SINTANA ENERGY INC.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS & INDEPENDENT AUDITOR’S REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Independent Auditor's Report

To the Shareholders of Sintana Energy Inc.:

Opinion

We have audited the consolidated financial statements of Sintana Energy Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss and had negative cash flows from operations during the year ended December 31, 2025 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Acquisition of Challenger Energy Group Plc ("Challenger")

Key Audit Matter Description

We refer to Note 3.1 of the financial statements. During 2025, the Company completed a transaction with Challenger involving the acquisition of all the outstanding Challenger shares in exchange for shares of the Company. The Company concluded that the transaction did not meet the definition of a business under IFRS and therefore accounted for the transaction as an asset acquisition rather than a business combination.

Significant auditor judgment was required to evaluate the Company's determination that the transaction did not meet the definition of a business under IFRS. In addition, specialized skill and knowledge was required in evaluating the relevant IFRS guidance to assess the concentration of fair value in the assets acquired. Lastly, judgment was required in allocating the total consideration transferred to the identifiable assets acquired based on relative fair values.

Audit Response

We responded to this matter by performing audit procedures over the allocation of purchase consideration and accounting for the acquisition of Challenger. Our audit work in relation to this included, but was not restricted to, the following:

- We analyzed the signed purchase agreement to obtain an understanding of the key terms and conditions and to identify the necessary accounting considerations.
- We involved internal and external valuation professionals with specialized skills and knowledge, who assisted in assessing:
    - the appropriateness of the valuation methodologies utilized;
    - the reasonableness of certain valuation assumptions applied;
    - the mathematical accuracy of the valuation calculations utilized in fair value analysis; and,
    - the reasonableness of the discount rates applied in determining the fair value of assets.

Independent Auditor's Report (continued)

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Scott Laluk.

MNP LLP

Calgary, Alberta

April 29, 2026

Chartered Professional Accountants

SINTANA ENERGY INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(EXPRESSED IN UNITED STATES DOLLARS, UNLESS OTHERWISE STATED)

AUDITED

Consolidated Statements of Financial Position

(Expressed in United States Dollars, Unless Otherwise Stated)

As at December 31,	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	10,315,705	12,591,728
Accounts receivable and other assets (note 7)	1,647,503	252,839
Restricted cash (note 8)	707,656	–
Total current assets	**12,670,864**	**12,844,567**
Non-current assets		
Investment in joint venture (note 9)	9,692,658	9,070,018
Intangible assets (note 10)	39,288,794	–
Tangible assets (note 11)	41,374	–
Accounts receivable and other assets (note 7)	431,155	–
Total assets	**62,124,845**	**21,914,585**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 12 and 22)	4,259,512	157,049
Current income tax payable (note 21)	58,298	201,710
Deferred compensation (note 22)	604,939	954,939
Asset retirement obligation (note 13)	2,703,739	71,308
Total current liabilities	**7,626,488**	**1,385,006**
Non-current liabilities		
Deferred income tax liability (note 21)	364,124	353,824
Total liabilities	**7,990,612**	**1,738,830**
Shareholders' equity	**54,134,233**	**20,175,755**
Total shareholders' equity and liabilities	**62,124,845**	**21,914,585**

The accompanying notes are an integral part of these consolidated financial statements.

Nature of operations and going concern (note 1)
Subsequent events (note 25)

Approved on behalf of the Board:

(signed)
Robert Bose
Director

(signed)
Eytan Uliel
Director

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in United States Dollars, Unless Otherwise Stated)

	Year ended December 31, 2025	2024
Operating expenses		
Exploration and evaluation expenditures (note 19)	106,479	2,091,088
Foreign exchange (gain) loss	104,699	(1,396,702)
General and administrative (notes 20 and 22)	10,258,135	7,361,576
Net loss before gain on accounts payable, interest income and joint venture loss	**(10,469,313)**	**(8,055,962)**
Gain on accounts payable (note 12)	–	45,856
Interest income	335,665	621,033
Joint venture loss (note 9)	(31,360)	(84,165)
Net loss before income taxes	**(10,165,008)**	**(7,473,238)**
Income tax expense		
Current income tax expense (note 21)	(65,257)	(201,764)
Deferred income tax recovery (expense) (note 21)	6,369	8,600
Total income tax expense	**(58,888)**	**(193,164)**
Net loss for the year	**(10,223,896)**	**(7,666,402)**
Net loss attributable to:		
Common shareholders	(10,209,978)	(7,687,955)
Non-controlling interest	(13,918)	21,553
Net loss for the year	**(10,223,896)**	**(7,666,402)**
Other comprehensive loss		
Items that will be reclassified subsequently to loss		
Exchange difference on translating foreign operations	1,015,349	(2,615,700)
Other comprehensive loss for the year	**1,015,349**	**(2,615,700)**
Net comprehensive loss for the year	**(9,208,547)**	**(10,282,102)**
Net comprehensive loss attributable to:		
Common shareholders	(9,194,629)	(10,303,655)
Non-controlling interest	(13,918)	21,553
Net comprehensive loss for the year	**(9,208,547)**	**(10,282,102)**
Loss per share - basic and diluted (note 18)	**(0.03)**	**(0.02)**
Weighted average number of common shares outstanding - basic and diluted (note 18)	**381,503,896**	**360,996,016**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(Expressed in United States Dollars, Unless Otherwise Stated)

