



Q3 2025 Reporting Package

November 13, 2025

PetroTal Announces Q3 2025 Financial and Operating Results

Calgary, AB and Houston, TX – November 13, 2025 – PetroTal Corp. (“PetroTal” or the “Company”) (TSX: TAL, AIM: PTAL and OTCQX: PTALF) reports its operating and financial results for the period ended September 30, 2025. All amounts herein are in United States dollars unless stated otherwise.

Selected financial and operational information outlined below should be read in conjunction with the Company’s unaudited consolidated financial statements and management’s discussion and analysis (“MD&A”) for the period ended September 30, 2025, which are available on SEDAR+ at www.sedarplus.ca and on the Company’s website at www.PetroTal-Corp.com.

Key Highlights of Q3 2025 Financial & Operational Results

- Average Q3 2025 sales and production of 18,028 and 18,414 barrels of oil per day (“bopd”), respectively;
- Generated adjusted EBITDA⁽¹⁾ and free funds flow⁽¹⁾ of \$31.6 million (\$19.03/bbl) and \$11.9 million (\$7.17/bbl), respectively;
- Capital expenditures of \$19.7 million, an increase of \$2.6 million compared to the prior quarter;
- Net income of \$3.6 million (\$2.17/bbl), a decrease of \$13.9 million compared to the prior quarter;
- Total cash of \$141.5 million, essentially flat to the prior quarter, and an increase of \$8.4 million compared to the same period last year;

(1) Non-GAAP (defined below) measure that does not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures presented by other entities. See “Non-GAAP Financial Measures” section.

Manuel Pablo Zuniga-Pflucker, President and Chief Executive Officer, commented:

“I am pleased to share that PetroTal delivered solid financial results in the third quarter of 2025. Our production increased by 21% compared to the same period last year, supported by healthy river exports, as we continued to benefit from the results of our 2024 development drilling program. While we experienced some unscheduled downtime that temporarily impacted production capacity, our operational teams responded quickly to restore output and sustain our sales volumes.

Looking ahead, we continue to refine our development plan as we finalize our 2026 budget. In a separate announcement today, we have confirmed that PetroTal’s Board of Directors has decided to suspend our quarterly dividend for the time being. Although this was a difficult decision, we believe it is prudent to preserve liquidity as we evaluate the optimal development plan for the Bretana field. We thank our shareholders for their ongoing support and look forward to providing additional details with our 2026 budget in January.”

Selected Financial Highlights

	Three Months Ended					
	Q3-2025		Q2-2025		Q3-2024	
	\$/bbl	\$(000's)	\$/bbl	\$(000's)	\$/bbl	\$(000's)
Average Production (bopd)		18,414		21,039		15,203
Average Sales (bopd)		18,028		20,578		14,760
Total Sales (bbls)⁽¹⁾		1,658,621		1,872,602		1,357,961
Average Brent Price	\$66.96		\$65.55		\$77.74	
Contracted Sales Price, Gross	\$66.95		\$65.53		\$78.58	
Tariffs, Fees and Differentials	-\$23.62		-\$22.75		-\$20.52	
Realized Sales Price, Net	\$43.33		\$42.78		\$58.06	
Oil Revenue	\$43.33	\$71,871	\$42.78	\$80,110	\$58.06	\$78,850
Royalties ⁽²⁾	\$4.80	\$7,961	\$4.95	\$9,276	\$5.47	\$7,433
Operating Expenses	\$8.34	\$13,834	\$9.34	\$17,488	\$8.23	\$11,176
Direct Transportation						
Diluent	\$0.00	\$0	\$0.00	\$0	\$0.90	\$1,218
Barging	\$0.60	\$1,003	\$0.79	\$1,482	\$0.81	\$1,100
Storage	\$2.76	\$4,579	\$0.30	\$570	\$0.51	\$690
Total Transportation	\$3.36	\$5,582	\$1.09	\$2,052	\$2.22	\$3,008
Net Operating Income^(3,4)	\$26.83	\$44,494	\$27.40	\$51,294	\$42.14	\$57,233
Erosion Control	\$3.91	\$6,481	\$0.38	\$705	\$0.40	\$548
G&A	\$4.38	\$7,271	\$4.15	\$7,775	\$6.75	\$9,160
EBITDA⁽³⁾	\$18.53	\$30,741	\$22.86	\$42,815	\$34.99	\$47,526
Adjusted EBITDA^(3,5)	\$19.03	\$31,568	\$23.66	\$44,310	\$36.49	\$49,556
Net Income	\$2.17	\$3,599	\$9.35	\$17,513	\$5.29	\$7,179
Basic Shares Outstanding ('000)		913,372		913,808		913,259
Market Capitalization ⁽⁶⁾		\$383,616		\$456,904		\$429,231
Net Income/Share (\$/sh)		\$0.00		\$0.02		\$0.01
Capex		\$19,682		\$17,064		\$43,019
Free Funds Flow^(3,7)	\$7.17	\$11,886	\$14.55	\$27,246	\$4.81	\$6,537
Total Cash⁽⁸⁾		\$141,488		\$142,102		\$133,072
Available Cash		\$108,809		\$99,313		\$121,328

1. Approximately 99% of Q3 2025 sales were through the Brazilian route vs 90% in Q2 2025.
2. Royalties include the impact of the 2.5% community social trust.
3. Non-GAAP (defined below) measure that does not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures presented by other entities. See "Non-GAAP Financial Measures" section.
4. Net operating income represents revenues less royalties, operating expenses, and direct transportation.
5. Adjusted EBITDA is net operating income less general and administrative ("G&A") and plus/minus realized derivative impacts.
6. Market capitalization for Q3 2025, Q2 2025 and Q3 2024 assume share prices of \$0.42, \$0.50, and \$0.47 respectively on the last trading day of the quarter.
7. Free funds flow is defined as adjusted EBITDA less capital expenditures. See "Non-GAAP Financial Measures" section.
8. Includes restricted cash balances.

Additional financial and operational updates during and subsequent to the quarter ending September 30, 2025:

Block 95 Update

PetroTal produced an average of 17,938 bopd from the Bretana field in Q3 2025, an increase of 21% over the same period last year. As disclosed on September 22, 2025, the Bretana field has been producing below capacity since mid-August, due to leaks in production tubing which necessitated the shut-in of five producing wells. Responding to the production downtime, PetroTal mobilized a service rig from Block 131 to Bretana and began a pulling campaign to restore production from shut-in wells in late October. As of November 10, the Company successfully replaced production tubing in one (1) well. During the first 10 days of November, Bretana production averaged 14,983 bopd, bringing 2025 YTD production to 6.2 mmbbls, for an average of 19,594 bopd.

Block 131 Update

Los Angeles field production averaged 476 bopd in Q3 2025, a decline of approximately 50 bopd compared to the prior quarter. PetroTal conducted a workover campaign at Los Angeles in September, which necessitated the shut-in of all three producing wells at the field for approximately one week. Following the completion of the workover campaign, Los Angeles field production averaged approximately 560 bopd during the month of October, compared to 479 bopd during the month of August, the last full calendar month before the wells were shut-in. As of November 11, YTD production from Los Angeles totaled just over 170,000 bbls, for an average of 539 bopd. PetroTal's technical team is currently evaluating the results of the workover program, with a view to finalizing the 2026 development plan by mid-January 2026.

Bretana Erosion Control Project

The Bretana Erosion Control Project, which PetroTal is undertaking to ensure maximum realization of its investment in the Bretana field, continues to proceed on schedule. PetroTal expensed \$6.5 million of erosion control costs in Q3 2025, up from \$0.7 million in the prior quarter, as the main piling barge, along with the first batch of fabricated steel components, arrived at Bretana in mid-August. As of November 7, PetroTal is actively engaged in construction activities on breakwaters #1 and #3, both of which are situated in front of the village of Bretana. There are no material changes to project cost estimates or timelines at this time; PetroTal continues to target completion date in Q3 2026, with total project cost estimates falling within a range of \$65-75 million.

Cash and Liquidity Update

PetroTal ended Q3 2025 with a total cash position of \$141.5 million, compared to \$133.1 million at the end of Q3 2024. Available cash as of September 30, 2025 amounted to \$108.8 million, compared to \$121.3 million at

the same time last year. The increase in total cash primarily reflects the first tranche of the previously announced COFIDE/BanBif loan, which was drawn in Q2 2025. Of the \$32.7 million that PetroTal carried as restricted cash on September 30, approximately \$25 million was related to the escrow account of the COFIDE/BanBif loan.

PetroTal did not initiate any new production hedges during Q3 2025 and maintains coverage on approximately 1.0 million barrels over the period from October 1, 2025 to March 30, 2026. Consistent with prior disclosure, the costless collars have a Brent floor price of \$65.00/bbl and a ceiling of \$82.50/bbl, with a cap of \$102.50/bbl. As of November 3, PetroTal's existing production hedges had a present value of approximately \$2.1 million.

