and sell the crude oil and natural gas therefrom, may vary from Tributary's records. In addition, there may be valid legal challenges or legislative changes that affect Tributary's title to and right to produce from its oil and natural gas properties acquired by way of the Arrangement, which could impair Tributary's activities and result in a reduction of the revenue received by Tributary.

If a defect exists in the chain of title or in Tributary's right to produce, or a legal challenge or legislative change arises, it is possible that Tributary may lose all or a portion of the properties to which the title defect relates and/or its right to produce from such properties. This may cause a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects at that time.

***Reserves Estimates***

***Tributary's estimated reserves, as disclosed herein, are based on numerous factors and assumptions which may prove incorrect and which may affect Tributary***

There are numerous uncertainties inherent in estimating reserves, and the future cash flows attributed to such reserves. The reserves and associated cash flow information set forth in this document are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) and the future net cash flows from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- historical production from properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Tributary's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future is often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas are often estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in potentially material variations in the estimated reserves.

In accordance with applicable securities laws, Tributary's independent reserves evaluator has used forecast prices and costs in estimating the reserves and future net cash flows as summarized herein. Actual future net cash flows will be affected by other factors, including actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation and taxation and the impact of inflation on costs.

Actual production and cash flows derived from Tributary's oil and natural gas reserves, as disclosed herein, will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities Tributary intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The reserve evaluation is effective as of a specific effective date and, except as may be specifically stated, has not been updated and therefore does not reflect changes in Tributary's reserves since that date.

***Insurance***

***Not all risks of pursuing oil and natural gas opportunities are insurable and the occurrence of an uninsurable event may have a materially adverse effect on Tributary***

Tributary's anticipated involvement in the exploration for and development of oil and natural gas properties may result in Tributary becoming subject to liability for pollution, blowouts, leaks of sour gas, property damage, personal injury or other hazards. Although Tributary will maintain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, certain risks are not, in all circumstances, insurable or, in certain circumstances, Tributary may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to Tributary. The occurrence of a significant event that Tributary is not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects.

Tributary's insurance policies will be generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, policy limits and/or deductibles for certain insurance policies can vary substantially. In some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. Significantly increased costs could lead Tributary to decide to reduce or possibly eliminate,

coverage. In addition, insurance is purchased from a number of third-party insurers, often in layered insurance arrangements, some of which may discontinue providing insurance coverage for their own policy or strategic reasons. Should any of these insurers refuse to continue to provide insurance coverage, Tributary's overall risk exposure could be increased and Tributary could incur significant costs.

***Reputational Risk Associated with Tributary's Operations***

***Tributary will rely on its reputation to operate and to attract and retain investors and employees***

Tributary's anticipated business, operations or financial condition may be negatively impacted by any negative public opinion toward Tributary or as a result of any negative sentiment toward, or in respect of, Tributary's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which Tributary will operate as well as such groups' opposition to certain oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences and increased costs and/or cost overruns. Tributary's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the oil and natural gas industry, particularly other producers, over which Tributary has no control. Similarly, Tributary's reputation could be impacted by negative publicity related to loss of life, injury or damage to property and the environment caused by Tributary's operations. In addition, if Tributary develops a reputation of having an unsafe work site, this may impact the ability of Tributary to attract and retain the necessary skilled employees and consultants to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate-related litigation against governments and fossil fuel companies may impact Tributary's reputation. See "*Risk Factors – Risks Relating to Tributary and the Tributary Assets – Climate Change*" in this Appendix.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, will all have to be managed effectively to safeguard Tributary's reputation. Damage to Tributary's reputation could result in negative investor sentiment toward Tributary, which may result in limiting Tributary's access to capital, increasing the anticipated cost of capital, and decreasing the price and liquidity of Tributary's securities.

***Changing Investor Sentiment***

***Changing investor sentiment toward the oil and natural gas industry may impact Tributary's access to, and cost of capital***

A number of factors, including the concerns of the effects of the use of fossil fuels on climate change, the impact of oil and natural gas operations on the environment, environmental damage resulting from spills of petroleum products during production and transportation and Indigenous rights, have affected certain investors' sentiments toward the oil and natural gas industry. As a result of these concerns, some institutional, retail and public investors have announced that they are no longer willing to fund or invest in oil and natural gas properties or companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices may involve significant costs and require a significant time commitment from the incoming Board, management and employees of Tributary. Failing to implement the policies and practices as requested by institutional investors, may result in such investors reducing their investment in Tributary, or not investing in Tributary at all. Any reduction in the investor base willing to invest in the oil and natural gas industry and more specifically, Tributary, may limit Tributary's access to capital, thereby increasing the cost of capital, and decreasing the price and liquidity of Tributary's securities even if Tributary's operating results, underlying asset values or prospects have not changed.

***Dilution***

***Tributary may issue additional Tributary Shares, diluting current shareholders***

Tributary may make future acquisitions or enter into financings or other transactions involving the issuance of securities of Tributary which may be dilutive to shareholders.

***Management of Growth***

***Tributary may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls***

The ability of Tributary to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Tributary to deal with this growth may have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects.

***Expiration of Licences and Leases***

***Tributary, or its potential working interest partners, may fail to meet the requirements of a licence or lease in the future, causing its termination or expiry***

Tributary's proposed properties will be held in the form of licences and leases and working interests in licences and leases. If Tributary or the holder of a licence or lease fails to meet a specific requirement of the licence or lease, the licence or lease may terminate or expire. There can be

no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of Tributary's licences or leases or the working interests relating to a licence or lease and the associated abandonment and reclamation obligations may have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects.

***Dividends***

***The payment of dividends in the future by Tributary will be dependent on a number of factors***

Tributary does not currently intend to pay dividends on the Tributary Shares. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of Tributary, the need for funds to finance ongoing operations and other considerations, as the Tributary Board considers relevant. See "*Dividend Policy*" in this Appendix.

***Litigation***

***Tributary may be involved in litigation in the course of its normal operations and the outcome of the litigation may adversely affect Tributary and its reputation***

In the normal course of Tributary's anticipated operations, it may become involved in, be named as a party to, or be the subject of, legal proceedings, including regulatory proceedings, tax proceedings or legal actions. Potential litigation may develop in relation to personal injuries, including resulting from exposure to hazardous substances, property damage, property taxes, land and access rights, or environmental issues, including claims relating to contamination or natural resource damages and contract disputes. The outcome with respect to future proceedings cannot be predicted and may be determined adversely to Tributary and could have a material adverse effect on Tributary's assets, liabilities, business, financial condition and results of operations at such time. Even if Tributary prevailed in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse effect on Tributary's financial condition.

***Breach of Confidentiality***

***Breach of confidentiality by a third party could impact Tributary's competitive advantage or put it at risk of litigation***

While discussing potential business relationships or other transactions with third parties, Tributary may disclose confidential information relating to its business, operations or affairs. Although confidentiality agreements are generally signed by third parties prior to the disclosure of any confidential information, a breach could put Tributary at competitive risk and may cause significant damage to its business. The harm to Tributary's anticipated business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, Tributary would be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

***Income Taxes***

***Taxation authorities may reassess Tributary's tax returns***

Tributary will file all required income tax returns as they become due and believes that it is in full compliance with the provisions of the Tax Act and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of Tributary, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Income tax laws relating to the oil and natural gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that adversely affects Tributary. Furthermore, tax authorities that will have jurisdiction over Tributary may disagree with how Tributary calculates its income for tax purposes or could change administrative practices to Tributary's detriment.

***Third Party Credit Risk***

***Tributary is exposed to credit risk of third party operators or partners of properties in which it has an interest***

Should the Arrangement be completed, Tributary may be exposed to third party credit risk through its contractual arrangements with future joint venture partners, marketers of its oil and natural gas production and other parties. In addition, Tributary may be exposed to third party credit risk from operators of properties in which Tributary will have a working or royalty interest. In the event such entities fail to meet their contractual or other obligations to Tributary, such failures may have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry, generally, and of Tributary's future joint venture partners may affect a joint venture partner's willingness to participate in Tributary's anticipated capital program, potentially delaying the program and the results of such program until Tributary finds a suitable alternative partner. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in Tributary being unable to collect all or a portion of any money owing from such parties. Any of these factors could materially adversely affect Tributary's anticipated financial and operational results.

***Conflicts of Interest***

***Conflicts of interest may arise for Tributary's directors and officers who are also involved with other industry participants***

It is anticipated that certain directors or officers of Tributary may also be directors or officers of other oil and natural gas companies and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with Tributary to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

***Reliance on a Skilled Workforce and Key Personnel***

***An inability to recruit and retain a skilled workforce and key personnel may negatively impact Tributary***

The operation and management of Tributary will require the recruitment and retention of a skilled workforce, including engineers, technical personnel and other professionals. The loss of key members of such workforce, or a substantial portion of the workforce as a whole, could result in the failure to implement Tributary's business plans which could have a material adverse effect on Tributary's anticipated business, financial condition, results of operations and prospects.

Competition for qualified personnel in the crude oil and natural gas industry is intense and there can be no assurance that Tributary will be able to attract and retain all personnel necessary for the development and operation of its business. Tributary will not have any key personnel insurance in place. Contributions of Tributary's incoming management team to the immediate and near-term operations of Tributary are likely to be of central importance. In addition, certain of Tributary's incoming employees will be senior and have significant institutional knowledge that will have to be transferred to other employees prior to their departure from the workforce. If Tributary is unable to: (i) retain its employees; (ii) successfully complete effective knowledge transfers; and/or (iii) recruit new employees with the requisite knowledge and experience, Tributary could be negatively impacted. In addition, Tributary may experience increased costs to retain and recruit these professionals in the future. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the incoming management of Tributary.

***Information Technology Systems and Cyber-Security***

***Breaches of Tributary's cyber-security and loss of, or access to, electronic data may adversely impact Tributary's operations and financial position***

Tributary will be dependent upon the availability, capacity, reliability and security of its information technology infrastructure and its ability to expand and continually update this infrastructure, to conduct daily operations. Tributary will depend on various information technology systems to estimate reserve quantities, process and record financial data, manage Tributary's land base, manage financial resources, analyze seismic information, administer contracts with operators and lessees and communicate with employees and third-party partners.

Further, Tributary will be subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of Tributary's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to Tributary's business activities or Tributary's competitive position.