	Year ended December 31, 2025	2024
Operating activities		
Net loss for the year	(10,223,896)	(7,666,402)
Adjustment for:		
Joint venture loss (note 9)	31,360	84,165
Share-based compensation (notes 16 and 17)	5,978,695	4,040,963
Share-settled compensation	373,477	–
Gain on accounts payable (note 12)	–	(45,856)
Foreign exchange	104,699	(1,396,702)
Deferred income tax recovery (expense) (note 21)	(6,369)	(8,600)
Non-cash working capital items:		
Accounts receivable and other assets	(431,257)	(34,289)
Accounts payable and accrued liabilities	1,010,954	(27,300)
Current income tax payable	(143,411)	201,764
Deferred compensation	(350,000)	(1,000,811)
Net cash used in operating activities	**(3,655,748)**	**(5,853,068)**
Investing activities		
Additional funding in joint venture (note 9)	(219,589)	(116,945)
Cash acquired from the acquisition of Challenger Energy Group Plc (note 3.1)	4,451,617	–
Acquisition costs from the acquisition of Challenger Energy Group Plc (note 3.1)	(3,745,627)	–
Cash acquired from the acquisition of Giraffe (note 3.2)	–	111
Net cash used in investing activities	**486,401**	**(116,834)**
Financing activities		
Options exercised (note 16)	403,481	109,621
Warrants exercised (note 15)	–	15,879,240
Net cash provided by financing activities	**403,481**	**15,988,861**
Net change in cash and cash equivalents	**(2,765,866)**	**10,018,959**
Effects of exchange rate changes on cash and cash equivalents	489,843	(667,436)
Cash and cash equivalents, beginning of year	**12,591,728**	**3,240,205**
Cash and cash equivalents, end of year	**10,315,705**	**12,591,728**
Cash	9,510,895	11,818,802
Cash equivalents	804,810	772,926
Total cash and cash equivalents	**10,315,705**	**12,591,728**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in United States Dollars, Unless Otherwise Stated)

	Number of common shares #	Share capital	Warrants	Contributed surplus	Non-controlling interest	Deficit	Other comprehensive loss	Total
Balance, December 31, 2023	**282,360,668**	**93,603,754**	**3,519,636**	**6,987,695**	**–**	**(92,761,277)**	**(884,732)**	**10,465,076**
Acquisition of non-controlling interest (note 3.2)	–	–	–	–	(2,383)	–	–	(2,383)
Warrants exercised (note 15)	87,176,546	19,333,984	(3,454,744)	–	–	–	–	15,879,240
Restricted shares vested and converted to common shares (note 17)	3,900,000	332,518	–	(332,518)	–	–	–	–
Options exercised (note 16(v))	1,146,907	207,037	–	(97,416)	–	–	–	109,621
Warrants expired	–	–	(64,892)	64,892	–	–	–	–
Share-based compensation - stock options (note 16(iv))	–	–	–	2,508,425	–	–	–	2,508,425
Share-based compensation - restricted shares (note 17)	–	–	–	1,497,878	–	–	–	1,497,878
Net loss and comprehensive loss for the year	–	–	–	–	21,553	(7,687,955)	(2,615,700)	(10,282,102)
Balance, December 31, 2024	**374,584,121**	**113,477,293**	**–**	**10,628,956**	**19,170**	**(100,449,232)**	**(3,500,432)**	**20,175,755**
Restricted shares vested and converted to common shares (note 17)	2,400,000	2,290,796	–	(2,290,796)	–	–	–	–
Options exercised (note 16(v))	4,128,090	811,895	–	(408,414)	–	–	–	403,481
Acquisition of Challenger Energy Group PLC (note 3.1)	126,731,086	35,950,774	–	–	–	–	–	35,950,774
Share settled compensation	2,512,943	837,827	–	–	–	–	–	837,827
Share-based compensation - stock options (note 16(iv))	–	–	–	2,136,605	–	–	–	2,136,605
Share-based compensation - restricted shares (note 17)	–	–	–	3,838,338	–	–	–	3,838,338
Share options cancelled	–	–	–	(93,999)	–	93,999	–	–
Net loss and comprehensive loss for the year	–	–	–	–	(13,918)	(10,209,978)	1,015,349	(9,208,547)
Balance, December 31, 2025	**510,356,240**	**153,368,585**	**–**	**13,810,690**	**5,252**	**(110,565,211)**	**(2,485,083)**	**54,134,233**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements years ended December 31, 2025 and 2024