Q3 2025 Webcast Link for November 13, 2025

PetroTal's management team will host a webcast to discuss Q3 2025 results on November 13, 2025 at 9am CT (Houston) and 3pm BST (London). Please see the link below to register.

https://brrmedia.news/PTAL_Q3_2025

ABOUT PETROTAL

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For further information, please see the Company's website at www.petrotal-corp.com, the Company's filed documents at www.sedarplus.ca, or below:

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READER ADVISORIES

FORWARD-LOOKING STATEMENTS: This press release contains certain statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to: oil production levels and production capacity; PetroTal's development program for drilling, completions and other activities, including Block 131 and Bretana; plans and expectations with respect to the erosion control project; and PetroTal's expectations with respect to dividends and share buybacks. 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 "anticipate", "believe", "expect", "plan", "estimate", "potential", "will", "should", "continue", "may", "objective", "intend" and similar expressions. The forward-looking statements provided in this press release are based on management's current belief, based on currently available information, as to the outcome and timing of future events. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including, but not limited to, expectations and assumptions concerning the ability of existing infrastructure to deliver production and the anticipated capital expenditures associated therewith, the ability to obtain and maintain necessary permits and licenses, the ability of government groups to effectively achieve objectives in respect of reducing social conflict and collaborating towards continued investment in the energy sector, reservoir characteristics, recovery factor, exploration upside, prevailing commodity prices and the actual prices received for PetroTal's products, including pursuant to hedging arrangements, the availability and performance of drilling rigs, facilities, pipelines, other oilfield services and skilled labour, royalty regimes and exchange rates, the impact of inflation on costs, the application of regulatory and licensing requirements, the accuracy of PetroTal's geological interpretation of its drilling and land opportunities, current legislation, receipt of required regulatory approval, the success of future drilling and development activities, the performance of new wells, future river water levels, the Company's growth strategy, general economic conditions and availability of required equipment and services. PetroTal cautions that forward-looking statements relating to PetroTal are subject to all of the risks, uncertainties and other factors, which may cause the actual results, performance, capital expenditures or achievements of the Company to differ materially from anticipated future results, performance, capital expenditures or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), business performance, legal and legislative developments including changes in tax laws and legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures, credit ratings and risks, fluctuations in interest rates and currency values, changes in the financial landscape both domestically and abroad, including volatility in the stock market and financial system, wars (including Russia's war in Ukraine and the Israeli-Hamas conflict), regulatory developments, commodity price volatility, price differentials and the actual prices received for products, exchange rate fluctuations, legal, political and economic instability in Peru, access to transportation routes and markets for the Company's production, changes in legislation affecting the oil and gas industry, changes in the financial landscape both domestically and abroad (including volatility in the stock market and financial system) and the occurrence of weather-related and other natural catastrophes. Readers are cautioned that the foregoing list of factors is not exhaustive. Please refer to the annual information form for the year ended December 31, 2024 and the management's discussion and analysis for the three months ended September 30, 2025 for additional risk factors relating to PetroTal, which can be accessed either on PetroTal's website at www.petrotal-corp.com or under the Company's profile on www.sedarplus.ca. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

OIL REFERENCES: All references to "oil" or "crude oil" production, revenue or sales in this press release mean "heavy crude oil" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

SHORT TERM RESULTS: References in this press release to peak rates, initial production rates, current production rates, 30-day production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of PetroTal. The Company cautions that such results should be considered to be preliminary.

FOFI DISCLOSURE: This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about PetroTal's prospective results of operations and production results, 2025 and 2026 drilling program and budget, well investment payback, cash position, liquidity and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was approved by management as of the date of this press release and was included for the purpose of providing further information about PetroTal's anticipated future business operations. PetroTal and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. PetroTal disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein. All FOFI contained in this press release complies with the requirements of Canadian securities legislation, including NI 51-101. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in PetroTal's guidance. The Company's actual results may differ materially from these estimates.

PetroTal Announces Suspension of Quarterly Dividend

Calgary, AB and Houston, TX – November 13, 2025 – PetroTal Corp. (“PetroTal” or the “Company”) (TSX: TAL, AIM: PTAL and OTCQX: PTALF) announces that its Board of Directors has decided to suspend the Company’s regular quarterly dividend, until further notice. All amounts herein are in United States dollars unless stated otherwise.

Manuel Pablo Zuniga-Pflucker, President and Chief Executive Officer, commented:

“While PetroTal’s financial and operational results remain strong, as evidenced by the Q3 2025 results which we also published today, the Company is facing a number of challenges as we finalize our 2026 budget. Most notably, we continue to experience delays in the resumption of our development drilling program, and as a result our production volumes are expected to decline throughout H1 2026. The updated production forecast, combined with weaker oil prices, is limiting our ability to fund both an adequate development program and return capital to shareholders.

After considering the preliminary 2026 outlook over the past few weeks, PetroTal’s Board of Directors has made the difficult decision to suspend our regular quarterly dividend for the time being. As a significant shareholder myself, I would like to assure investors that this decision was not taken lightly; we are evaluating all options to preserve liquidity, as we work to resume our development drilling program as quickly as possible. PetroTal intends to provide more detailed guidance in January 2026, once the development program and associated production forecast are finalized. We thank our shareholders for their ongoing support.”

Preliminary 2026 Outlook

As disclosed with Q2 2025 results on August 7, PetroTal is actively optimizing the long-term Bretana field development plan, to account for a variety of factors including sustained lower oil prices, regulatory considerations, and delays in resuming our development drilling program. At this point, PetroTal believes the best-case timing to resume drilling at Bretana is mid-year 2026. Given that PetroTal does not currently expect to generate any material organic production additions in H1 2026, initial 2026 budget runs suggest corporate production is likely to average approximately 12,000-15,000 bopd next year, depending on the timing of the resumption of development drilling at Bretana. PetroTal continues to refine the 2026 development plan, which remains subject to board approval.

While the long-term outlook for the Bretana field remains strong, supported by eight (8) and sixteen (16) booked 1P and 2P drilling locations, respectively, along with significant unbooked upside in the VS1 horizon, continued development is contingent on investment in facility expansion, specifically water handling capacity. At prevailing oil prices, and under the updated production forecast, PetroTal believes it will be challenged to fund both development drilling and expansion of water handling capacity internally through cash flow, while returning capital to shareholders. As a result, PetroTal's Board of Directors is prioritizing cash preservation, with the expectation that available cash reserves may be drawn upon to help fund the 2026/27 development program. PetroTal intends to provide formal 2026 guidance by the end of January 2026 and publish its annual reserve report by the end of February 2026.

Dividend Suspension

After giving careful consideration to the 2026 outlook described above, PetroTal's Board of Directors has elected to suspend the regular quarterly dividend until further notice. PetroTal's Board of Directors has a long-standing directive that the Company must maintain a minimum available cash balance of \$60 million, as insulation against production interruptions, decreases in commodity prices, or other emergency situations. If PetroTal's Board of Directors has a reasonable expectation that forecast development expenditures may cause available cash to fall below \$60 million within the next four quarters, it is obliged to reduce or halt distributions to shareholders.

PetroTal's Board of Directors would like to assure investors that the Company remains committed to returning capital to shareholders whenever appropriate, whether through dividends or share buybacks. Since 2023, PetroTal has returned almost \$155 million to shareholders, of which \$144 million has been paid out in dividends. The Bretana field has generated more than \$400 million of free funds flow since the beginning of 2020. PetroTal's Board of Directors is confident this asset can continue to support a stable return of capital program in the future, albeit at higher production volumes and commodity prices. However, the Company must invest capital in development over the next 12-18 months to support these endeavors.

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the interim period ended September 30, 2025

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MANAGEMENT'S REPORT

The accompanying unaudited condensed interim consolidated financial statements and all information in the management discussion and analysis and notes to the unaudited condensed interim consolidated financial statements are the responsibility of management. The unaudited condensed interim consolidated financial statements were prepared by management in accordance with IFRS® Accounting Standards, specifically IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") outlined in the notes to the unaudited condensed interim consolidated financial statements. Other financial information appearing throughout the report is presented on a basis consistent with the unaudited condensed interim consolidated financial statements.

Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the presentation of unaudited condensed interim consolidated financial statements.

The Audit Committee reviewed the unaudited condensed interim consolidated financial statements with management and with the auditors. The Board of Directors has approved the unaudited condensed interim consolidated financial statements on the recommendation of the Audit Committee.

Signed "Manuel Pablo Zuniga-Pflucker"
Manuel Pablo Zuniga-Pflucker
President and Chief Executive Officer

Signed "Camilo McAllister"
Camilo McAllister
Executive VP and Chief Financial Officer

November 12, 2025

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. \$ - unaudited)

	Note	September 30, 2025	December 31, 2024
ASSETS			
Current			
Cash	4	\$ 108,809	\$ 102,783
Restricted cash	4	22,994	5,745
Trade and other receivables	5	58,348	88,855
Inventory	6	12,291	13,570
Prepaid expenses	7	12,552	7,971
Derivative assets	8	2,285	1,307
Total current assets		217,279	220,231
Non-current			
Restricted cash	4	9,685	6,000
Trade and other receivables	5	23,510	21,608
Exploration and evaluation assets	9	11,057	10,406
Property, plant and equipment, net	10	542,649	537,018
Deferred income tax assets	17	1,448	1,963
Prepaid expenses	7	7,000	7,000
Derivative assets	8	—	311
Total non-current assets		595,349	584,306
Total assets		\$ 812,628	\$ 804,537
LIABILITIES and EQUITY			
Current			
Trade and other payables	12	\$ 59,012	\$ 94,955
Income tax payables	17	13,827	13,814
Lease liabilities	14	11,816	10,426
Short-term debt	11	11,162	10,047
Total current liabilities		95,817	129,242
Non-current			
Long-term debt	11	34,550	—
Long-term derivative liabilities	8	14,667	10,534
Lease liabilities	14	43,802	44,215
Decommissioning liabilities	13	40,221	34,383
Deferred income tax liabilities	17	59,823	72,548
Other long-term liabilities		3,103	2,107
Total non-current liabilities		196,166	163,787
Total liabilities		\$ 291,983	\$ 293,029
Equity			
Share capital	15	\$ 138,431	\$ 139,198
Contributed surplus		12,989	11,332
Retained earnings		369,225	360,978
Total equity		\$ 520,645	\$ 511,508
Total liabilities and equity		\$ 812,628	\$ 804,537

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS AND OTHER COMPREHENSIVE INCOME

(In thousands of U.S. \$, except per share amounts - unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
REVENUES					
Oil revenues, net of royalties and social fund	16	\$ 63,910	\$ 71,417	\$ 232,454	\$ 255,595
Total revenue		63,910	71,417	232,454	255,595
EXPENSES					
Operating		13,834	11,724	44,549	31,025
Erosion		6,481	—	9,002	—
Direct transportation		5,582	3,008	9,934	8,251
General and administrative		7,271	9,160	24,625	27,757
Finance expenses (income)		1,789	(311)	4,630	1,060
Commodity price derivatives loss	8	2,082	21,481	3,152	13,149
Depletion, depreciation and amortization		19,168	13,092	63,358	43,738
Foreign exchange loss (gain)		35	46	(903)	296
Total expenses		56,242	58,200	158,347	125,276
Income before income taxes		7,668	13,217	74,107	130,319
Current income tax expense	17	6,328	7,094	34,352	18,063
Deferred income tax (recovery) expense	17	(2,259)	(1,056)	(12,209)	22,048
Net income and comprehensive income		\$ 3,599	\$ 7,179	\$ 51,964	\$ 90,208
Basic		\$ 0.00	\$ 0.01	\$ 0.06	\$ 0.10
Diluted		\$ 0.00	\$ 0.01	\$ 0.06	\$ 0.10
Weighted average common shares outstanding (in thousands):					
Basic		913,362	914,053	914,848	915,389
Diluted		936,058	936,480	935,678	935,530