Phishing attacks (i.e., fraudulent attempts to obtain sensitive information such as passwords, financial details, or funds) have become increasingly sophisticated. A successful attack could result in loss of financial resources, theft of critical data, or compromise of Tributary's anticipated technology infrastructure. Employees are frequent targets, often through emails that appear legitimate but direct recipients to fraudulent websites, request confidential information, or install malware such as "Trojan horse" programs.

Increasingly, social media is used as a vehicle to carry out phishing attacks. Information posted on social media sites for business or personal purposes may be used by attackers to gain entry into Tributary's anticipated systems and obtain confidential information. Tributary plans to restrict the social media access of its employees through social media guidelines. However, as social media continues to grow in influence and access to social media platforms becomes increasingly prevalent, there are significant risks that Tributary may not be able to properly regulate social media use and preserve adequate records of business activities and client communications conducted through the use of social media platforms.

Tributary will maintain policies and procedures that address and implement employee protocols with respect to electronic communications and electronic devices and conduct annual cyber-security risk assessments. Tributary will also employ encryption protection of its confidential information, and all its computers and other electronic devices. Despite Tributary's planned efforts to mitigate such phishing attacks through education and training, phishing activities will remain a serious problem that may damage its information technology infrastructure. Tributary will apply technical and process controls in line with industry-accepted standards to protect its information, assets and systems, including a written incident response plan for responding to a cyber-security incident. However, these controls may not adequately prevent cyber-security breaches. Disruption of critical information technology services, or breaches of information security, could have a negative effect on Tributary's performance and earnings, as well as on reputation, and any damages sustained may not be adequately covered by Tributary's insurance coverage, or at all. The

significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on Tributary's anticipated business, financial condition and results of operations.

Tributary's anticipated IT systems may incorporate AI, and development of these capabilities is ongoing. AI introduces risks and unintended consequences that could affect adoption and business operations. Algorithms and training methods may be flawed, and reliance on AI without adequate safeguards can lead to inaccurate outcomes or operational vulnerabilities.

AI also poses data privacy, cyber-security, and intellectual property risks. Improper use may result in unauthorized disclosure of sensitive information or outputs that infringe copyrights, patents, or privacy rights. As legal and regulatory frameworks for AI remain uncertain, future compliance obligations could impose significant costs or limit Tributary's ability to integrate anticipated AI tools.

***Data Protection***

***The handling of secure information exposes Tributary to potential data security risks that could result in monetary damages against Tributary and could otherwise damage its reputation, and adversely affect its business, financial condition and results of operations***

The protection of customer, employee, and company data will be critical to Tributary's business. The regulatory environment in Canada surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and evolving requirements. Certain legislation, including the *Personal Information Protection and Electronic Documents Act* in Canada, requires documents to be securely destroyed to avoid identity theft and inadvertent disclosure of confidential and sensitive information. A significant breach of customer, employee, or company data could attract a substantial amount of media attention, damage Tributary's customer relationships and reputation, and result in lost sales, fines, or lawsuits. In addition, an increasing number of countries have introduced and/or increased enforcement of comprehensive privacy laws or are expected to do so. The continued emphasis on information security as well as increasing concerns about government surveillance may lead customers to request Tributary to take additional measures to enhance security and/or assume higher liability under its contracts. As a result of legislative initiatives and customer demands, Tributary may have to modify its anticipated operations to further improve data security. Any such modifications may result in increased expenses and operational complexity, and adversely affect its reputation, business, financial condition and results of operations.

***Expansion into New Activities***

***Expanding Tributary's business exposes it to new risks and uncertainties***

It is expected that the operations and expertise of Tributary's management will focus primarily on oil and natural gas production, exploration and development in Western Canada. In the future Tributary may acquire or move into new industry related activities or new geographical areas, and may acquire different energy-related assets. As a result, Tributary may face unexpected risks, or alternatively, its exposure to one or more existing risk factors may be significantly increased, which may in turn result in Tributary's future operational and financial conditions being adversely affected.

***Forced or Child Labour in Supply Chains***

***The introduction of new supply chain due diligence and reporting requirements could expose Tributary to certain risks***

In May 2023 the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* was passed and came into force on January 1, 2024. Pursuant to the new legislation, any company that is subject to the reporting requirements, which will include Tributary, is required to file an annual report with respect to its supply chains. In late 2024 the federal government signaled its intention to create a new and more onerous supply chain due diligence regime overseen by a new oversight agency, whereby reporting entities would be required to scrutinize their supply chains for human rights risks and take action to resolve any such risks. While currently, due diligence in accordance with the Arrangement has not uncovered any forced or child labour in Tributary's anticipated supply chains, heightened scrutiny of Canadian companies could reveal risks or instances of such practices in a supply chain connected to Tributary, potentially harming its reputation. In addition, complying with any new legislative requirements related to due diligence of its supply chains will increase Tributary's anticipated costs and regulatory burdens.

***Natural Disasters, Terrorist Acts, Civil Unrest, Pandemics and Other Disruptions and Dislocations***

***Instances of natural disasters, terrorist acts, civil unrest, pandemics and other disruptions and dislocations may adversely affect Tributary***

Events such as natural disasters, war, riots, or civil unrest can severely disrupt recovery efforts in affected regions. This may have a material adverse impact on Tributary, its anticipated customers, and their operations. Other risks include terrorist attacks, public health crises (such as epidemics, pandemics, or new infectious diseases), trade and infrastructure disruptions, civil disobedience, national emergencies, acts of war, and technological attacks. These events can create volatility and disrupt supply chains, operations, workforce mobility, and financial markets. Such disruptions may lead to a significant decline in economic activity in Canada and globally, reduce demand for oil and natural gas, and affect interest rates, credit ratings, inflation, and overall business conditions. These factors could negatively impact Tributary's anticipated reputation, business, financial condition, and operations, and may worsen other risks identified herein.

***Hydraulic Fracturing***

***If the hydraulic fracturing moratorium is not lifted in New Brunswick, Tributary would not be able to complete any anticipated additional development activities with respect to the McCully Field assets that Tributary is anticipated to acquire pursuant to the Arrangement***

Although hydraulic fracturing is not necessary for drilling and completion operations for the Alberta assets that Tributary is anticipated to acquire pursuant to the Arrangement, Tributary would require hydraulic fracturing in connection with any future drilling and completion activities it conducts in New Brunswick. There has been public concern over the hydraulic fracturing process. Most of these concerns have raised questions regarding the drilling fluids used in the fracturing process, their effect on fresh water aquifers, the use of water in connection with completion operations, the ability of such water to be recycled, and induced seismicity associated with fracturing.

The U.S. and Canadian federal governments and certain U.S. state and Canadian provincial governments continue to review and evaluate certain aspects of the scientific, regulatory and policy framework under which hydraulic fracturing operations are conducted.

Environmental and other stakeholder groups continue to advocate for additional federal, provincial, territorial, state and municipal laws and regulations to more closely regulate the hydraulic fracturing process, and have asserted that hydraulic fracturing techniques are harmful to surface water and drinking water sources and may contribute to earthquake activity particularly where in proximity to pre-existing faults.

It is anticipated that federal, provincial and state regulatory frameworks to address concerns related to hydraulic fracturing will continue to evolve. While Tributary will be unable to predict the impact of any potential regulations upon its business, the implementation of new laws, regulations or permitting regulations with respect to water usage or disposal, or hydraulic fracturing generally could increase Tributary's anticipated costs of compliance, operating costs, the risk of litigation and environmental liability, or negatively impact Tributary's anticipated production and prospects, any of which may have a material adverse effect on Tributary's anticipated business, financial condition and results of operations.

*New Brunswick*

The New Brunswick Government announced on May 27, 2016, that it would indefinitely continue a moratorium on hydraulic fracturing. In November 2018, the Government of New Brunswick expressed its intention to allow natural gas development in the Sussex region, where the McCully Field is located. On June 5, 2019, the Government of New Brunswick amended the *Prohibition Against Hydraulic Fracturing Regulation* to allow the Minister of Natural Resources and Energy Development to exempt certain operations in the Sussex region from the moratorium, though regulatory uncertainty remains regarding the availability of such exemptions. As of the date of the Information Circular, the moratorium remains in effect.

Tributary anticipates that all new wells on the properties in New Brunswick that it is anticipated to acquire pursuant to the Arrangement will require hydraulic fracture stimulation to be commercially productive. As a result of this announcement, Headwater previously determined that it would not undertake any drilling activities in New Brunswick until the moratorium is lifted and it is anticipated that Tributary will continue to not undertake any drilling activities in New Brunswick until the moratorium is lifted. Should the moratorium not be lifted, Tributary's ability to increase production beyond current Headwater production levels in the McCully Field will be materially and adversely affected. On August 26, 2026, the Government of New Brunswick launched a five-month public review to evaluate lifting its moratorium on natural gas development and hydraulic fracturing.

See "*Industry Conditions – Regulatory Authorities and Environmental Regulation*" in this Appendix.

***Co-Existence with Mining Operations***

***Tributary's anticipated activities may be affected by historical potash mining operations***

Nutrien has historically conducted potash mining operations pursuant to a lease granted by the Government of New Brunswick that overlays a substantial portion of the McCully Field. In 2018, Nutrien permanently closed its potash facility after putting the operation on care and maintenance in early 2016. Applicable legislation requires that oil and gas activities not interfere with mining operations and that mining activities not interfere with oil and gas operations. Headwater has previously succeeded in conducting its business activities in a manner that did not interfere with such mining operations and it is anticipated that Tributary will be able to do the same. For example, several of the wells previously drilled by Headwater have been drilled directionally to access natural gas beneath the potash mine. Notwithstanding the closure of the mining operations by Nutrien, there can be no assurance that Tributary's anticipated future exploration and development activities will not be adversely affected as a result of the historical potash mining operations, including the possibility that a portion of the McCully Field may not be accessible for natural gas development.

**For additional risk factors relating to Tributary and the Tributary Headwater Assets, see "*Risk Factors*" in the Headwater AIF which is incorporated by reference in the Information Circular.**

## LEGAL PROCEEDINGS

There are no legal proceedings against Tributary or involving the Tributary Assets and Tributary is not a party to any legal proceedings and Tributary is not aware of any contemplated proceedings.