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of U.S. \$ - unaudited)

		Nine Months Ended September 30,	
	Note	2025	2024
Share capital			
Balance, beginning of year		\$ 139,198	\$ 140,672
Repurchase of shares	15	(767)	(1,223)
Balance, end of period		\$ 138,431	\$ 139,449
Contributed surplus			
Balance, beginning of year		\$ 11,332	\$ 9,853
Share based compensation plan	15	1,657	550
Balance, end of period		\$ 12,989	\$ 10,403
Retained earnings			
Balance, beginning of year		\$ 360,978	\$ 313,417
Dividends	15	(42,195)	(46,752)
Net income and comprehensive income		51,964	90,208
Repurchase of shares	15	(1,522)	(2,969)
Balance, end of period		\$ 369,225	\$ 353,904
Total equity		\$ 520,645	\$ 503,756

See accompanying notes to the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of U.S. \$ - unaudited)

		Nine Months Ended September 30,	
	Note	2025	2024
Cash flows from operating activities			
Net income		\$ 51,964	\$ 90,208
Adjustments for:			
Depletion, depreciation and amortization		63,358	43,738
Accretion of decommissioning liabilities	13	1,593	932
Share based compensation plan		3,079	705
Commodity price unrealized derivatives loss	8	3,466	9,408
Finance expenses		3,814	1,530
Deferred income tax (recovery) expense	17	(12,209)	22,048
Changes in working capital:			
Trade and other receivables		29,973	1,208
Prepaid expenses		(4,581)	(8,737)
Inventory		1,279	(10,179)
Trade and other payables		3,996	(2,813)
Commodity price realized derivatives gain	8	—	9,645
Income tax payables	17	33,343	25,228
Cash paid for income taxes		(33,330)	—
Net cash provided by operating activities		145,745	182,921
Cash flows from investing activities			
Property, plant and equipment additions	10	(59,701)	(111,206)
Exploration and evaluation asset additions	9	(651)	(1,032)
Non-cash changes in working capital		(41,214)	7,210
Net cash used in investing activities		(101,566)	(105,028)
Cash flows from financing activities			
Interest and fees paid		(1,619)	—
Repayment of debt principal		(13,540)	—
Funds received from credit facility	11	50,000	—
Debt issuance costs	11	(923)	—
Dividends paid		(41,348)	(46,752)
Repurchase of shares		(2,289)	(4,192)
Payment of current lease liabilities	14	(7,500)	(5,176)
Net cash used in financing activities		(17,219)	(56,120)
Increase in cash		26,960	21,773
Cash, beginning of period		102,783	90,568
(Increase) decrease in restricted cash	4	(20,934)	8,987
Cash, end of period		\$ 108,809	\$ 121,328

See accompanying notes to the condensed interim consolidated financial statements

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

All amounts are stated in thousands of U.S. \$, unless otherwise indicated.

1. CORPORATE INFORMATION

PetroTal Corp. and its subsidiaries (the “Company” or “PetroTal”) are engaged in the exploration, appraisal and development of oil and natural gas in Peru, South America. The Company is a publicly-traded energy company incorporated and domiciled in Canada. The Company’s registered office is located at 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, Canada.

These unaudited condensed interim consolidated financial statements (the “Financial Statements”) were approved for issuance by the Company’s Board of Directors on November 12, 2025, based on the recommendation of the Audit Committee.

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. They do not contain all disclosures required by IFRS Accounting Standards for annual financial statements and, accordingly, should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2024. Those annual consolidated financial statements outline the Company’s material accounting policies, accounting judgments, and key sources of estimation uncertainty in Note 2, which have been applied consistently in these Financial Statements.

In the preparation of these Financial Statements, certain balances as of December 31, 2024, have been reclassified to conform with the current period’s presentation and to better reflect the nature of the underlying transactions:

- VAT receivables (\$23.0 million in current assets and \$2.3 million in non-current assets): Balances as of December 31, 2024 were previously presented as a separate line item. In these Financial statements, these amounts have been reclassified within the trade and other receivables line item (current and non-current assets).
- Prepaid expenses and others (\$5.9 million in current assets): Balance as of December 31, 2024 related to prepayments made in Peru for current income tax purposes. As these amounts are applied against income tax payable for the respective period, they have been reclassified in these Financial Statements as a reduction to the income tax payables line item.

BASIS OF MEASUREMENT

These Financial Statements have been prepared on a going concern basis and on a historical cost basis except for certain financial instruments that have been measured at fair value.

PRINCIPLES OF CONSOLIDATION

The Financial Statements include the accounts of the Company and its subsidiaries. The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting practices.

Intercompany balances and transactions, including any unrealized gains or losses arising from transactions with the Company’s subsidiaries, are eliminated on consolidation.

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

NEW ACCOUNTING STANDARD ISSUED BUT NOT EFFECTIVE

A new accounting standard and interpretation was issued and is mandatory for future accounting periods. With respect to IFRS 18, "Presentation and Disclosure in Financial Statements", issued by the IASB in April 2024, the Company is currently evaluating the impact on the Company's Financial Statements. Retrospective application of the standard is mandatory for annual reporting periods starting from January 1, 2027 onwards with earlier application permitted.

4. CASH AND RESTRICTED CASH

	September 30, 2025	December 31, 2024
Cash	\$ 108,809	\$ 102,783
Restricted cash current	22,994	5,745
Restricted cash non-current	9,685	6,000
Total cash and restricted cash	\$ 141,488	\$ 114,528

Current restricted cash of \$23.0 million is primarily related to funds designated for the erosion control project, the social fund and letters of credit bank guarantees for Block 107 exploration wells. The \$9.7 million of non-current restricted cash is related to permitted hedging programs (see Note 8, *Commodity Price Derivatives*) and funds designated for the erosion control project.

5. TRADE AND OTHER RECEIVABLES

	September 30, 2025	December 31, 2024
Trade receivables	\$ 66,938	\$ 84,754
VAT receivables	14,604	25,352
Other receivables	316	357
Total trade and other receivables	\$ 81,858	\$ 110,463
Represented as:		
Current receivables	\$ 58,348	\$ 88,855
Non-current receivables	23,510	21,608
Total trade and other receivables	\$ 81,858	\$ 110,463

Trade receivables represent revenue from the sale of oil. As of September 30, 2025, the trade balance consisted primarily of \$43.9 million from export sales through Brazil and \$23.0 million due from Petroperu, of which \$46.3 million is expected to be collected within twelve months (short term) and \$20.6 million thereafter (long term). No credit losses have been recognized on the Company's trade receivables.

Value Added Tax ("VAT") in Peru is levied on the purchase of goods and services and is recoverable on the sales of goods and services. During the nine months ended September 30, 2025, the Company paid \$23.0 million of VAT and recovered \$33.7 million. The Company expects to recover an additional \$11.7 million of VAT within the next twelve months.

VAT receivables have been reclassified in the table above to conform to current period's presentation.

6. INVENTORY

	September 30, 2025	December 31, 2024
Materials, parts and supplies	\$ 10,782	\$ 10,894
Oil inventory	1,509	2,676
Total inventory	\$ 12,291	\$ 13,570

Materials, parts and supplies, primarily related to drilling, production and maintenance activities, are expected to be consumed in the short term. These inventories are measured at the lower of cost or net realizable value, with provisions recorded for any obsolete or slow-moving items.

Oil inventory consists of barrels of oil production in tanks, measured at the lower of cost or net realizable value. Inventory costs include operating expenses, royalties, transportation and depletion associated with production and are recognized as expense when the inventory is sold. As of September 30, 2025, the Company's oil inventory balance was \$1.5 million, representing 56.6 thousand barrels valued at \$26.67 per barrel, compared to \$2.7 million, representing 85.9 thousand barrels at \$31.16 per barrel, as of December 31, 2024.

7. PREPAID EXPENSES

	September 30, 2025	December 31, 2024
Erosion control project advances	\$ 8,946	\$ 3,296
Advances to contractors	7,503	7,450
Prepaid expenses and others	3,103	4,226
Total prepaid expenses	\$ 19,552	\$ 14,972
Represented as:		
Current prepaid expenses	\$ 12,552	\$ 7,972
Non-current prepaid expenses	7,000	7,000
Total prepaid expenses	\$ 19,552	\$ 14,972

As of September 30, 2025, advances for the erosion control project primarily related to a down payment for steel beam materials. Advances to contractors included \$7.0 million related to power plant projects classified as long term. Prepaid expenses and others comprised \$1.7 million for insurance, prepaid consulting services and other related services and \$1.4 million in Peruvian income tax prepayments.

Certain prior period balances previously included in prepaid expenses and other have been reclassified to income tax payables to more accurately reflect the nature and composition of the liability.

8. RISK MANAGEMENT

	September 30, 2025		December 31, 2024	
	Carrying	Fair Value	Carrying	Fair Value
Cash and restricted cash	\$ 141,488	\$ 141,488	\$ 114,528	\$ 114,528
Trade and other receivables	46,608	46,608	65,832	65,832
Short-term derivative assets	2,285	2,285	1,307	1,307
Trade receivable long-term	20,646	20,646	19,279	19,279
Long-term derivative assets	—	—	311	311
Short and long-term debt	45,712	45,712	10,047	10,047
Trade and other payables	59,012	59,012	94,955	94,955
Long-term derivative liabilities	\$ 14,667	\$ 14,667	\$ 10,534	\$ 10,534

The table above presents the Company's carrying amount and fair values of financial instruments including cash and restricted cash, trade and other receivables, derivatives, debt, and trade and other payables. These instruments are classified as financial assets and liabilities and are measured at either amortized cost or fair value. The Company is exposed to various financial risks arising from its normal-course business activities.

COMMODITY PRICE DERIVATIVES

The derivative assets and liabilities are classified as a Level 2 fair value measurement. The Petroperu Saramuro agreement, signed in 2021, includes a purchase price adjustment clause. The initial sales price is based on the arithmetic average of the ICE Brent Crude 8-month forward price, while the realized price is based on the tender price of the oil sold at the Bayovar terminal. The purchase price adjustment is calculated as the realized price less the initial sales price. If the purchase price adjustment is negative, the Company compensates Petroperu for the amount, multiplied by the volume sold or arranged by Petroperu. Conversely, if the purchase price adjustment is positive, the Company is compensated by Petroperu.

The fair value of the embedded derivative, reflecting the average future Brent price differential, was recorded as a gain (loss) on commodity price derivatives as of September 30, 2025.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net derivative (liability) asset at beginning of period	\$ (10,300)	\$ 10,956	\$ (8,916)	\$ 7,412
Cash settlements	—	—	(315)	(4,788)
Cash to be received	—	(1,116)	—	(1,116)
Realized gain (loss)	—	(3,774)	315	(3,741)
Unrealized loss	(2,082)	(17,707)	(3,466)	(9,408)
Net derivative liability at end of period	\$ (12,382)	\$ (11,641)	\$ (12,382)	\$ (11,641)

	September 30, 2025	December 31, 2024
Short-term derivative assets	\$ 2,285	\$ 1,307
Long-term derivative assets	—	311
Long-term derivative liabilities	(14,667)	(10,534)
Net derivative liability at end of period	\$ (12,382)	\$ (8,916)

Sales delivery / Executed month	Expected settlement month	Volume (bbls. in thousands)	Price range \$/bbl.	Hedged range \$/bbl.	Net derivative asset (liability)
Peru Embedded Derivatives ⁽¹⁾					
Apr-21 to Feb-22	Oct-27 to Apr-28	1,882	\$62.49 to \$85.26	\$65.95 to \$66.46	\$ (14,667)
Corporate Derivatives Hedging ⁽²⁾					
Oct-24 and Jan-25	Oct-25 to Jan-26	996	—	\$65.00 to \$104.50	2,285
Net derivative liability					\$ (12,382)

⁽¹⁾ Embedded derivative related to original Petroperu sales agreement.

As of September 30, 2025 and December 31, 2024, approximately 1.9 million barrels remain in the pipeline or storage tanks, awaiting final sale by Petroperu. During the quarter, a decrease in future oil prices related to the Peru embedded derivative resulted in an increase to the net derivative liability. A 1.0% change in the Peru embedded derivative hedged range price would result in an estimated \$1.1 million change to the net derivative liability. Derivative gains and losses are only realized when oil is effectively sold to third parties at Bayovar.

⁽²⁾ Corporate hedge program covers a portion of 2025 and 2026 production.

As of September 30, 2025, approximately 1.0 million hedged barrels of Brent oil remained under the corporate hedge program, resulting in a net derivative asset of \$2.3 million. No new corporate hedges were executed during the quarter.

FOREIGN EXCHANGE RATE RISK

The Company's functional currency is the United States dollar. Foreign exchange gains or losses may arise from the translation of working capital items denominated in currencies other than the functional currency of the jurisdiction in which the working capital item is held.

LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's liquidity risk is affected by current and future commodity prices. If required, the Company may consider additional short-term financing or issuing equity to meet its future obligations. Declines in future commodity prices could affect the Company's ability to fund ongoing operations. The current economic environment may have significant adverse impacts on the Company including, but not exclusively:

- material declines in revenue and cash flows due to lower commodity prices;
- declines in revenue and operating activities resulting from constrained capital programs and oil production;
- inability to access financing sources; and,
- increased risk of non-performance by the Company's customers and suppliers.

Estimates and judgments made by management in the preparation of the Financial Statements are subject to a certain degree of measurement uncertainty during this volatile period.

CREDIT RISK

Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due, resulting in a financial loss to the Company. The Company's VAT receivable is primarily for sales tax credits on exploration and drilling expenses incurred in the current year and prior years. These credits are applied to future oil development activities or recovered in accordance with the current sales tax recovery legislation.

The Company's trade receivable balance primarily relates to oil sales and purchase price adjustments with two customers: Petroperu, a state-owned company, and Novum Energy Trading Corp, an oil trading company. The Company has a long-term sales agreement for oil exports through Brazil, with sales on a free on board ("FOB") Bretana basis. Sales to the Iquitos refinery or into the port of Pucallpa are due 60 days after final delivery. Sales through the Oleoducto Norperuano Pipeline ("ONP") are due 240 days after final delivery to the Bayovar terminal.

In the third quarter of 2025, PetroTal sold its oil through two primary routes: 98.6% via the Brazil export route, and 1.4% to the local Iquitos refinery. Sales via the ONP remained inactive during the period, and sales to the local Iquitos refinery resumed as of September 2025. The Company has not experienced any material credit losses on trade receivables and periodically assesses the recoverability through customer discussions, credit rating agency reports and other third-party information.

Impairment of a financial asset is recognized only when there is objective evidence of impairment, the loss event impacts on future cash flow and can be reliably estimated. Evidence of impairment may include default or delinquency by a debtor or indicators that the debtor may enter bankruptcy. Management believes there is no significant risk on the recoverability of the Company's receivables; accordingly, no impairment has been recorded.

The Company deposits cash and restricted cash with a limited number of high-quality financial institutions. The maximum credit exposure associated with financial assets is their carrying value. As of September 30, 2025, the Company's cash and restricted cash are predominantly denominated in U.S. dollars, with financial institutions located across the U.S., Canada and Peru.

9. EXPLORATION AND EVALUATION ASSETS

	Exploration and Evaluation Assets
Balance at January 1, 2024	\$ 8,973
Additions	1,433
Balance at December 31, 2024	\$ 10,406
Additions	651
Balance at September 30, 2025	\$ 11,057

Exploration and evaluation ("E&E") assets represent the Company's exploration projects that are pending the determination of proved or probable reserves or the assessment of recoverability. As of September 30, 2025 and December 31, 2024, the Company determined there were no impairment indicators of the E&E balance.

10. PROPERTY, PLANT AND EQUIPMENT

	Petroleum Interests	Right of Use Assets	Other Assets	Total
Balance at January 1, 2024	\$ 364,226	\$ 32,868	\$ 2,470	\$ 399,564
Additions	157,620	28,125	3,773	189,518
Revisions to decommissioning obligations	181	—	—	181
Asset acquisition	9,078	—	—	9,078
Revisions to right of use asset	—	1,045	—	1,045
Depletion, depreciation and amortization	(59,124)	(2,470)	(774)	(62,368)
Balance at December 31, 2024	\$ 471,981	\$ 59,568	\$ 5,469	\$ 537,018
Additions	59,550	4,250	151	63,951
Revisions to decommissioning obligations	4,245	—	—	4,245
Revisions to right of use asset	—	793	—	793
Depletion, depreciation and amortization	(59,202)	(3,337)	(819)	(63,358)
Balance at September 30, 2025	\$ 476,574	\$ 61,274	\$ 4,801	\$ 542,649

Depreciation, depletion and amortization expenses included in inventory were immaterial as of September 30, 2025 and December 31, 2024. As of September 30, 2025, there were no indicators of impairment.

Certain reclassifications were made to prior year balances in the table above to more accurately reflect the nature and composition of the asset categories.

11. DEBT

	September 30, 2025	December 31, 2024
Short-term debt	\$ 11,162	\$ 10,047
Long-term debt	34,550	—
Total debt	\$ 45,712	\$ 10,047

On May 9, 2025, the Company entered into a syndicated loan agreement with Corporación Financiera de Desarrollo S.A. ("COFIDE"), a state-owned development bank in Peru, and Banco Interamericano de Finanzas ("BanBif") for a total of \$65.0 million. The four-year amortizing term loan matures in April 2029 and carries a fixed

interest rate of 8.65%. The outstanding principal balance approximates fair market value. The loan agreement includes financial covenants requiring the Company to maintain: (i) a 1.2x current assets to current liabilities minimum liquidity ratio, (ii) a 2.0x liabilities to equity maximum debt ratio, and (iii) a 1.2x minimum debt service coverage ratio. As of the reporting date, the Company was in full compliance with all applicable covenant requirements. The proceeds of the loan are designated for the Company's erosion control project.

Transaction costs of \$0.9 million incurred in connection with the loan were netted against the loan liability upon initial recognition and are being amortized over the term of the loan using the effective interest method.

The Company has \$59.0 million of available credit under its credit facilities, each with a one-year term and renewal options. The loan agreements contain no debt covenants. The credit facilities are intended to fund short-term working capital needs.

As of September 30, 2025, the Company had short-term debt of \$11.2 million and long-term debt of \$34.5 million related to the erosion control project.

Bank	Agreement Date	Amount Withdrawn	Line/Loan Amount	Interest Rate	Payment Term	Collateral
COFIDE/BanBif	May-25	\$ 45,712	\$ 65,000	8.65 %	4 years	—
BCP	Jul-24	—	20,000	—	120 days	—
Banco Pichincha	Sep-24	—	20,000	—	120 days	Insurance endorsement
GNB	Aug-24	—	10,000	—	180 days	—
Scotia Bank	Jan-25	—	5,000	—	360 days	—
Interbank	Jul-25	—	4,000	—	120 days	—
Total at September 30, 2025		\$ 45,712	\$ 124,000			

The following is a summary of scheduled debt maturities by year as of September 30, 2025:

Year	
2025	\$ 2,737
2026	11,401
2027	12,333
2028	13,421
2029	5,820
Total	\$ 45,712

12. TRADE AND OTHER PAYABLES

	September 30, 2025	December 31, 2024
Trade payables	\$ 16,780	\$ 39,201
Accrued payables and other obligations	42,232	55,754
Total trade and other payables	\$ 59,012	\$ 94,955

As of September 30, 2025 and December 31, 2024, trade payables and other payables were primarily related to the drilling and completion of wells and construction of production processing facilities. The decrease in trade payables and accruals during the year reflected lower drilling activity. Other obligations were mainly related to

the 2.5% social fund for the benefit of local communities, which totaled \$2.2 million and \$5.0 million as of September 30, 2025 and December 31, 2024, respectively.

13. DECOMMISSIONING LIABILITIES

The undiscounted, uninflated value of estimated decommissioning liabilities was \$64.4 million as of September 30, 2025 and December 31, 2024. The present value of the liabilities was calculated using average risk-free rates between 5.2% to 5.5% as of September 30, 2025 and 4.8% to 6.3% as of December 31, 2024, to reflect the market assessment of the time value of money as well as risks specific to the liabilities that have not been included in the cash flow estimates. The inflation rate used in determining the cash flow estimate was 2.1%. The revisions to the decommissioning liabilities include changes to cost estimates, the risk-free rates and adjustments for inflation.

	Decommissioning Liabilities
Balance at January 1, 2024	\$ 22,147
Additions	3,205
Asset acquisition	13,590
Revisions to decommissioning liabilities	(5,851)
Accretion	1,292
Balance at December 31, 2024	\$ 34,383
Revisions to decommissioning liabilities	4,245
Accretion	1,593
Balance at September 30, 2025	\$ 40,221

14. LEASE LIABILITIES

The lease liabilities related to drilling, power generation equipment and office premises in Houston, Texas and Lima, Peru, with lease terms ranging from 3 to 8 years.