## REGULATORY ACTIONS

As at the date hereof, as applicable, there were: (i) no penalties or sanctions imposed against Tributary or by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against Tributary that would likely be considered important to a reasonable investor in making an investment decision; and (iii) no settlement agreements Tributary entered into before a court relating to securities legislation or with a securities regulatory authority.

## ELIGIBILITY FOR INVESTMENT

On the basis of applicable legislation in effect on the date hereof, in the opinion of Burnet, Duckworth & Palmer LLP, counsel to Tributary, subject to the provisions of any particular plan, provided the Tributary Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which includes the TSX), and Tributary elects to be a "public corporation" for purposes of the Tax Act from the commencement of its first taxation year, the Tributary Shares transferred to Headwater Shareholders and Tamarack Shareholders pursuant to the Arrangement will be qualified investments under the Tax Act for Registered Plans; however, the annuitant under an RRSP or RRIF, the holder of a TFSA, RDSP, or a FHSA or the subscriber of an RESP which holds Tributary Shares will be subject to a penalty tax if the holder or the annuitant, or the subscriber, as the case may be, does not deal at arm's-length with Tributary for the purposes of the Tax Act or if the holder, the annuitant or the subscriber, as the case may be, has a "significant interest" (within the meaning of Tax Act) in Tributary. In addition, Tributary Shares will not be a prohibited investment if Tributary Shares are "excluded property" (as defined in the Tax Act for purposes of these rules) for the particular TFSA, FHSA, RRSP, RESP, RDSP or RRIF. Such holders and annuitants are advised to contact their own advisors in this regard. There can be no assurance that the Tributary Shares will be listed on a "designated stock exchange". See "*Listing of the Tributary Shares and Securities Law Matters*" in this Appendix, "*Procedure for the Arrangement to Become Effective – Regulatory and TSX Matters – Stock Exchange Matters*" and "*Certain Canadian Federal Income Tax Considerations*" in the Information Circular.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except for the proposed sale of the Tributary Headwater Assets by Headwater to Tributary under the Headwater Conveyance Agreement and as disclosed under "*Interests of Certain Persons or Companies in the Arrangement*" in the Information Circular, management is not aware of any material interest, direct or indirect, of any director or officer of Tributary, any person beneficially owning, directly or indirectly, more than 10% of Tributary's voting securities, or any associate or affiliate of such person in any transaction within the last three years or in any proposed transaction which in either case has materially affected or will materially affect Tributary, other than as disclosed herein.

## AUDITORS, TRANSFER AGENTS AND REGISTRARS

KPMG LLP, Chartered Professional Accountants, of Calgary, Alberta, with their offices at 2200, 240 - 4$^{th}$ Avenue SW, Calgary, Alberta T2P 4H4, are the auditors for Tributary and the auditors for the Tributary Annual Operating Statements. The transfer agent and registrar for the Tributary Shares will be Odyssey Trust Company in Calgary, Alberta and Toronto, Ontario.

## MATERIAL CONTRACTS

Tributary has not entered into any material contracts within the most recently completed financial year, or before the most recently completed financial year and which are still in effect. At the Effective Time, Tributary will enter into the Headwater Conveyance Agreement, the Tamarack Conveyance Agreement and the Tributary Arrangement Warrant Indenture.

## EXPERTS

### Names of Experts

Certain legal matters relating to the Arrangement will be passed upon, and have been passed upon, by Burnet, Duckworth & Palmer LLP on behalf of Headwater and Tributary.

The only other persons or companies who are named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 for Tributary and whose profession or business gives authority to the report, valuation statement or opinion made by the person or company, are KPMG LLP, Tributary's independent auditors, and McDaniel, Tributary's independent engineering evaluators.

### Interests of Experts

To Tributary's knowledge, there were no registered or beneficial interests, direct or indirect, in any securities or other property of Tributary or of one of its associates or affiliates: (i) held by McDaniel or by the "designated professionals" (as defined in Form 51-102F2 to NI 51-102) of McDaniel, when McDaniel prepared the report, valuation, statement or opinion referred to herein as having been prepared by McDaniel; (ii) received by McDaniel or by the "designated professionals" of McDaniel, after the time specified above; or (iii) to be received by McDaniel or by the "designated professionals" of McDaniel; except in each case for the ownership of Tributary Shares, which in respect of McDaniel and McDaniel's "designated professionals", as a group, has at all relevant times represented less than 1% of the outstanding Tributary Shares. In

addition, neither McDaniel, nor any director, officer or employee of McDaniel, is or is expected to be elected, appointed or employed as a director, officer or employee of Tributary or of any associate or affiliate of Tributary.

The partners and associates of Burnet, Duckworth & Palmer LLP as a group are expected to own less than 1% of the outstanding Tributary Shares upon completion of the Arrangement. In addition, other than Edward (Ted) Brown who is the current Corporate Secretary of Headwater and the anticipated Corporate Secretary of Tributary, none of the partners or associates of Burnet, Duckworth & Palmer LLP are currently expected to be elected, appointed or employed as a director, officer or employee of Tributary or any of its associates or affiliates.

KPMG LLP are independent of Tributary and the Tributary Assets within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

**SCHEDULE A**

**Audited Balance Sheet of Tributary as at October 7, 2026**

*See attached.*

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tributary Exploration Inc.

## *Opinion*

We have audited the financial statements of Tributary Exploration Inc. (the Entity), which comprise:

- the statement of financial position as at October 7, 2026
- and notes to the financial statement, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at October 7, 2026 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

## *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

October 7, 2026

**TRIBUTARY EXPLORATION INC.**

**Statement of Financial Position**

| *(Cdn$)* | October 7, 2026<br>$ |
|---|---|
| **ASSETS** | |
| **Current assets** | |
| Cash | 1 |
| Total current assets | 1 |
| Total assets | 1 |
| **SHAREHOLDERS' EQUITY** | |
| Shareholders' capital | 1 |
| Total shareholders' equity | 1 |
| Total liabilities and shareholders' equity | 1 |

Subsequent events (notes 1 and 5)

*See accompanying notes to the financial statements*

Approved on behalf of the Board of Directors:

(signed) "*Jason Jaskela*"
Jason Jaskela, President,
Chief Executive Officer and a Director

(signed) "*Neil Roszell*"
Neil Roszell, Executive Chairman

**TRIBUTARY EXPLORATION INC.**
**Notes to the Financial Statements**

As at October 7, 2026

## 1. BUSINESS AND STRUCTURE

Tributary Exploration Inc. ("Tributary" or the "Company") was incorporated under the Business Corporations Act (Alberta) on September 8, 2026. The Company was formed in connection with a transaction whereby Tamarack Valley Energy Ltd. ("Tamarack") will acquire all the issued and outstanding shares of Headwater Exploration Inc. ("Headwater"). As part of the transaction, certain oil and gas properties of Headwater and Tamarack will be transferred to Tributary. Upon completion of the transaction, Tributary is expected to be a publicly listed entity engaged in the exploration for and development and production of petroleum and natural gas in Canada.

Tributary has conducted no accounting transactions in the period since incorporation to the date of these financial statements as such a statement of operations, cash flow and equity has not been presented.

Tributary's principal place of business is located at 1400, 215 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3 and its registered office is located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

## 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

These financial statements were approved and authorized for issue by the Board of Directors on October 7, 2026.

## 3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied in these financial statements.

***Cash***

Cash is comprised of cash on hand.

***Shareholder's capital***

Costs directly attributable to the issue of common shares are recognized as a reduction of equity, net of deferred taxes, if any.

## 4. SHAREHOLDER'S CAPITAL

***Authorized***

The Company is authorized to issue an unlimited number of common shares.

***Issued and outstanding***

The following table summarizes the Company's issued, authorized and outstanding common shares:

| | Number of shares | Amount |
|---|---|---|
| | | $ |
| Balance, beginning of period | - | - |
| Issuance of common share on incorporation | 1 | 1 |
| Balance, end of period | 1 | 1 |

## 5. SUBSEQUENT EVENTS

In addition to completing the proposed transaction summarized in note 1, the Company anticipates completion of the following:

Tributary intends to complete a private placement pursuant to which the Company will issue up to 71,428,571 Tributary units at a price of $0.42 per unit for aggregate gross proceeds of approximately $30 million, prior to issue costs. Each unit will consist of one Tributary share and one private placement warrant. Each warrant will be exercisable into one common share at a price of $0.42, subject to certain conditions.

Tributary also intends to issue an aggregate of 47,552,575 arrangement warrants. Each arrangement warrant will entitle the holder to acquire one share at an exercise price of $0.42 per share for a period of 60 days following completion of the arrangement (see note 1).

Tributary expects to consolidate the number of issued and outstanding shares on the basis of 1 post-consolidation share for each 5 pre-consolidation shares held. The numbers of securities and exercise prices described in these financial statements are stated before giving effect to the share consolidation.

There can be no assurance that the proposed transaction (see note 1) or the private placement will be completed or that the arrangement warrants will be exercised.

**SCHEDULE B**

**Audited Operating Statements Relating to the Tributary Headwater Assets for the years ended December 31, 2025, December 31, 2024 and December 31, 2023**

*See attached.*

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Headwater Exploration Inc.

### *Opinion*

We have audited the operating statements relating to the Headwater Exploration Inc. assets being transferred to Tributary Exploration Inc. (the Property), which contain the production revenues, royalties, production expenses and transportation expenses for each of the years in the three-year period ended December 31, 2025 and notes to the operating statements, including a summary of material accounting policy information (hereinafter referred to as the "operating statement").

In our opinion, the accompanying operating statement of the Property for each of the years in the three-year period ended December 31, 2025 is prepared, in all material respects, in accordance with the financial reporting framework specified in subsection 3.17 of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards for operating statements of an oil and gas property.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Operating Statement"* section of our auditor's report.

We are independent of Headwater Exploration Inc. in accordance with the ethical requirements that are relevant to our audit of the operating statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

***Responsibilities of Management and Those Charged with Governance for the Operating Statement***

Management of Headwater Exploration Inc. is responsible for the preparation of the operating statement in accordance with the financial reporting framework specified in subsection 3.17 of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards for operating statements of an oil and gas property, and for such internal control as management determines is necessary to enable the preparation of an operating statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance of Headwater Exploration Inc. are responsible for overseeing Headwater Exploration Inc.'s financial reporting process of the operating statement of the Property.