Lease liabilities are measured at the present value of future lease payments, discounted using the applicable incremental borrowing rate at lease commencement, which ranges from 8.5% to 9.5%.

During the first quarter of 2025, the Company entered into a new power plant equipment lease with a purchase option, resulting in a \$4.7 million increase in the present value of right-of-use assets and lease liabilities on the balance sheet. The incremental borrowing rate used to measure the lease liability was 8.65% and the lease term ends in February 2030.

Lease liabilities at January 1, 2024	\$	28,870
Additions		28,125
Acquisition		15
Revisions		1,045
Payments		(5,819)
Interest on leases		2,405
Lease liabilities at December 31, 2024	\$	54,641
Additions		4,250
Revisions		793
Payments		(7,500)
Interest on leases		3,434
Lease liabilities at September 30, 2025	\$	55,618
Represented as:		
Current liability	\$	11,816
Non-current liability		43,802
Total lease liabilities	\$	55,618

The following is a summary of minimum undiscounted annual lease payments by year as of September 30, 2025:

Year	
2025	\$ 3,624
2026	14,500
2027	14,008
2028	12,122
2029	8,019
Thereafter	14,411
Total	\$ 66,684

15. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without nominal or par value. Holders of common shares are entitled to one vote per share and to receive dividends as declared by the Board of Directors.

	Thousands of Common Shares	Share Capital
Balance at January 1, 2024	912,314	\$ 140,672
Vesting of performance share units	8,283	—
Repurchase of shares	(8,814)	(1,474)
Balance at December 31, 2024	911,783	\$ 139,198
Vesting of performance share units	6,094	—
Repurchase of shares	(4,505)	(767)
Balance at September 30, 2025	913,372	\$ 138,431

DIVIDENDS

During the three and nine months ended September 30, 2025, the Company paid dividends to shareholders of \$14.1 million and \$42.2 million, respectively. The Company paid dividends per share in the amount of \$0.015 during the third quarter.

NORMAL COURSE ISSUER BID ("NCIB")

On June 3, 2025, the Company renewed the NCIB, which will end no later than June 2, 2026. The renewal allows the purchase of up to 45.8 million common shares, representing approximately 5.0% of its outstanding common shares as of September 30, 2025. Purchases are subject to a daily limit of 0.2 million shares, with one block purchase per calendar week allowed to exceeds this limit. Common shares purchased under the NCIB are either cancelled or used to settle employee share-based awards.

During the three and nine months ended September 30, 2025, the Company purchased 1.2 million and 4.5 million common shares under the NCIB for total consideration of \$0.6 million and \$2.3 million, respectively. The surplus between the total consideration and the carrying value of the shares repurchased was recorded against retained earnings.

SHARE BASED COMPENSATION

The Company has granted performance share units ("PSUs") to employees and deferred share units ("DSUs") to directors. The grant date fair value of PSUs is recognized as share-based compensation expense with a corresponding increase in contributed surplus over the vesting period. The Company granted PSUs in accordance with the provisions of the Company's PSU plan. The PSUs either vest after three years or equally over three years, and each PSU will entitle the holder to acquire between zero and two common shares of the Company, subject to the achievement of performance conditions relating to the Company's total shareholder return, net asset value, and certain production, environmental, safety and operational milestones. The fair value of the PSUs is determined using a combination of Black-Scholes and probability-weighted models. The following table details the terms of PSUs outstanding as of September 30, 2025:

	2025 Plan Share Units	2024 Plan Share Units
Vest date 3 years from grant date, exchangeable for up to 2 shares	4,531,589	2,848,316
Vests equally over 3 years from grant date, exchangeable for up to 2 shares	1,277,347	320,712
Vests equally over 3 years from grant date, exchangeable for up to 1-1.5 shares	3,518,513	1,290,257
Total units	9,327,449	4,459,285

The following assumptions were used in the Black-Scholes valuation of the PSUs granted:

	2025 Plan	2024 Plan
Risk-free interest rate	4.3%	4.5%
Expected Life	1-3 years	1-3 years
Annualized volatility	50%	50%

The Company also issued DSUs to directors under the Company's DSU plan. As of September 30, 2025, 6,700,011 DSUs were outstanding. The DSUs are fully vested and are redeemable upon a holder ceasing to be a director of the Company. No common shares will be issued under the DSU plan, as they are settled in cash at the prevailing market price and valued at the closing share price on the reporting date. The following table details the PSU and DSU activity:

	Performance Share Units	Deferred Share Units
Balance at January 1, 2024	20,801,920	3,792,494
Additions	8,930,275	2,044,369
Issued	(9,910,871)	—
Forfeited	(1,542,321)	—
Exercised/settled	—	(765,428)
Balance at December 31, 2024	18,279,003	5,071,435
Additions	12,854,434	1,628,576
Issued	(6,429,971)	—
Forfeited	(3,349,527)	—
Balance at September 30, 2025	21,353,939	6,700,011

The Company recognized \$3.1 million and \$2.3 million of share-based compensation expense during the nine months ended September 30, 2025 and 2024, respectively, which is included in general and administrative expenses.

16. REVENUE NET OF ROYALTIES AND SOCIAL FUND

The Company's oil revenue is recognized in accordance with the terms of its sales agreements. The transaction price is based on market index commodity prices for the month of production, adjusted for quality, allowable deductions and other factors.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Oil revenue	\$ 71,871	\$ 78,850	\$ 261,932	\$ 282,519
Royalty	(5,915)	(5,414)	(22,496)	(20,413)
Social fund	(2,046)	(2,019)	(6,982)	(6,511)
Total oil revenue net of royalties and social fund	\$ 63,910	\$ 71,417	\$ 232,454	\$ 255,595

The Company sold 1.7 million and 1.4 million barrels of oil during the third quarter of 2025 and 2024, respectively, at a net realized sales price of \$43.33 per barrel and \$58.07 per barrel, respectively, net of price discounts.

17. TAXES

The Company's effective tax rate is impacted by the relative pre-tax income earned by the Company's operations in Canada, U.S. and Peru. The Company is subject to statutory tax rates of 23.0% in Canada, 21.0% in the U.S. and 32.0% in Peru (activities of the Company in Peru are subject to a 30.0% statutory tax rate plus 2.0% in accordance with Law 27343). The Company files federal income tax returns and local income tax returns in the various jurisdictions.

The tax at the effective rate differed from the tax at the statutory rate as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,	
	2025	2024		2025	2024
Earnings before income taxes	7,668	13,217	\$	74,107	\$ 130,319
Canadian corporate tax rate	23 %	23 %		23%	23%
Expected income tax expense	1,764	3,040	\$	17,045	\$ 29,973
Increase (decrease) in taxes resulting from:					
Non-deductible expenses and other	939	3,056		1,928	1,980
Tax differential on foreign jurisdictions	1,366	(58)		3,170	8,158
Provision for income taxes	\$ 4,069	\$ 6,038	\$	22,143	\$ 40,111

The Company recognized the net tax amount related to net operating losses ("NOLs") and deferred tax liabilities in Canada, Peru and the U.S. As of September 30, 2025 and December 31, 2024, the Company consumed all losses in Canada and all losses in Peru related to Bretana. The U.S. has \$2.1 million tax losses remaining as of September 30, 2025, compared to \$4.0 million as of December 31, 2024. These non-capital losses can be carried forward indefinitely.

Ucawa has \$95.7 million in tax losses as of September 30, 2025, compared to \$82.0 million as of December 31, 2024 and no deferred tax asset has been recognized. These losses are being carried forward and are available to offset against future tax gains.

As of September 30, 2025, the aggregate amount of temporary differences related to investments in subsidiaries for which deferred tax liabilities have not been recognized was approximately \$32.6 million, compared to \$22.0 million as of December 31, 2024.

Certain prior period balances previously included in prepaid expenses and other have been reclassified to income tax payables to more accurately reflect the nature and composition of the liability.

18. COMMITMENTS AND CONTINGENCIES

As of September 30, 2025, the Company holds the following letters of credit guaranteeing its commitments in exploration Block 107:

Block	Beneficiary	Amount	Commitment	Expiration
107	Perupetro S.A.	\$ 1,500	1st exploration well, minimum work 5th exploratory period	Feb-27
107	Perupetro S.A.	1,500	2nd exploration well, minimum work 5th exploratory period	Feb-27
		\$ 3,000		

In December 2024, PetroTal signed two Technical Evaluation Agreements with Perupetro for Blocks 97 and 98, which are located in the vicinity and on trend with PetroTal's Block 131, as well as the Aguaytia and Agua Caliente fields in Peru's Ucayali Basin. The agreements include contractual commitments to be executed in two 12-month phases and primarily include geological and geophysical studies such as seismic imaging, geochemical modeling and hydrocarbon potential evaluation reports.

The Company continued its preventive riverbank erosion control program to protect the Bretana field and the surrounding community. As of September 30, 2025, the Company has contractually committed \$65.0 million and will be allocated to operating expense and/or capital expenditures depending on the nature of outflow and who received the benefits (i.e. the Company or the community).

As part of Ucawa Energy S.A.C. asset acquisition, a tax administrative and a judicial legal case were assessed as possible, representing a total legal contingency of approximately \$2.8 million. Pursuant to clause 12.5 of the Purchase Agreement, the seller, CEPESA S.A., is obligated to indemnify PetroTal against any related legal action and/or fines, if applicable.



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the interim period ended September 30, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of PetroTal Corp. ("PetroTal" or the "Company") for the period ended September 30, 2025, is dated November 12, 2025, and should be read in conjunction with the Company's unaudited condensed consolidated financial statements ("Financial Statements") for the period ended September 30, 2025. The Financial Statements were prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), representing generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

Financial figures throughout this MD&A are stated in thousands of United States dollars (" \$" or "USD") unless otherwise indicated. This MD&A contains forward-looking statements that should be read in conjunction with the Company's disclosure under "Forward-looking statements and business risks".