***Auditor's Responsibilities for the Audit of the Operating Statement***

Our objectives are to obtain reasonable assurance about whether the operating statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the operating statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the operating statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Headwater Exploration Inc.'s internal control relevant to the Property.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
October 7, 2026

**Operating Statements Relating to the Headwater Exploration Inc. Assets Being Transferred to Tributary Exploration Inc.**

**For the years ended December 31, 2025, 2024 and 2023**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | 2023 |
| *(thousands)* | $ | $ | $ |
| **REVENUE** | | | |
| Sales | 27,303 | 14,446 | 8,174 |
| Royalties | (1,115) | (337) | (215) |
| | 26,188 | 14,109 | 7,959 |
| **EXPENSES** | | | |
| Production | 2,589 | 4,123 | 1,947 |
| Transportation | 206 | 78 | - |
| **Operating income** | **23,393** | **9,908** | **6,012** |

*See accompanying notes to these operating statements*

**Notes to the Operating Statements Relating to the Headwater Exploration Inc. Assets Being Transferred to Tributary Exploration Inc.**

For the years ended December 31, 2025, 2024 and 2023

## 1. BACKGROUND BASIS OF PRESENTATION

Pursuant to conveyance agreements to be entered into by Headwater Exploration Inc. ("Headwater"), Tamarack Valley Energy Ltd. ("Tamarack") and Tributary Exploration Inc. ("Tributary"), Headwater and Tamarack will each transfer certain assets to Tributary and both Headwater's shareholders and Tamarack's shareholders will receive common shares of Tributary. Headwater shareholders will also receive Tributary arrangement warrants pursuant to the arrangement. The assets being contributed to Tributary by Headwater, which are included in these operating statements, will be comprised of Headwater's New Brunswick McCully natural gas asset and certain Mannville-stack exploratory mineral rights and thermal prospects in Alberta and Saskatchewan.

The accompanying operating statements include only sales, royalties, production and transportation expenses applicable to the working interest in the assets being contributed by Headwater to Tributary.

The line items in the operating statements have been prepared in all material respects using the accounting policies that are permitted by International Financial Reporting Standards ("IFRS") as if those line items were presented as part of a complete set of financial statements. The operating statements were prepared in accordance with the financial reporting framework specified in subsection 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

The operating statements do not include any provision for depletion and depreciation, decommissioning liabilities, future capital costs, impairment, exploration and evaluation expense, general and administrative costs, stock-based compensation, financial derivative gains (losses) and current and deferred income taxes for the underlying assets as these amounts are derived from the consolidated operations of which these assets are only a part thereof.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all periods presented in these operating statements.

a) Joint interest

A portion of the exploration, development and production activities is conducted jointly with others through an unincorporated joint venture. These operating statements reflect only the proportionate interest of these jointly controlled assets and the proportionate share of the relevant revenue and related costs.

b) Revenue recognition

The properties generate revenue from the sale of commodities which include heavy crude oil, natural gas and natural gas liquids ("NGLs"). Revenue is recorded when control is transferred to the buyer which is usually when legal title passes to the external party. The transaction price for variable priced contracts is based on the commodity price index, adjusted for quality, delivery location and other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. The amount of revenue recognized is based on the agreed upon transaction price, whereby any variability in revenue relates specifically to the efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable consideration is considered constrained.

The sale of heavy crude oil, natural gas and NGLs does not contain significant financing components and payments are typically due 25 days following the month of delivery.

Each contract is evaluated based on the nature of the performance obligations, including the entity's role as either principal or agent. Where the entity acts as principal, revenue is recognized on a gross basis. Where the entity acts as agent, revenue is recognized on a net basis.

c) Royalties

Royalties are recognized at the time of production. Royalties are calculated in accordance with the applicable regulations or the terms of individual royalty agreements.

d) Production expenses

Production expenses include costs incurred on the extraction of heavy crude oil, natural gas and NGLs to the surface, operating and maintaining wells and related equipment and facilities. Production expenses include, but are not limited to, field labour, repairs and maintenance, utilities, insurance and property taxes.

e) Transportation expenses

Transportation expenses relate to the costs incurred for the transportation of production prior to transfer of control to the counterparty.

**SCHEDULE C**

**Unaudited Operating Statements Relating to the Tributary Headwater Assets for the six months ended June 30, 2026**

*See attached.*

**Operating Statements Relating to the Headwater Exploration Inc. Assets Being Transferred to Tributary Exploration Inc.**

**For the six months ended June 30, 2026 and 2025**
**(unaudited)**

| | Six months ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| *(thousands)* | $ | $ |
| **REVENUE** | | |
| Sales | 16,746 | 17,440 |
| Royalties | (672) | (731) |
| | 16,074 | 16,709 |
| **EXPENSES** | | |
| Production | 1,218 | 1,174 |
| Transportation | 36 | 114 |
| **Operating income** | **14,820** | **15,421** |

*See accompanying notes to these operating statements*

**Notes to the Operating Statements Relating to the Headwater Exploration Inc. Assets being transferred to Tributary Exploration Inc.**

For the six months ended June 30, 2026 and 2025 (unaudited)

## 1. BACKGROUND BASIS OF PRESENTATION

Pursuant to conveyance agreements to be entered into by Headwater Exploration Inc. ("Headwater"), Tamarack Valley Energy Ltd. ("Tamarack") and Tributary Exploration Inc. ("Tributary"), Headwater and Tamarack will each transfer certain assets to Tributary and both Headwater's shareholders and Tamarack's shareholders will receive common shares of Tributary. Headwater shareholders will also receive Tributary arrangement warrants pursuant to the arrangement. The assets being contributed to Tributary by Headwater, which are included in these operating statements, will be comprised of Headwater's New Brunswick McCully natural gas asset and certain Mannville-stack exploratory mineral rights and thermal prospects in Alberta and Saskatchewan.

The accompanying operating statements include only sales, royalties, production and transportation expenses applicable to the working interest in the assets being contributed by Headwater to Tributary.

The line items in the operating statements have been prepared in all material respects using the accounting policies that are permitted by International Financial Reporting Standards ("IFRS") as if those line items were presented as part of a complete set of financial statements. The operating statements were prepared in accordance with the financial reporting framework specified in subsection 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

The operating statements do not include any provision for depletion and depreciation, decommissioning liabilities, future capital costs, impairment, exploration and evaluation expense, general and administrative costs, stock-based compensation, financial derivative gains (losses) and current and deferred income taxes for the underlying assets as these amounts are derived from the consolidated operations of which these assets are only a part thereof.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all periods presented in these operating statements.

f) Joint interest

A portion of the exploration, development and production activities is conducted jointly with others through an unincorporated joint venture. These operating statements reflect only the proportionate interest of these jointly controlled assets and the proportionate share of the relevant revenue and related costs.

g) Revenue recognition

The properties generate revenue from the sale of commodities which include heavy crude oil, natural gas and natural gas liquids ("NGLs"). Revenue is recorded when control is transferred to the buyer which is usually when legal title passes to the external party. The transaction price for variable priced contracts is based on the commodity price index, adjusted for quality, delivery location and other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. The amount of revenue recognized is based on the agreed upon transaction price, whereby any variability in revenue relates specifically to the efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable consideration is considered constrained.

The sale of heavy crude oil, natural gas and NGLs does not contain significant financing components and payments are typically due 25 days following the month of delivery.

Each contract is evaluated based on the nature of the performance obligations, including the entity's role as either principal or agent. Where the entity acts as principal, revenue is recognized on a gross basis. Where the entity acts as agent, revenue is recognized on a net basis.

h) Royalties

Royalties are recognized at the time of production. Royalties are calculated in accordance with the applicable regulations or the terms of individual royalty agreements.

i) Production expenses

Production expenses include costs incurred on the extraction of heavy crude oil, natural gas and NGLs to the surface, operating and maintaining wells and related equipment and facilities. Production expenses include, but are not limited to, field labour, repairs and maintenance, utilities, insurance and property taxes.

j) Transportation expenses

Transportation expenses relate to the costs incurred for the transportation of production prior to transfer of control to the counterparty.

## SCHEDULE D

## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION REGARDING THE TRIBUTARY ASSETS AS AT DECEMBER 31, 2025

The statement of reserves data and other oil and gas information set forth below (the "**Statement**") is dated December 31, 2025. The effective date of the Statement is December 31, 2025 and the preparation date of the Statement is September 30, 2026.

***Disclosure of 2025 Tributary Reserves Data***

Headwater engaged McDaniel to provide the 2025 Tributary Reserves Report, being an evaluation of the proved and probable reserves associated with the Tributary Headwater Assets as at December 31, 2025. The reserves data set forth below (the "**2025 Tributary Reserves Data**") is based upon the 2025 Tributary Reserves Report. The 2025 Tributary Reserves Data summarizes the NGLs, conventional natural gas, shale gas and heavy crude oil reserves associated with the Tributary Headwater Assets and the net present values of future net revenue for such reserves using forecast prices and costs. The 2025 Tributary Reserves Report has been prepared in accordance with the standards and the reserve definitions contained in the COGE Handbook and NI 51-101.

All reserves attributable to the Tributary Headwater Assets are in Canada and, specifically, in the Provinces of New Brunswick and Alberta.

All evaluations of future net production revenue set forth in the tables below are based on forecast prices and costs and are after direct lifting costs and future capital investments. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of Tributary's NGLs, conventional natural gas, shale gas and heavy crude oil provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual NGLs, conventional natural gas, shale gas and heavy crude oil may be greater than or less than the estimates provided herein.

In certain of the tables set forth below, the columns may not add due to rounding.

## SUMMARY OF OIL AND GAS RESERVES
## AS AT DECEMBER 31, 2025
## FORECAST PRICES AND COSTS

| | RESERVES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | CONVENTIONAL NATURAL GAS | | SHALE GAS | | HEAVY CRUDE OIL | | NATURAL GAS LIQUIDS | | TOTAL | |
| RESERVES CATEGORY | Gross (MMcf) | Net (MMcf) | Gross (MMcf) | Net (MMcf) | Gross (Mbbl) | Net (Mbbl) | Gross (Mbbl) | Net (Mbbl) | Gross (MBOE) | Net (MBOE) |
| **Proved** | | | | | | | | | | |
| Developed Producing | 12,279.1 | 11,837.1 | 719.0 | 693.1 | 72.5 | 63.6 | 13.0 | 12.5 | 2,251.9 | 2,164.5 |
| Developed Non-Producing | - | - | 1,498.3 | 1,444.4 | - | - | 1.5 | 1.4 | 251.2 | 242.2 |
| Undeveloped | - | - | - | - | 194.0 | 182.4 | - | - | 194.0 | 182.4 |
| **Total Proved** | **12,279.1** | **11,837.1** | **2,217.3** | **2,137.5** | **266.5** | **246.0** | **14.5** | **14.0** | **2,697.1** | **2,589.1** |
| **Probable** | | | | | | | | | | |
| Developed Producing | 2,995.3 | 2,887.5 | 179.3 | 172.8 | 17.8 | 15.1 | 3.2 | 3.1 | 550.1 | 528.2 |
| Developed Non-Producing | - | - | 501.7 | 483.6 | - | - | 0.5 | 0.5 | 84.1 | 81.1 |
| Undeveloped | - | - | - | - | 353.4 | 310.9 | - | - | 353.4 | 310.9 |
| **Total Probable** | **2,995.3** | **2,887.5** | **681.0** | **656.5** | **371.2** | **326.0** | **3.7** | **3.5** | **987.6** | **920.2** |
| **Total Proved plus Probable** | **15,274.4** | **14,724.6** | **2,898.3** | **2,794.0** | **637.7** | **572.0** | **18.2** | **17.5** | **3,684.7** | **3,509.3** |

## SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
## AS AT DECEMBER 31, 2025
## FORECAST PRICES AND COSTS[1]

| | BEFORE INCOME TAXES DISCOUNTED AT (%/year) | | | | | UNIT VALUE BEFORE INCOME TAX DISCOUNTED AT 10%/year[2] |
|---|---|---|---|---|---|---|
| RESERVES CATEGORY | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) | ($/BOE) |
| **Proved** | | | | | | |
| Developed Producing | 106,514.7 | 86,657.2 | 72,152.4 | 61,724.8 | 54,058.4 | 33.33 |
| Developed Non-Producing | 12,458.1 | 9,522.3 | 7,431.2 | 5,943.4 | 4,858.7 | 30.69 |
| Undeveloped | 6,123.9 | 4,822.8 | 3,837.0 | 3,084.7 | 2,504.4 | 21.04 |
| **Total Proved** | **125,096.8** | **101,002.2** | **83,420.7** | **70,752.9** | **61,421.4** | **32.22** |
| **Probable** | | | | | | |
| Developed Producing | 24,237.3 | 13,962.5 | 8,614.7 | 5,772.4 | 4,151.3 | 16.31 |
| Developed Non-Producing | 4,335.5 | 2,741.1 | 1,850.3 | 1,328.1 | 999.2 | 22.82 |
| Undeveloped | 13,960.9 | 10,068.4 | 7,449.6 | 5,641.3 | 4,359.7 | 23.96 |
| **Total Probable** | **42,533.7** | **26,772.0** | **17,914.6** | **12,741.9** | **9,510.2** | **19.47** |
| **Total Proved plus Probable** | **167,630.5** | **127,774.2** | **101,335.2** | **83,494.8** | **70,931.6** | **28.88** |

Notes:
(1) The estimated values of future net revenues disclosed do not represent fair market value.
(2) Unit values are based on net reserve volumes.

(3) Income taxes have not been reflected in the 2025 Tributary Reserves Report, as the evaluation was prepared on an asset-level basis by carving out the applicable properties from Headwater's corporate reserves evaluation for the year ended December 31, 2025. Income taxes are determined at a corporate level based on overall taxable income and available tax attributes and, accordingly, are not attributable to the individual properties included in the 2025 Tributary Reserves Report.

**TOTAL FUTURE NET REVENUE**
**(UNDISCOUNTED)**
**AS AT DECEMBER 31, 2025**
**FORECAST PRICES AND COSTS[1]**

| RESERVES CATEGORY | REVENUE (M$) | ROYALTIES (M$) | OPERATING COSTS (M$) | DEVELOPMENT COSTS (M$) | ABANDONMENT AND RECLAMATION COSTS[2] (M$) | FUTURE NET REVENUE BEFORE INCOME TAXES (M$) |
|---|---|---|---|---|---|---|
| Total Proved | 210,084.6 | 7,233.1 | 57,849.3 | 7,272.8 | 12,632.7 | 125,096.8 |
| Total Proved plus Probable | 285,515.4 | 12,087.5 | 80,517.5 | 11,311.2 | 13,968.7 | 167,630.5 |

Notes:
(1) Estimated values of future net revenues disclosed do not represent fair market value.
(2) For more information, see "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Additional Information Concerning Abandonment and Reclamation Costs*" in this Appendix.

**FUTURE NET REVENUE**
**BY PRODUCT TYPE**
**AS OF DECEMBER 31, 2025**
**FORECAST PRICES AND COSTS**

| RESERVES CATEGORY | PRODUCT TYPE | FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (M$) | UNIT VALUE[2] ($/Mcf $/Bbl) |
|---|---|---|---|
| Proved Reserves | Heavy Crude Oil[1] | 5,945.4 | 24.17 |
| | Conventional Natural Gas[1] | 66,755.1 | 5.64 |
| | Shale Gas[1] | 10,720.2 | 5.02 |
| | **Total** | **83,420.7** | |
| Proved Plus Probable Reserves | Heavy Crude Oil[1] | 13,879.8 | 24.27 |
| | Conventional Natural Gas[1] | 74,584.4 | 5.07 |
| | Shale Gas[1] | 12,871.0 | 4.61 |
| | **Total** | **101,335.2** | |

Notes:

(1) Including by-products (including NGLs). The 2025 Tributary Reserves Report does not separately report on the Future Net Revenue for NGLs.
(2) Unit values are calculated using the 10% discount rate divided by the major product type net reserves for each group.

**Pricing Assumptions**

The following tables set forth the benchmark reference prices, as at December 31, 2025, reflected in the 2025 Tributary Reserves Data. The forecast of prices, inflation and exchange rates provided in the table below were computed using the average of the forecasts by McDaniel, Sproule ERCE (formerly Sproule Associates Limited) and GLJ Ltd. effective as at January 1, 2026.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS[1]**
**AS OF DECEMBER 31, 2025**
**FORECAST PRICES AND COSTS**

| | Crude Oil | | | | Edmonton Liquids Prices | |
|---|---|---|---|---|---|---|
| Year | WTI Crude Oil (US$/Bbl) | Edmonton Light Crude (Cdn$/Bbl) | Alberta Heavy Crude Oil (Cdn$/Bbl) | WCS Crude Oil (Cdn$/Bbl) | Edmonton Cond. & Natural Gasolines (Cdn$/Bbl) | Edmonton Butanes (Cdn$/Bbl) |
| Forecast[4] | | | | | | |
| 2026 | 59.92 | 77.54 | 60.09 | 65.13 | 80.01 | 36.95 |
| 2027 | 65.10 | 83.60 | 64.94 | 70.43 | 86.19 | 39.79 |
| 2028 | 70.28 | 90.17 | 71.16 | 76.90 | 92.83 | 42.87 |
| 2029 | 71.93 | 92.32 | 72.84 | 78.71 | 95.04 | 43.89 |
| 2030 | 73.37 | 94.17 | 74.30 | 80.29 | 96.94 | 44.77 |
| 2031 | 74.84 | 96.06 | 75.80 | 81.90 | 98.89 | 45.66 |
| 2032 | 76.34 | 97.98 | 77.32 | 83.53 | 100.86 | 46.58 |
| 2033 | 77.87 | 99.93 | 78.87 | 85.20 | 102.88 | 47.51 |
| 2034 | 79.42 | 101.93 | 80.46 | 86.91 | 104.94 | 48.46 |
| 2035 | 81.01 | 103.97 | 82.08 | 88.65 | 107.04 | 49.43 |
| 2036 | 82.63 | 106.05 | 83.72 | 90.42 | 109.18 | 50.42 |
| Thereafter | +2%/yr | +2%/yr | +2%/yr | +2%/yr | +2%/yr | +2%/yr |

| | Natural Gas | | | | |
|---|---|---|---|---|---|
| Year | Natural Gas AECO Spot (Cdn$/MMBtu) | NYMEX Henry Hub (US$/MMBTU) | McCully Gas Price[2] (Cdn$/MMbtu) | Inflation Rate %/Year | Exchange Rate[3] (US$/Cdn$) |
| Forecast[4] | | | | | |
| 2026 | 3.00 | 3.74 | 16.14 | - | 0.73 |
| 2027 | 3.30 | 3.78 | 15.31 | 2.00 | 0.74 |
| 2028 | 3.49 | 3.85 | 15.07 | 2.00 | 0.74 |
| 2029 | 3.58 | 3.93 | 9.31 | 2.00 | 0.74 |
| 2030 | 3.65 | 4.01 | 9.08 | 2.00 | 0.74 |
| 2031 | 3.72 | 4.09 | 9.19 | 2.00 | 0.74 |
| 2032 | 3.80 | 4.17 | 9.30 | 2.00 | 0.74 |
| 2033 | 3.88 | 4.26 | 9.41 | 2.00 | 0.74 |
| 2034 | 3.95 | 4.34 | 9.53 | 2.00 | 0.74 |
| 2035 | 4.03 | 4.43 | 9.64 | 2.00 | 0.74 |
| 2036 | 4.11 | 4.52 | 9.76 | 2.00 | 0.74 |
| Thereafter | +2%/yr | +2%/yr | +2%/yr | 2.00 | 0.74 |

Notes:

(1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
(2) Not a published forecast. Represents McCully Field realized pricing incorporating the AGT premium to NYMEX Henry Hub, the Maritime Adder and market optimization. The McCully gas price in years 2026-2028 reflects the arithmetic average of the monthly price received for the winter producing months (January to April and December) to correlate to the intermittent production strategy employed by Tributary to capture seasonal premium pricing. After 2028, the 2025 Tributary Reserves Report assumes Tributary produces volumes from its reserves continuously over the year and as such, McCully pricing reflects the full year.
(3) The exchange rate used to generate the benchmark reference prices in this table.
(4) As at December 31, 2025.