1. CORPORATE OVERVIEW

PetroTal Corp. and its subsidiaries (the "Company" or "PetroTal") are engaged in the exploration, appraisal, and development of oil and natural gas in Peru, South America. PetroTal is a publicly traded international oil and gas company, incorporated and domiciled in Canada, with management offices in Houston, Texas, and Lima, Peru. The Company's registered office is located at 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, Canada. PetroTal's common shares are listed on the Toronto Stock Exchange (TSX: TAL), AIM Market of the London Stock Exchange (AIM: PTAL), and OTCQX (PTALF). Through its Peruvian subsidiaries, the Company is actively developing hydrocarbons at Blocks 95 and 131 and holds exploration prospects and leads in Block 107.

2. PERFORMANCE HIGHLIGHTS

The Company reached several key operational and financial achievements as described below:

Operational Highlights

- Oil production was 1.7 million bbls, an average of 18,414 bopd, a decrease of 12% from 21,039 bopd in Q2 2025, and a 21% increase from 15,203 bopd in Q3 2024. As of September 30, 2025, the Company had 24 producing oil wells and 4 water disposal wells;
- Oil sales allocations were directed 98.6% to exports through Brazil and 1.4% to the Iquitos refinery.

Financial Highlights

- Revenue totaled \$71.9 million in Q3 2025, based on 1.7 million bbls sold, (average 18,028 bopd) at an average realized price of \$43.33/bbl, compared to \$80.1 million from 1.9 million bbls sold (average 20,578 bopd) at \$42.78/bbl in Q2 2025;
- Royalties paid to the Peruvian government totaled \$5.9 million (\$3.57/bbl, 8.2% of revenues) compared to \$7.1 million (\$3.78/bbl, 8.8% of revenues) in Q2 2025. Contributions to the 2.5% community social trust fund were \$2.1 million in Q3 2025, as compared to \$2.2 million in Q2 2025;
- Capital expenditures ("capex") were incurred totaling \$19.7 million in Q3 2025, primarily related to the drilling program, expansion of fluid-handling facilities capacity in the Bretana field, and field infrastructure;
- Year-to-date capex totaled \$60.4 million, which is on track with most recent guidance.
- EBITDA and free funds flow for Q3 2025 were \$30.7 million (\$18.53/bbl) and \$11.9 million (\$7.17/bbl), respectively, compared to \$47.5 million (\$35.00/bbl) and \$6.5 million (\$4.81/bbl) in Q3 2024, respectively;
- Net operating income totaled \$44.5 million (\$26.83/bbl) in Q3 2025, compared to \$51.3 million (\$27.40/bbl) in Q2 2025;
- Cash position at the end of Q3 2025 was \$141.5 million, including \$108.8 million of unrestricted cash, compared to \$142.1 million, including \$99.3 million of unrestricted cash at the end of Q2 2025;
- Restricted cash of \$25.2 million was associated with the COFIDE and BanBif loan designated for use in the erosion control project compared to \$31.9 million in Q2 2025; and,
- The Company continued its shareholder capital return policy during the quarter, paying dividends of \$14.1 million and repurchasing 1.2 million shares for \$0.6 million, compared to dividends paid of \$14.2 million and repurchase of 2.1 million shares for \$1.1 million in Q2 2025.

3. SELECTED FINANCIAL INFORMATION

3.1 FINANCIAL SUMMARY

(\$ thousands)		Q3-2025		Q2-2025		Q1-2025		Q4-2024	
		\$/bbl		\$/bbl		\$/bbl		\$/bbl	
PRODUCTION:	Average production (bopd)	18,414		21,039		23,281		19,142	
SALES:	Average sales (bopd)	18,028		20,578		23,286		19,087	
	Total sales (bbls)	1,658,621		1,872,602		2,095,714		1,756,030	
	Average Brent price	\$	66.96	\$	65.55	\$	73.96	\$	73.42
	Weighted contracted sales price, gross		66.95		65.53		73.89		73.16
LESS:	Tariffs, fees and differentials	(23.62)		(22.75)		(21.43)		(21.10)	
	Realized sales price, net	43.33		42.78		52.46		52.06	
REVENUES:	Oil revenue ⁽¹⁾	\$	43.33	\$	42.78	\$	52.46	\$	52.06
LESS:	Royalties ⁽²⁾		4.80		4.95		5.84		7.42
	Operating expense (excluding erosion)		8.34		9.34		6.31		7.88
	Direct transportation:								
	Diluent		—		—		—		0.14
	Barging		0.60		0.79		0.79		1.94
	Dry Season Freight/Storage/Inventory		2.76		0.30		0.30		1.97
	Total transportation		3.36		1.09		1.09		4.05
NET OPERATING INCOME ("NOI")			26.83		27.40		39.22		32.71
	NOI as % of Revenue		62 %		64 %		75 %		63 %
	Erosion expense		3.91		0.38		0.87		5.45
	General and administrative expense		4.38		4.15		4.57		4.86
	Commodity price derivative loss (gain)		1.26		(0.19)		0.68		(1.55)
	Financial expense		1.08		0.29		1.10		1.19
	Income tax expense (recovery)		2.45		1.92		6.91		(0.12)
	Depletion, depreciation and amortization expense		11.56		11.78		10.56		10.54
	Foreign exchange loss (gain)		0.02		(0.28)		(0.20)		0.25
NET INCOME			3,599		17,513		30,852		21,242
FREE FUNDS FLOW			\$7.17		\$14.55		\$22.92		(\$5.93)

⁽¹⁾ Tariff and marketing fees are expenses usually recorded by reducing revenues in the financial statements.

⁽²⁾ Royalties include 2.5% community social trust initiative.

		Q3-2024		Q2-2024		Q1-2024		Q4-2023	
(\$ thousands)		\$/bbl		\$/bbl		\$/bbl		\$/bbl	
PRODUCTION:	Average production (bopd)		15,203		18,290		18,518		14,865
SALES:	Average sales (bopd)		14,760		18,050		18,347		15,033
	Total sales (bbls)		1,357,961		1,642,578		1,669,537		1,383,061
	Average Brent price	\$	77.74	\$	83.87	\$	81.01	\$	82.21
	Weighted contracted sales price, gross		78.58		83.92		81.14		81.05
LESS:	Tariffs, fees and differentials	(20.52)		(21.15)		(20.89)		(20.28)	
	Realized sales price, net		58.06		62.76		60.25		60.77
REVENUES:	Oil revenue ⁽¹⁾	\$	58.06	\$	62.76	\$	60.25	\$	60.77
LESS:	Royalties ⁽²⁾		5.47		6.08		5.69		7.00
	Operating expense (excluding erosion)		8.23		6.10		5.56		7.24
	Direct transportation:								
	Diluent		0.90		1.16		0.94		1.46
	Barging		0.81		0.69		0.65		0.70
	Dry Season Freight/Storage/Inventory		0.51		0.01		(0.27)		1.45
	Total transportation		2.22		1.86		1.32		3.61
NET OPERATING INCOME (NOI)			42.14		48.72		47.68		42.92
	NOI as % of Revenue		73 %		78 %		79 %		71 %
	Erosion expense		0.40		—		—		—
	General and administrative expense		6.75		6.41		4.83		6.21
	Commodity price derivative loss (gain)		15.82		2.01		(6.97)		8.43
	Financial expense (income)		(0.23)		0.62		0.21		2.28
	Income tax expense		4.45		8.81		11.74		2.95
	Depletion, depreciation and amortization		9.64		9.32		9.19		8.33
	Foreign exchange (gain) loss		0.03		(0.01)		0.16		(0.84)
NET INCOME			7,179		35,405		47,619		21,529
FREE FUNDS FLOW			\$4.81		\$22.12		\$24.97		\$14.29

⁽¹⁾ Tariff and marketing fees are expenses usually recorded by reducing revenues in the financial statements.

⁽²⁾ Royalties include 2.5% community social trust initiative.

Note: Free Funds Flow calculation methodology was changed in Q2 2024 and for prior periods to include adjustments for foreign exchange and share based compensation to better measure the Company's generated cash. Previously reported was Q1 2024: \$52,561; and Q4 2023: \$8,127.

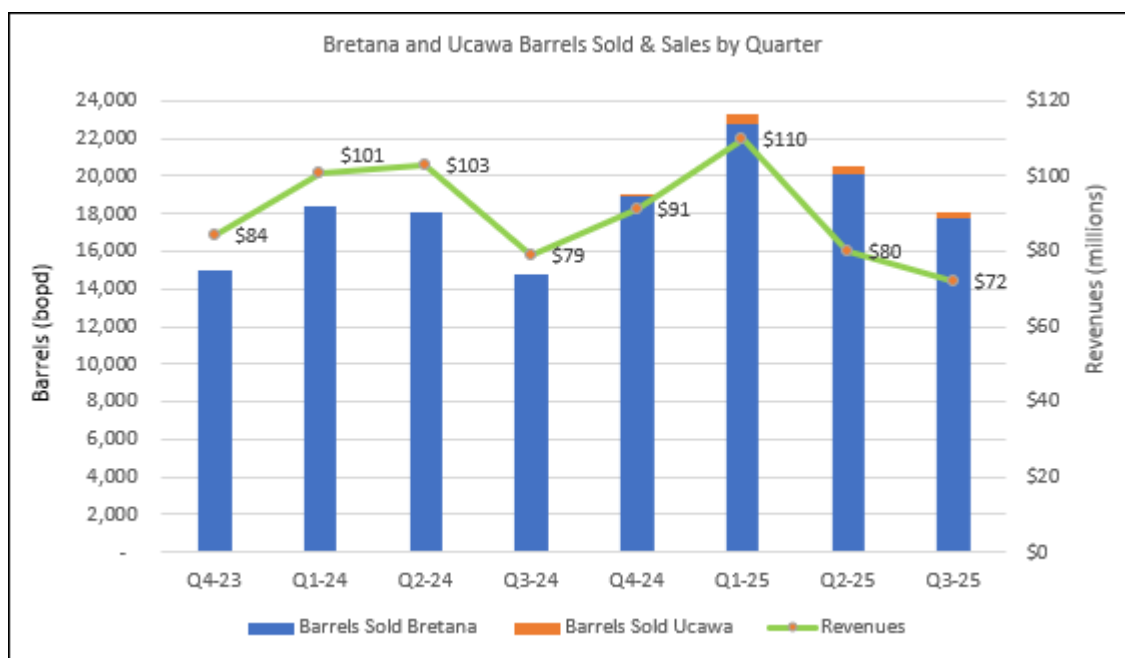
EARNINGS STATEMENT INFORMATION

Oil sales in Q3 2025 decreased by 11% to 1.7 million bbls (average 18,028 bopd), compared to 1.9 million bbls (average 20,578 bopd) in Q2 2025. Sales increased 22% from 1.4 million barrels (average 14,760 bopd) in Q3 2024.