The weighted average historical prices realized, before financial derivative contracts, in respect of production from Tributary Headwater Assets for the year ended December 31, 2025, were $21.05/Mcf for natural gas, $99.98/Bbl for NGLs and $76.98/Bbl for heavy crude oil.

**Additional Information Relating to 2025 Tributary Reserves Data**

***Undeveloped Reserves***

Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

On May 27, 2016, the Government of New Brunswick announced its decision to continue the moratorium on hydraulic fracturing for an indefinite period. Headwater believes that all undeveloped wells in the McCully Field require hydraulic fracture stimulation to be commercially productive. As a result of this announcement, the undeveloped wells requiring hydraulic fracture stimulations in New Brunswick no longer met the necessary conditions to qualify as reserves and Headwater together with the independent qualified reserves evaluator of Headwater at that time made the decision in June 2016 to eliminate all undeveloped reserves from its estimates of reserves. For more information, see "*Risk Factors*" in this Appendix.

McDaniel has assigned 194.0 MBOE of proved undeveloped reserves in the 2025 Tributary Reserves Report under forecast prices and costs, together with $7.3 million of associated undiscounted future capital expenditures with substantially all scheduled to be developed in the first three forecast years.

McDaniel has assigned 353.4 MBOE of probable undeveloped reserves in the 2025 Tributary Reserves Report under forecast prices and costs, together with $4.0 million of associated undiscounted future capital expenditures with substantially all scheduled to be developed in the first four forecast years.

In general, once proved and/or probable undeveloped reserves are identified, they are included in Tributary's development plans. All of the proved and/or probable undeveloped reserves are located in Alberta.

Tributary plans to develop none of its proved undeveloped reserves in December 31, 2026 or December 31, 2027, with the remaining 100% of its proved undeveloped reserves to be developed in December 31, 2028. Beyond the reasons noted below, Tributary plans to continue to focus on capital discipline in the short term until commodity pricing and other market factors provide greater economic certainty to accelerate development drilling. This drilling timeline provides strong cash flows to manage potential market uncertainties while still providing sufficient cash to accelerate its exploration opportunities and meet other corporate objectives.

Tributary plans to develop none of its probable undeveloped reserves in December 31, 2027, 22.4% in December 31, 2028, and its remaining 77.6% probable undeveloped reserves in December 31, 2029. These locations will continue to be re-evaluated to assess their relative economic merits when compared to other projects available to Tributary.

There are no undeveloped reserves planned to be developed beyond 2029. A number of factors that could result in delayed or cancelled development are as follows:

- development of a superior opportunity inventory to select from;
- changing economic conditions (due to pricing, royalties, operating and capital expenditure fluctuations);
- changing technical conditions (production anomalies (such as accelerated depletion));
- multi-zone developments (such as a prospective formation completion may be delayed until the initial completion is no longer economic);
- a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and
- surface access issues (landowners, weather conditions, regulatory approvals).

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Principal Properties*" and "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Additional Information Relating to Reserves Data – Future Development Costs*" in this Appendix for a description of Tributary's exploration and development plans and expenditures.

***Significant Factors or Uncertainties***

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting crude oil and natural gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserve estimates and the present worth of the future net revenue therefrom. These factors and assumptions include, among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii)

production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability and pricing of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and government restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year end oil and gas prices and reservoir performance. Such revisions can be either positive or negative.

In addition, higher than estimated operating costs would substantially reduce Tributary's netback, which in turn would reduce the amount of cash available for reinvestment in drilling opportunities. This becomes most relevant during periods of low commodity prices when profits are more significantly impacted by high costs.

On March 27, 2015, the Government of New Brunswick enacted *An Act to Amend the Oil and Natural Gas Act* which created a moratorium on all forms of hydraulic fracturing in New Brunswick. On May 27, 2016, the New Brunswick Government announced its decision to continue the moratorium for an indefinite period. Headwater believes that all undeveloped wells on its properties in New Brunswick require hydraulic fracture stimulation to be commercially productive. As a result of such announcement, Headwater determined that it would not undertake any drilling or completion activities or incur associated capital expenditures (and it is not anticipated that Tributary will undertake drilling or completion activities) in New Brunswick until the moratorium is lifted. As a result, the undeveloped wells in New Brunswick requiring hydraulic fracturing no longer meet the necessary conditions to qualify as reserves. On August 26, 2026, the Government of New Brunswick launched a five-month public review to evaluate lifting its moratorium on natural gas development and hydraulic fracturing. For more information, see "*Risk Factors*" in this Appendix.

Tributary does not anticipate any unusually high development costs or operating costs to produce and sell any material portion of its reserves**.** Tributary has not entered into any contractual obligations to produce and sell a significant portion of production at prices substantially below those which could be realized except for those contractual obligations described under the heading "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Forward Contracts and Marketing*".

Tributary does not anticipate any unusually high abandonment or reclamation costs. See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Additional Information Concerning Abandonment and Reclamation Costs*" in this Appendix.

***Future Development Costs***

The following table sets forth development costs deducted in the estimation of Tributary's future net revenue attributable to the reserve categories noted below:

| | **Forecast Capital Costs (M$)** | |
|---|---|---|
| Year | **Proved Reserves** | **Proved Plus Probable Reserves** |
| 2026 | - | - |
| 2027 | 253.7 | 253.7 |
| 2028 | 7,019.0 | 3,908.1 |
| 2029 | - | 7,149.4 |
| Thereafter | - | - |
| Total Undiscounted | 7,272.8 | 11,311.2 |

On an ongoing basis, Tributary will use funds from the Tributary Private Placement, internally generated funds from operations, debt and new equity issues if available on favourable terms to finance its capital expenditure program. The cost of funding is not expected to have any effect on disclosed reserves or future net revenue nor make the development of a property uneconomic for Tributary.

If funds from operations are other than projected, capital expenditures may be adjusted. In addition, depending on a number of factors including commodity prices, industry conditions and Tributary's financial and operating results, debt or equity financing may not be available, which could also result in adjustments to the capital program as required.

**Other Oil and Gas Information**

***Principal Properties***

For a description of Tributary's principal properties, see "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Principal Properties*" in this Appendix.

***Oil and Gas Wells***

The following table sets forth the number and status of crude oil and natural gas wells (all of which are onshore) related to the Tributary Assets as at December 31, 2025.

| | Oil Wells | | | | Natural Gas Wells | | | |
|---|---|---|---|---|---|---|---|---|
| | Producing | | Non-Producing | | Producing | | Non-Producing | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| New Brunswick | - | - | 1 | 1.0 | 32 | 24.0 | 8 | 7.0 |
| Alberta | 1 | 1.0 | 1 | 1.0 | - | - | - | - |
| Saskatchewan | - | - | 1 | 1.0 | - | - | - | - |
| **Total** | **1** | **1.0** | **3** | **3.0** | **32** | **24.0** | **8** | **7.0** |

Notes:

(1) Excludes abandoned, water source, observation, stratigraphic test and injection wells.
(2) All wells in the above table are associated with the Tributary Headwater Assets other than 1 gross (1.0 net) non-producing oil well associated with the Tributary Tamarack Assets.

***Land Holdings Including Properties with no Attributable Reserves***

The following table sets out the developed and undeveloped land holdings associated with the Tributary Assets as at December 31, 2025.

| | Undeveloped Acres | | Developed Acres | | Total Acres | |
|---|---|---|---|---|---|---|
| | Gross | Net | Gross | Net | Gross | Net |
| New Brunswick | 209,823 | 191,556 | 7,118 | 5,338 | 216,941 | 196,894 |
| Alberta | 170,741 | 134,901 | 1,040 | 1,040 | 171,781 | 135,941 |
| Saskatchewan | 42,036 | 42,036 | 160 | 160 | 42,196 | 42,196 |
| Total | **422,600** | **368,493** | **8,318** | **6,538** | **430,918** | **375,031** |

Note:

(1) Land holdings in Alberta include certain land holdings associated with the Tributary Tamarack Assets. All other land holdings in the above table are associated with the Tributary Headwater Assets.

Gross and net acres have been calculated on a per lease basis. Undeveloped lands are calculated by adding the surface area acreage covered by the leases or agreements or portions of the leases or agreements without producing or potentially producing wells. In certain limited circumstances rights are related to different formations under the same surface area pursuant to different leases or agreements, we have included the acreage with respect to all such leases or agreements.

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Land Holdings Including Properties with no Attributable Reserves*" in this Appendix for additional information.

***Forward Contracts and Marketing***

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Forward Contracts and Marketing*" in this Appendix for additional information.

***Tax Horizon***

As a newly incorporated entity, Tributary has not been required to pay any income related taxes. Following the Arrangement, Tributary is expected to have approximately $100.7 million of tax pools available, consisting primarily of Canadian Oil and Gas Property Expense and Undepreciated Capital Cost. It is expected, based upon current legislation, the projections contained in the 2025 Tributary Reserves Report and various other assumptions, that Tributary will be cash taxable in the near future. A higher level of capital expenditures than those contained in the 2025 Tributary Reserves Report, or additional acquisitions or other expenditures that generate tax deductions, could extend the estimated tax horizon.

On September 15, 2026, the Government of Canada announced the proposed Productivity Mega Deduction, which, if enacted, among other measures, would provide for immediate expensing of qualifying Canadian development expenses incurred on or after September 15, 2026 and immediate expensing of most qualifying depreciable capital property acquired on or after that date. If enacted as proposed, such measures could provide Tributary with additional tax deductions and potentially defer the time at which Tributary becomes cash taxable. The potential impact of these proposed measures has not been reflected in the foregoing estimate.

***Additional Information Concerning Abandonment and Reclamation Costs***

As at December 31, 2025, Tributary is expected to incur abandonment and reclamation costs in respect of 50 gross (41.0 net) wells across New Brunswick, Saskatchewan and Alberta, and the approximate cost to abandon and reclaim all such wells and related facilities for proved plus probable reserves, discounted at 10% totals $2.0 million ($14.0 million undiscounted). Abandonment and reclamation costs undiscounted and expected to be paid over the next three years are nil, with the majority of abandonment and reclamation costs expected to be incurred past 2040.

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Additional Information Concerning Abandonment and Reclamation Costs*" in this Appendix for additional information.

***Costs Incurred***

The following table summarizes costs incurred for the year ended December 31, 2025 related to the Tributary Headwater Assets:

| | (M$) |
|---|---|
| Corporate Acquisition Cost | - |
| Property Acquisition Costs | |
| Proved properties | - |
| Unproved properties | 2,912 |
| Exploration costs[(1)] | 3,578 |
| Development costs | - |
| Dispositions | - |
| Total | 6,490 |

Note:

(1) Includes lease rentals, seismic costs and costs associated with drilling, 5 (5.0 net) stratigraphic wells in Handel, Saskatchewan.

***Exploration and Development Activities***

Headwater drilled 5 (5.0 net) stratigraphic wells on the Tributary Headwater Assets, in Handel, Saskatchewan, during the period from January 1, 2025 to December 31, 2025.

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Principal Properties*" in this Appendix for a description of Tributary's exploration and development plans.

***Production Estimates***

The following tables disclose, by product type, and by area, the total volume of gross production estimated by McDaniel for the Tributary Headwater Assets for the year ended December 31, 2026 as reflected in the estimates of future net revenue from gross proved and gross probable reserves disclosed in the 2025 Tributary Reserves Report.

| **From Gross Proved Reserves:** | **Conventional Natural Gas (Mcf/d)** | **Shale Gas (Mcf/d)** | **Heavy Crude Oil (bbls/d)** | **Natural Gas Liquids (bbls/d)** | **BOE (BOE/d)** | **%** |
|---|---|---|---|---|---|---|
| McCully Field | 2,464.3 | 96.1 | - | 2.6 | 429.3 | 89.1 |
| Other | - | - | 52.4 | - | 52.4 | 10.9 |
| **Total** | **2,464.3** | **96.1** | **52.4** | **2.6** | **481.6** | **100** |

| **From Gross Probable Reserves:** | **Conventional Natural Gas (Mcf/d)** | **Shale Gas (Mcf/d)** | **Heavy Crude Oil (bbls/d)** | **Natural Gas Liquids (bbls/d)** | **BOE (BOE/d)** | **%** |
|---|---|---|---|---|---|---|
| McCully Field | 24.3 | 0.5 | - | - | 4.2 | 53.6 |
| Other | - | - | 3.6 | - | 3.6 | 46.4 |
| Total | **24.3** | **0.5** | **3.6** | **-** | **7.8** | **100** |

***Production History***

The following tables summarize certain information in respect of production (which includes royalty interest volumes), product prices received, royalties paid, production expenses and resulting netback for the Tributary Headwater Assets for the periods indicated below:

| | | 2025 | | | |
|---|---|---|---|---|---|
| | | Three months ended | | | |
| | Year ended December 31, 2025 | Dec 31 | Sept 30 | June 30 | Mar 31 |
| **Average Daily Production[1]** | | | | | |
| Natural Gas (Mcf/d)[2] | 2,964 | 3,551 | - | 1,717 | 6,654 |
| NGLs (bbls/d) | 2 | - | 1 | 2 | 6 |
| Heavy Crude Oil (bbls/d) | 108 | 71 | 89 | 116 | 155 |
| Combined (BOE/d) | 604 | 663 | 90 | 404 | 1,270 |
| **Average Net Sales Price Received[3]** | | | | | |
| Natural Gas ($/Mcf)[2] | 21.05 | 25.67 | - | 6.97 | 22.21 |
| NGLs ($/bbls) | 99.98 | - | 92.66 | 87.00 | 106.29 |
| Heavy Crude Oil ($/bbls) | 76.98 | 66.89 | 75.34 | 74.01 | 84.93 |
| Combined ($/BOE) | 117.43 | 144.63 | 75.64 | 51.27 | 127.23 |
| **Royalties Paid** | | | | | |
| Natural Gas ($/Mcf)[2] | 0.87 | 1.02 | - | 0.09 | 1.00 |
| NGLs ($/bbls) | 8.26 | - | - | 8.63 | 10.54 |
| Heavy Crude Oil ($/bbls) | 4.23 | 3.40 | 3.61 | 3.43 | 5.59 |
| Combined ($/BOE) | 5.06 | 5.82 | 3.55 | 1.41 | 5.94 |
| **Production Costs ($/BOE)[4][5]** | | | | | |
| Natural Gas ($/Mcf)[2] | 2.03 | 2.22 | - | 2.04 | 0.95 |
| NGLs ($/bbls) | - | - | - | - | - |
| Heavy Crude Oil ($/bbls) | 9.97 | 4.09 | 9.47 | 5.07 | 16.73 |
| Combined ($/BOE) | 11.75 | 12.31 | 79.79 | 10.14 | 7.01 |
| **Transportation Costs ($/BOE)[5]** | | | | | |
| Natural Gas ($/Mcf)[2] | - | - | - | - | - |
| NGLs ($/bbls) | - | - | - | - | - |
| Heavy Crude Oil ($/bbls) | 5.25 | 4.96 | 7.25 | 4.60 | 4.70 |
| Combined ($/BOE) | 0.93 | 0.53 | 7.12 | 1.32 | 0.57 |
| **Netback Received ($/BOE)** | | | | | |
| Natural Gas ($/Mcf) [2] | 18.15 | 22.43 | - | 4.84 | 20.26 |
| NGLs ($/bbls) | 91.72 | - | 92.66 | 78.37 | 95.75 |
| Heavy Crude Oil ($/bbls) | 57.53 | 54.44 | 55.01 | 60.91 | 57.91 |
| Combined ($/BOE) | 99.69 | 125.97 | (14.82) | 38.40 | 113.71 |

Notes:

(1) Before deduction of royalties.

(2) Natural gas production includes both conventional natural gas and shale natural gas. In 2025, shale natural gas was produced out of 3 wells in the McCully Field.

(3) Sales prices are before hedging and do not include revenue from gathering, processing and transportation.

(4) This figure includes all field production expenses.

(5) Headwater did not record production costs and transportation costs for NGLs as Headwater only had nominal sales of NGLs in 2025 and therefore information is included in the combined BOE.

The following table indicates the average daily production from important areas associated with the Tributary Headwater Assets for the year ended December 31, 2025:

| | Natural Gas[(1)] (Mcf/d) | Heavy Crude Oil[(2)] (bbls/d) | Natural Gas Liquids (bbls/d) | BOE (BOE/d) |
|---|---|---|---|---|
| McCully Field | 2,964 | - | 2 | 496 |
| Other | - | 108 | - | 108 |
| **Total** | **2,964** | **108** | **2** | **604** |

Notes:

(1) Including by-products, but excluding solution gas and by-products from oil wells.
(2) Including solution gas and other by-products.

See "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Tributary Assets – Other Oil and Gas Information – Production History*" in this Appendix for additional information.

**APPENDIX K**
**INFORMATION CONCERNING TAMARACK VALLEY ENERGY LTD.**

**Notice to Reader**

Unless the context indicates otherwise, capitalized terms used in this Appendix K and not otherwise defined in this Appendix K have the meanings given to those terms under the heading "*Glossary of Terms*" in this Information Circular. The information concerning Tamarack in this Appendix K should be read in conjunction with the other information in this Information Circular and the documents incorporated by reference herein.

The information in this Appendix K includes forward-looking statements and reserves information. Readers should review the advisories under "*Forward-Looking Statements*" and "*Advisory Regarding Oil and Gas Information*" in this Information Circular, including the assumptions, risks and uncertainties described there.

**General**

Tamarack is a corporation engaged in the exploration, development, production and sale of oil and natural gas in the Western Canadian Sedimentary Basin. Tamarack was incorporated under the ABCA on March 6, 2002 and completed a restructuring transaction on June 17, 2010, in connection with which it changed its name from "Tango Energy Inc." to "Tamarack Valley Energy Ltd.". On June 15, 2026, Tamarack completed the sale of its Charlie Lake assets for cash consideration of $804.0 million, before closing adjustments, following which Tamarack became a pure-play Clearwater heavy oil producer, currently developing heavy oil positions at Nipisi, Marten Hills and South Clearwater.

Tamarack is a reporting issuer in each of the provinces of Canada. Tamarack's head office is located at Suite 1700, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, and its registered office is located at Suite 4200, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5. The Tamarack Shares are listed on the TSX under the symbol "TVE".

For further information regarding Tamarack and its business activities, including Tamarack's intercorporate relationships and organizational structure, see the Tamarack AIF, which is incorporated by reference in this Information Circular.

**Recent Developments**

***Management Changes***

On July 28, 2026, Scott Shimek was promoted to Chief Operating Officer.

A**s** announced on September 8, 2026, Steve Buytels, President of Tamarack, will be appointed President and Chief Executive Officer of the Combined Company and will join the Combined Company Board, and Brian Schmidt, Tamarack's founding Chief Executive Officer, will become Executive Chair of the Combined Company Board, in each case effective January 1, 2027, the continuation of Tamarack's succession planning process.

***The Arrangement***

On September 7, 2026, Tamarack entered into the Arrangement Agreement. See "*The Arrangement*" and "*Summary of Agreements in Connection with the Arrangement*" in this Information Circular.

**Significant Acquisitions**

The acquisition of Headwater pursuant to the Arrangement is a significant acquisition for Tamarack for the purposes of Part 8 of NI 51-102. See Appendix H – "*Pro Forma Information Concerning the Combined Company*" and the unaudited pro forma consolidated financial statements of the Combined Company attached as Schedule A thereto. Tamarack has not completed any other acquisition since December 31, 2025 that is a significant acquisition for which financial statement disclosure is required.

**Documents Incorporated by Reference**

The following documents, filed by Tamarack on SEDAR+ at www.sedarplus.ca, are incorporated by reference in this Information Circular:

(a) the Tamarack AIF;

(b) the Tamarack Annual Financial Statements;

(c) the Tamarack Annual MD&A;

(d) the Tamarack Interim Financial Statements;

(e) the Tamarack Interim MD&A;

(f) the Tamarack AGM Information Circular;

(g) the material change report of Tamarack dated June 8, 2026 in respect of the sale of its Charlie Lake assets; and

(h) the material change report of Tamarack dated September 17, 2026 in respect of the Arrangement.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in this Information Circular, including any annual information form, audited annual consolidated financial statements (together with the auditor's report thereon), information circular, unaudited interim consolidated financial statements, management's discussion and analysis, material change reports (excluding confidential material change reports) or business acquisition reports filed by Tamarack with securities commissions or similar regulatory authorities in the relevant provinces and territories of Canada subsequent to the date of this Information Circular and prior to the Effective Time shall be deemed to be incorporated by reference in this Information Circular. These documents are available on Tamarack's SEDAR+ profile at www.sedarplus.ca and, upon request, a copy of these documents will be provided to a Tamarack securityholder. Subject to the above, unless specifically incorporated by reference in this Information Circular, documents filed or furnished by Tamarack on SEDAR+ are neither incorporated by reference in, nor part of, this Information Circular. Information on or connected to Tamarack's website, even if referred to in a document incorporated by reference herein, does not constitute part of this Information Circular.