The Company may sell oil through three sales points: the local Iquitos refinery, exports through Brazil, and the Northern Peruvian Pipeline ("ONP"). In the third quarter 2025, PetroTal sold its oil through two primary routes: 98.6% via the Brazil export route and 1.4% to the Iquitos refinery. Sales via the ONP remained inactive during the period.

Pricing mechanisms differ by route. Sales to the Iquitos refinery were priced at the prevailing Brent oil price, less a quality differential discount and barge transportation charges. Oil exported through Brazil was sold on a freight on board ("FOB") Bretana basis, priced at the forecasted Brent oil price three months forward, less a fixed amount covering transportation, sales costs, and quality differential.

Sales to the ONP (Saramuro pump station) have been curtailed since February 2022, due to Petroperu's inability to fulfill the terms of the sales agreement. Under the agreement, sales to Petroperu at Saramuro for transportation through the ONP and onward to the Bayovar port are priced based on the eight-month forward forecasted Brent oil price, less a quality differential, and are net of all pipeline and marketing fees. When the oil is ultimately sold by Petroperu at Bayovar, PetroTal is subject to a valuation adjustment based on the actual price achieved, which may be higher or lower than the original forecasted price.



Royalties and social fund decreased to \$8.0 million (\$4.80/bbl) in Q3 2025 from \$9.3 million (\$4.95/bbl) in Q2 2025, and increased from \$7.4 million (\$5.47/bbl) in Q3 2024. Bretana oilfield royalties are calculated on production, net of transportation costs, starting at 5.0% for production up to 5,000 bopd and increasing linearly to 20.0% at 100,000 bopd or more. The Los Angeles oilfield royalties follows a similar structure, starting at 23.5% for production up to 5,000 bopd and scaling linearly to 38.5% at 100,000 bopd or more.

Operating expenses totaled \$13.8 million (\$8.34/bbl) in Q3 2025, compared to \$17.5 million (\$9.34/bbl) in Q2 2025 and \$11.2 million (\$8.23/bbl) in Q3 2024. The decrease in operating expenses during the quarter was mainly due to river bank maintenance, camp and laboratory, and well maintenance costs.

Erosion expenses in Q3 2025 totaled \$6.5 million (\$3.91/bbl), reflecting higher spending on the Bretana infrastructure expansion. The increase was driven by the arrival of the main piling barge and initial fabricated steel components in mid-August, which enabled the commencement of piling work on the first breakwater. This compared to \$0.7 million (\$0.38/bbl) in Q2 2025 and \$0.5 million (\$0.40/bbl) in Q3 2024.

Direct transportation expenses in Q3 2025 totaled \$5.6 million (\$3.36/bbl), representing barging and diesel blending costs, compared to \$2.1 million (\$1.09/bbl) in Q2 2025 and \$3.0 million (\$2.22/bbl) in Q3 2024. The increase in direct transportation expenses during the quarter was mainly due to higher demurrage and deadfreight charges.

General and administrative ("G&A") expenses in Q3 2025 totaled \$7.3 million (\$4.38/bbl), compared to \$7.8 million (\$4.15/bbl) in Q2 2025 and \$9.2 million (\$6.75/bbl) in Q3 2024.

Finance expenses totaled \$1.8 million in Q3 2025, mainly related to lease interest, loan interest, accretion of decommissioning obligations, offset by interest income and a long-term receivable present value adjustment gain, compared to \$0.5 million in Q2 2025, and finance income of \$0.3 million in Q3 2024.

Commodity price derivative loss for Q3 2025 was \$2.1 million, representing the combined net fair value change of outstanding embedded derivatives and hedging contracts, compared to \$0.4 million gain in Q2 2025, and a \$21.5 million loss in Q3 2024. Under the oil sales agreement with Petroperu for deliveries into the ONP, revenues are subject to oil price fluctuations when sold by Petroperu upon arrival at the Bayovar port. The gain is non-cash and contingent upon the eventual sale of oil volumes; no payment is required until a sale occurs. Moreover, if oil prices increase, the projected loss could decrease, potentially benefiting the Company's financial position.

Depletion, depreciation and amortization ("DD&A") expenses for Q3 2025 was \$19.2 million (\$11.56/bbl), compared to \$22.1 million (\$11.78/bbl) in Q2 2025, and \$13.1 million (\$9.64/bbl) in Q3 2024. DD&A is calculated using the unit-of-production method based on capital invested plus expected future capital over proved and probable reserves.

Foreign exchange impact was immaterial in Q3 2025, Q2 2025, and Q3 2024, due to normal fluctuations in currency positions and transactions.

Income tax expenses for Q3 2025 was \$4.1 million, compared to \$3.6 million in Q2 2025 and \$6.0 million in Q3 2024.

3.2 SELECTED BALANCE SHEET INFORMATION

Liquidity and capital resources

As of September 30, 2025, the Company held cash of \$108.8 million and restricted cash of \$32.7 million, totaling \$141.5 million, compared to held cash of \$99.3 million and restricted cash of \$42.8 million, totaling \$142.1 million as of June 30, 2025. Working capital was \$121.5 million as of September 30, 2025, compared to \$139.7 million as of June 30, 2025, reflecting higher cash balances and lower current liabilities during the quarter.

Current restricted cash of \$23.0 million is primarily related to funds designated for the erosion control project, the social fund, and letters of credit bank guarantees for Block 107 exploration wells. The \$9.7 million of non-current restricted cash is related to permitted hedging programs and funds designated for the erosion control project.

The Company manages its liquidity by maintaining sufficient cash balances and access to potential funding sources to meet operational, capital, and financial obligations as they become due. The Company's primary sources of liquidity are cash generated from operations, existing cash balances, and potential access to debt facilities. Based on current commodity price assumptions and planned activities, management believes that cash flows from operations combined with existing cash on hand are sufficient to fund planned capital expenditures, working capital requirements, and other obligations for at least the next twelve months.

The Company's short-term liquidity requirements include funding ongoing development drilling activities, community and social commitments, regulatory obligations, operating expenses, and general and administrative costs. Longer-term liquidity requirements include funding for field development projects, potential exploration activities, abandonment and reclamation obligations, and future tax liabilities.

The Company is subject to financial covenants under its loan agreement, including a minimum liquidity ratio, a maximum liabilities-to-equity ratio, and a minimum debt service coverage ratio, with the schedule of debt maturities in Note 11 to the financial statements. Management retains flexibility to adjust the timing and scope of capital programs in response to changes in commodity prices or other external factors affecting cash flows.

Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's liquidity risk is affected by current and future commodity prices. If required, the Company may consider additional short-term financing or issuing equity to meet its future obligations. Declines in future commodity prices could affect the Company's ability to fund ongoing operations. The current economic environment may have significant adverse impacts on the Company including, but not exclusively:

- material declines in revenue and cash flows due to lower commodity prices;
- declines in revenue and operating activities resulting from constrained capital programs and oil production;
- inability to access financing sources; and,
- increased risk of non-performance by the Company's customers and suppliers.

Estimates and judgments made by management in the preparation of the Financial Statements are subject to a certain degree of measurement uncertainty during this volatile period. Management actively monitors these risks through sensitivity analyses, scenario modeling (e.g. lower oil price cases), stress testing on operating

margins, and regular updating of the capital program. The Company also seeks to maintain flexibility in its investment schedule, avoid overcommitment, and preserve a prudent liquidity buffer.

Capital expenditures and investments

	Three Months Ended, September 30		Nine Months Ended, September 30	
	2025	2024	2025	2024
Drilling Program	\$ 4,274	\$ 21,474	\$ 24,054	\$ 72,945
Field Infrastructure	7,230	12,517	20,868	27,047
Fluid Handling Facilities ("CPF")	1,018	7,092	4,723	8,078
Erosion Costs	3,610	51	4,962	173
Block 95	604	163	1,552	684
Block 107	36	641	644	818
Other	2,910	476	3,168	719
Exploration & development expenditures	19,682	42,414	59,971	110,464
SAP Project	—	605	381	1,774
Total capital expenditures	\$ 19,682	\$ 43,019	\$ 60,352	\$ 112,238

PetroTal invested \$19.7 million in petroleum capital expenditures for the three months ended September 30, 2025, compared to \$42.4 million in September 30, 2024. The decrease reflects reduced drilling activity during the quarter.

As of September 30, 2025, the Company had \$11.1 million in exploration and evaluation assets related to Block 95 and Block 107.

Share capital

Authorized share capital consists of an unlimited number of common shares without nominal or par value. Holders of common shares are entitled to one vote per share and to receive dividends as declared by the Board of Directors.

As of November 12, 2025, PetroTal has the following securities outstanding (in thousands):

Common shares	913,015	98%
Performance share units	21,354	2%
Total	934,369	100%

Dividends

During the three and nine months ended September 30, 2025, the Company paid dividends to shareholders of \$14.1 million and \$42.2 million, respectively. The Company paid dividends per share in the amount of \$0.015 during the third quarter.

Normal course issuer bid ("NCIB")

On June 3, 2025, the Company renewed the NCIB, which will end no later than June 2, 2026. The renewal allows the purchase of up to 45.8 million common shares, representing approximately 5.0% of its outstanding common shares as of September 30, 2025. Purchases are subject to a daily limit of 0.2 million shares, with one block purchase per calendar week allowed to exceed this limit. Common shares purchased under the NCIB are cancelled or for settlement of employee share-based awards.

During the three and nine months ended September 30, 2025, the Company purchased 1.2 million and 4.5 million common shares under the NCIB for total consideration of \$0.6 million and \$2.3 million, respectively. The surplus between the total consideration and the carrying value of the shares repurchased was recorded against retained earnings.

3.3 NON-GAAP FINANCIAL MEASURES

Non-GAAP Terms

This report contains financial terms that are not considered measures under GAAP such as operating netback, revenue and transportation expense adjustment, and funds flow provided by operations that do not have any standardized meaning under GAAP and may not be comparable to similar measures presented by other companies. Management uses these non-GAAP measures for its own performance measurement and to provide shareholders and investors with additional measurements of the Company's efficiency and its ability to fund a portion of its future capital expenditures.

Operating netback

The Company considers operating netbacks to be a key measure that demonstrates the Company's profitability relative to current commodity prices. Netback is calculated by dividing net operating income by total revenue.