**Any statement contained in this Information Circular or in a document (or any part thereof) incorporated by reference, or deemed to be incorporated by reference in this Information Circular shall be deemed to be modified or superseded for purposes of this Information Circular, to the extent that a statement contained herein or in any subsequently filed document (or part thereof) which is also, or is deemed to be, incorporated by reference in this Information Circular modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Information Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Circular.**

**Consolidated Capitalization**

There has been no material change in Tamarack's share or debt capital structure since June 30, 2026, other than changes in the ordinary course and as disclosed in this Information Circular. Readers should refer to the Tamarack Interim Financial Statements and the Tamarack Interim MD&A, which are specifically incorporated by reference herein.

**Description of Share Capital**

Tamarack is authorized to issue an unlimited number of Tamarack Shares and an unlimited number of preferred shares, issuable in series. As at October 13, 2026, there were 471,399,454 Tamarack Shares and no preferred shares issued and outstanding.

The holders of Tamarack Shares are entitled to: (i) one vote for each Tamarack Share held at all meetings of shareholders of Tamarack, except at meetings at which only holders of a specified class of shares are entitled to vote; (ii) subject to the prior rights and privileges attaching to any other class of shares, the right to receive any dividend declared by Tamarack; and (iii) subject to the prior rights and privileges attaching to any other class of shares, the right to receive the remaining property and assets of Tamarack upon dissolution.

The preferred shares may be issued in one or more series as determined by resolution of the Tamarack Board. Subject to the ABCA, the Tamarack Board may fix the designation, rights, privileges, restrictions and conditions attaching to each series before issuance.

On December 10, 2025, the Tamarack Board adopted a shareholder rights plan agreement between Tamarack and Odyssey Trust Company, as rights agent, which was amended on April 7, 2026 and ratified by Tamarack Shareholders at the annual and special meeting held on May 6, 2026 (the "**Shareholder Rights Plan**"). One right was issued in respect of each Tamarack Share outstanding on December 10, 2025 and in respect of each Tamarack Share issued thereafter. The rights become exercisable if a person acquires 20% or more of the outstanding Tamarack Shares other than pursuant to a Permitted Bid (as defined in the Shareholder Rights Plan) or an exempt acquisition. A summary of the Shareholder Rights Plan is set out in the Tamarack AIF and the Tamarack AGM Information Circular, and the full text is available under Tamarack's profile on SEDAR+ at www.sedarplus.ca.

**Dividends**

Tamarack paid monthly dividends from January 2022 to December 2025 and, commencing in 2026, pays a quarterly dividend. Dividends of $0.04 per Tamarack Share were paid on March 31, 2026 and June 30, 2026, and a dividend of $0.05 per Tamarack Share was declared on July 27, 2026 and paid on September 30, 2026. The declaration and payment of dividends is at the discretion of the Tamarack Board and is subject to applicable law and the restrictions in Tamarack's credit facility and note indenture. For a description of the dividend increase proposed in connection with the Arrangement, see Appendix H – "*Pro Forma Information Concerning the Combined Company – Dividends*" and "*Risk Factors – Future Dividends on the Combined Company's Shares*".

**Prior Sales**

During the twelve (12) month period prior to the date of this Information Circular, Tamarack has not issued any Tamarack Shares or securities convertible into or exercisable for Tamarack Shares other than: 1.1 million Tamarack RSUs and 0.5 million Tamarack PSUs, each of which may be settled in Tamarack Shares by either of the following methods: (a) settlement in Tamarack Shares acquired by Tamarack on the TSX; or (b) the issuance of Tamarack Shares from treasury. For clarity, this does not include Tamarack RIAs or Tamarack PIAs granted under the Tamarack Cash Award Plan, which are settled in cash.

**Market for Securities**

The Tamarack Shares are listed and posted for trading on the TSX under the symbol "TVE". The following table sets out the high and low trading prices and aggregate volume of trading on the TSX for the twelve (12) months prior to the date of this Information Circular for the Tamarack Shares:

| PERIOD | HIGH ($)[1] | LOW ($)[1] | VOLUME[1] |
|---|---|---|---|
| **2025** | | | |
| October | 6.45 | 5.93 | 34,803,993 |
| November | 7.84 | 6.06 | 30,531,014 |
| December | 8.32 | 7.32 | 36,790,904 |
| **2026** | | | |
| January | 9.76 | 7.43 | 37,606,919 |
| February | 10.33 | 8.19 | 36,557,294 |
| March | 12.00 | 10.03 | 64,794,773 |
| April | 13.22 | 10.30 | 50,641,775 |
| May | 13.97 | 11.62 | 37,994,605 |
| June | 14.03 | 11.89 | 40,341,641 |
| July | 13.67 | 12.00 | 34,340,907 |
| August | 14.04 | 12.31 | 35,153,363 |
| September | 14.42 | 12.95 | 53,154,797 |
| October 1 – 12 | 13.89 | 12.81 | 16,782,615 |

Note:
(1) Source: TMX Historical Data.

On September 4, 2026, the last trading day before announcement of the Arrangement, the closing price of the Tamarack Shares on the TSX was $13.36. On October 9, 2026, the last trading day before the date of this Information Circular, the closing price of the Tamarack Shares on the TSX was $13.72.

**Risk Factors**

An investment in the securities of Tamarack is subject to certain risks. Tamarack Shareholders should carefully review and consider all other information contained in this Information Circular, including the matters and cautionary statements discussed under the heading "*Risk Factors*" in the Information Circular, the Tamarack AIF and the Tamarack Annual MD&A.

All statements regarding Tamarack's business should be viewed in light of these risk factors. Readers should consider carefully whether an investment in Tamarack Shares is suitable for them in light of the information set forth in this Information Circular and in the documents incorporated by reference in this Information Circular. Such information does not purport to be an exhaustive list. If any of the identified risks were to materialize, Tamarack's business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to Tamarack, or which Tamarack currently deems immaterial, may also have an adverse effect upon Tamarack.

Readers should also carefully review and consider all other information contained in this Information Circular and in the documents incorporated by reference in Appendix I – "*Information Concerning Headwater Exploration Inc*." before making an investment decision and consult their own professional advisors when necessary.

**Material Contracts**

Except as otherwise disclosed in this Information Circular and in the Tamarack AIF, during the twelve (12) months prior to the date of this Information Circular, the material contracts entered into by Tamarack are: (a) the Arrangement Agreement; and (b) the purchase and sale agreement dated May 27, 2026 in respect of the sale of the Charlie Lake assets, each of which are available on Tamarack's SEDAR+ profile at www.sedarplus.ca.

**Auditors, Transfer Agent and Registrar**

The auditor of Tamarack is KPMG LLP, Chartered Professional Accountants, Calgary, Alberta. KPMG LLP has confirmed that it is independent of Tamarack within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Alberta. The transfer agent and registrar for the Tamarack Shares is Odyssey Trust Company at its principal office in Calgary, Alberta.

**Interest of Experts**

Certain information relating to the reserves of Tamarack in this Information Circular and in the Tamarack AIF is derived from the Tamarack Reserves Report prepared by McDaniel & Associates Consultants Ltd., independent qualified reserves evaluators. As at the date of this Information Circular, the designated professionals of McDaniel & Associates Consultants Ltd., as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Tamarack Shares. KPMG LLP, the auditor of Tamarack, has confirmed its independence as described under "*Auditors, Transfer Agent and Registrar*". National Bank provided the NBF Fairness Opinion to the Tamarack Board; as at the date of this Information Circular, the directors, officers, employees and associates of National Bank, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Tamarack Shares. See "*The Arrangement – NBF Fairness Opinion*" and Appendix G – "*NBF Fairness Opinion*".

Stikeman Elliott LLP is legal counsel to Tamarack and provided the opinions under the heading "*Certain Canadian Income Tax Considerations*" in the Information Circular. As of October 13, 2026, the partners and associates of Stikeman Elliott LLP, as a group, own, directly or indirectly, less than 1% of the outstandings securities of Tamarack.

**Interest of Informed Persons in Material Transactions**

Other than as disclosed elsewhere in this Information Circular, Tamarack is not aware of any material interest, direct or indirect, of any informed person in any transaction within the three (3) most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Tamarack.

**Additional Information**

Additional information relating to Tamarack is available under Tamarack's profile on SEDAR+ at www.sedarplus.ca and in the Tamarack AIF. Additional financial information is provided in the Tamarack Annual Financial Statements, the Tamarack Annual MD&A, the Tamarack Interim Financial Statements and the Tamarack Interim MD&A.

Information contained in or otherwise accessible through Tamarack's website does not form a part of this Information Circular and is not incorporated by reference in this Information Circular.

**Directors' Approval**

The contents and distribution of this Information Circular have been approved by the Tamarack Board.

**APPENDIX L**
**SECTION 191 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)**

Shareholder's right to dissent

**191 (1)** Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,

(b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

(c) amalgamate with another corporation, otherwise than under section 184 or 187,

(d) be continued under the laws of another jurisdiction under section 189, or

(e) sell, lease or exchange all or substantially all its property under section 190.

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

**(3)** In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**(5)** A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

(a) at or before any meeting of shareholders at which the resolution is to be voted on, or

(b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

**(6)** An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

(a) by the corporation, or

(b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(7)** If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

**(8)** Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

**(9)** Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

**(10)** A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

**(11)** A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

**(12)** In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

**(13)** On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(14)** On

(a) the action approved by the resolution from which the shareholder dissents becoming effective,

(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

**(15)** Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

**(16)** Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

**(17)** The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

**(18)** If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**(19)** Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**(20)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or

(b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities

**FOR HEADWATER SHAREHOLDERS:**

**QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT**

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