Revenue and transportation expense adjustment

Revenue and transportation expense adjustment is a non-GAAP measure that includes transportation tariff, marketing fee, barging and diluent expenses.

Funds flow information

Funds flow provided by operations ("FFO") is a non-GAAP measure that includes all cash generated from operating activities and changes in non-cash working capital. The Company considers funds flow from operations to be a key measure as it demonstrates the Company's ability to generate cash from its core operating activities.

A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:

	Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Cash flow from operating activities			
Net income	\$ 3,599	\$ 17,513	\$ 7,179
Adjustments for:			
Depletion, depreciation and amortization	19,168	22,053	13,092
Accretion of decommissioning obligation	539	535	317
Equity based compensation expense	1,380	1,241	586
Financial interest expense	2,819	(235)	67
Deferred income tax expense	(2,259)	(5,826)	(1,057)
Commodity price unrealized derivatives (gain) loss	2,081	(46)	17,707
Funds flow provided by operations before non-cash working capital	\$ 27,326	\$ 35,235	\$ 37,892
Changes in non-cash working capital:			
Receivables and restricted cash	12,400	15,336	38,547
Advances and prepaid expenses	(3,460)	5,940	3,734
Inventory	(201)	(817)	(8,252)
Trade and other payables	325	23,106	12,320
Income tax payable	12,263	1,789	7,095
Commodity price realized derivatives gain	—	—	4,890
Cash paid for income taxes	(3,935)	(29,396)	—
Net cash provided by operating activities	\$ 44,719	\$ 51,193	\$ 96,226

	Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Cash flow from investing activities			
Exploration and evaluation asset additions	\$ (36)	\$ (421)	\$ (770)
Property, plant and equipment additions	(19,434)	(16,643)	(42,249)
Non-cash changes in working capital	(6,310)	(24,505)	135
Net cash used in investing activities	(25,780)	(41,569)	(42,884)
Net cash provided by operating and investing activities	\$ 18,939	\$ 9,625	\$ 53,342

CAPITAL MANAGEMENT MEASURES

Adjusted EBITDA

Adjusted EBITDA means earnings before interest, taxes, depreciation and amortization, derivatives, foreign exchange, adjusted for realized derivatives gain (loss) and share-based compensation.

	Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Net income	\$ 3,599	\$ 17,514	\$ 7,179
Adjustments to reconcile net income:			
Depletion, depreciation and amortization	19,168	22,053	13,092
Finance expense	1,789	535	(311)
Income tax expense	4,069	3,595	6,038
Commodity price derivatives loss (gain)	2,082	(361)	21,481
Foreign exchange loss (gain)	35	(521)	46
EBITDA (non-GAAP)	\$ 30,741	\$ 42,815	\$ 47,526
Commodity price derivatives realized gain	—	315	1,116
Share based compensation	827	1,180	914
Adjusted EBITDA (non-GAAP)	\$ 31,568	\$ 44,310	\$ 49,556
Capital expenditures	(19,682)	(17,064)	(43,019)
Free funds flow (non-GAAP)	\$ 11,886	\$ 27,246	\$ 6,537

Free funds flow after investing activities is a non-GAAP measure, and the Company considers free funds flow or free cash flow to be a key measure as it demonstrates the Company's ability to fund a return of capital without accessing outside funds.

4. CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, assumptions, and estimates that affect the reported amounts of assets, liabilities, income, and expenses. Critical accounting policies relate to areas where these judgments and estimates have the most significant impact on the Financial Statements. There have been no material changes to the Company's critical accounting policies or estimates since the filing of the Annual Financial Statements. For a detailed discussion of the Company's significant accounting policies, critical judgments, and estimates—including assumptions and measurement uncertainties—refer to the annual financial statements and notes for the year ended December 31, 2024.

5. FORWARD-LOOKING STATEMENTS AND BUSINESS RISKS

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance, including, but not limited to: the Company's business strategy, objectives, focus, outlook, drilling, completions, workovers, expansion of infrastructure, exploration of undeveloped acreage, anticipated costs and results of such activities, environmental and social initiatives, expected production and revenue, oil production levels, the 2026 capital program and budget (including drilling plans), balance sheet strength, hedging programs, and future development and growth prospects. All statements other than statements of historical fact may be forward-looking statements. Statements relating to expected production, reserves, prospective resources, recovery, costs, and valuation are also deemed forward-looking, as they involve estimates and assumptions regarding the potential profitability of producing such reserves in the future. Forward-looking statements can often be identified by words such as "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "predict," "potential," "intend," "could," "might," "should," "believe," or similar expression.

Forward-looking statements are based on key expectations and assumptions, including, but not limited to: the ability of existing infrastructure to deliver production, anticipated capital expenditures, reservoir characteristics, recovery factors, exploration upside, prevailing commodity prices, actual prices received (including pursuant to hedging arrangements), availability and performance of drilling rigs, facilities, pipelines, other oilfield services, and skilled labor, royalty regimes, exchange rates, regulatory and licensing requirements, the accuracy of the Company's geological interpretations, receipt of required regulatory approvals, success of future drilling and development activities, performance of new wells, the Company's growth strategy, general economic conditions, and availability of required equipment and services.

Although the Company believes these expectations and assumptions are reasonable, undue reliance should not be placed on forward-looking statements because no assurance can be given that they will prove to be correct. Actual results may differ materially due to known and unknown risks, uncertainties, and other factors, including, but not limited to: operational risks in development, exploration, and production; delays or changes in exploration or development plans; uncertainties in reserve estimates; fluctuations in production, costs, and expenses; health, safety, and environmental risks; commodity price volatility; price differentials and actual prices received; exchange rate fluctuations; legal, political, and economic instability in Peru; access to transportation routes and markets; changes in legislation affecting the oil and gas industry; and other factors beyond the Company's control. Additional risk factors are detailed in the Company's AIF, available on SEDAR+ at www.sedarplus.ca.

Forward-looking statements speak only as of the date of this MD&A and are expressly qualified by this cautionary statement. Subject to applicable securities laws, the Company has no obligation to update these statements or to compare them to actual results or changes in expectations. Financial outlook information regarding prospective results, financial position, or cash flows is based on assumptions about future events and management's current assessment of relevant information. Readers are cautioned not to use such financial outlook information for purposes other than those disclosed herein.

Prospective resources represent estimated quantities of petroleum potentially recoverable from undiscovered accumulations using future development projects. Estimates of prospective resources in this MD&A are based on an independent assessment by NSAI, effective December 31, 2024, prepared in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGE") and NI 51-101 standards. For updated information regarding the Company's prospective resources, please refer to the Company's website for the most recent press release.

ADDITIONAL INFORMATION

Additional information about PetroTal Corp. and its business activities, including PetroTal's audited financial statements for the years ended December 31, 2024 and 2023 are available on the Company's website at www.petrotal-corp.com, and at www.sedarplus.ca.

DIRECTORS

Mark McComiskey ⁽¹⁾⁽⁴⁾⁽⁵⁾
Chair of the Board

Denisse Abudinen Butto ⁽³⁾⁽⁵⁾

Felipe Arbelaez ⁽³⁾⁽⁴⁾

Eleanor Barker ⁽⁴⁾⁽⁵⁾

Jon Harris ⁽¹⁾⁽²⁾⁽⁵⁾

Emily Morris ⁽²⁾⁽⁵⁾

Gavin Wilson ⁽¹⁾⁽²⁾⁽³⁾

Manuel Pablo Zuniga-Pflucker ⁽²⁾

OFFICERS AND SENIOR EXECUTIVES

Manuel Pablo Zuniga-Pflucker
President and Chief Executive Officer

Camilo McAllister
Executive VP and Chief Financial Officer

Max Torres
Chief Operating Officer (Interim) and VP Exploration

Sudan Maccio
Chief Legal Counsel and Corporate Secretary

Glen Priestley
VP Finance and Treasurer

Emilio Acin-Daneri
VP Business Development

CORPORATE HEADQUARTERS

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San Isidro
Lima, Peru

STOCK EXCHANGES

TSX Exchange
Toronto, Ontario, Canada
TSX: TAL

AIM Stock Exchange
London, United Kingdom
AIM: PTAL

OTCQX Stock Exchange
New York, USA
OTCQX: PTALF

LEGAL COUNSEL

Stikeman Elliott LLP
Calgary, Alberta, Canada

AUDITORS

Deloitte LLP
Calgary, Alberta, Canada

NOMINATED & FINANCIAL ADVISER

Strand Hanson Limited
London, United Kingdom

JOINT BROKERS

Stifel Nicolaus Europe Limited
London, United Kingdom

Peel Hunt LLP
London, United Kingdom

RESERVES EVALUATORS

Netherland, Sewell & Associates, Inc.
Dallas, Texas, USA

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada
Calgary, Alberta, Canada
London, United Kingdom
Massachusetts, USA and New Jersey, USA

- (1) Member of the Corporate Governance and Compensation Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the HSE CSR Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Technical Committee.

GLOSSARY / ABBREVIATIONS

1P	Proved
2P	Proved plus Probable
3P	Proved plus Probable and Possible
AIF	Annual Information Form
BanBif	Banco Interamericano de Finanzas
bbls	Barrels
bopd	Barrels of Oil per Day
Capex	Capital Expenditures
CGUs	Cash Generating Units
COGE	Canadian Oil and Gas Evaluation Handbook
COFIDE	Corporación Financiera de Desarrollo S.A.
CPF	Central Processing Facilities
CSR	Community, Social and Regulatory
DD&A	Depletion, Depreciation and Amortization
E&E	Exploration and Evaluation
ESG	Environmental and Social Governance
FOB	Freight on board
FFO	Funds Flow Provided by Operations
G&A	General and Administrative
GAAP	Generally Accepted Accounting Principles
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
MD&A	Management's Discussion and Analysis
mmboe	Million Barrels of Oil Equivalent
NCIB	Normal Course Issuer Bid
Netback	Benchmark to assess the profitability based on revenues less royalties, operating and transportation costs
NI 51-101	National Instruments - Standards of Disclosure for Oil and Gas Activities
NOI	Net Operating Income
NSAI	Netherland Sewell and Associates, Inc.
OCP	Ecuador Pipeline
ONP	Northern Peruvian Pipeline
PDP	Proved Developed Producing
PP&E	Property, Plant and Equipment
SDG	Sustainable Development Goals
USD	United States Dollar (\$)
VAT	Value Added Tax
VS1	Upper Vivian Sand