1. Nature of operations and going concern

Sintana Energy Inc. ("Sintana" or the "Company") is a Canadian crude oil and natural gas ('hydrocarbons") exploration and development company listed on the TSX Venture Exchange ("TSXV") under the symbol "SEI", and on the OTCQX market in the United States under the symbol "SEUSF". Following the acquisition of Challenger Energy Group Plc, which completed on December 16, 2025, the Company was also admitted to trading on the London Stock Exchange's AIM market, with its common shares admitted to trading on 23 December 2025. The registered office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1 and the corporate headquarters and principal place of business of the Company is 88 Kingsway, London, WC2B 6AA, United Kingdom. Sintana is primarily engaged in hydrocarbons exploration and development activities in Namibia, Uruguay and Angola and also holds legacy interests in Colombia and the Bahamas that are non-core operations to the Group.

The Company primarily focuses on the acquisition, exploration, and potential development of crude oil and natural gas resources. The Company's primary assets in Namibia are held through its 49% interest in all of the issued and outstanding shares of Inter Oil (Pty) Ltd. ("Inter Oil") and through its 49% interest in all of the issued and outstanding shares of Giraffe Energy Investments (Pty) Ltd. ("Giraffe"). The Company's assets in Uruguay are held through its 100% interest in Challenger Energy Resources Limited ("Challenger"). Inter Oil is a private Namibian company which indirectly holds a strategic portfolio of offshore petroleum exploration licenses ("PEL") including (i) a 15% (Sintana: 7.35%) limited carried interest in PEL 87; and (ii) a 10% (Sintana: 4.9%) limited carried interests in each of PELs 82, 83 and 90. Inter Oil also holds a 30% (Sintana: 14.7%) interest in a subsidiary which, in turn, holds a 90% interest in onshore PEL 103. Giraffe holds a 33% Sintana 16.7%) limited carried interest in PEL 79 which governs Namibia offshore blocks 2815 and 2915. principal investments in Uruguay are a 40% interest in the OFF-1 licence and a 100% interest in the OFF-3 licence.

Sintana's portfolio of assets are an early stage of exploration and development and thus do not generate revenues, Sintana raises financing for its business activities. Sintana did not earn any operating income in 2025 and 2024. For the year ended December 31, 2025 the Company incurred a loss of $10,223,896 (2024 – $7,666,402), had negative cash flows from operations of $3,655,748 (2024 – $5,853,068), and had an accumulated deficit of $110,565,211 (2024 – $110,449,232). Sintana had working capital of $5,044,376 at December 31, 2025 (2024 – $11,459,561).

These consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. The Company's ability to continue as a going concern is dependent upon obtaining additional financing as and when required and eventually achieving profitable production. The certainty of funding for future expenditures and availability of additional financing sources cannot be assured at this time. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate.

It is noted that subsequent to the year end, on February 4, 2026, the Company announced that its relevant subsidiaries had entered into an agreement with a subsidiary of ExxonMobil to resolve the previously announced arbitration relating to the VMM-37 block in Colombia's Middle Magdalena Basin. Under the agreement, the Company agreed to conditionally assign its interests in VMM-37 in exchange for total cash consideration of $9 million, of which $3 million has been received to date net of bank charges, with the remaining $6 million payable upon receipt of governmental approvals and satisfaction of certain contractual conditions. The Company is working with ExxonMobil to obtain the required approvals and currently expects the balance to be received prior to the end of 2026, although there can be no assurance that all conditions will be satisfied. This subsequent event provides a material level of increased liquidity to the Company which, in addition to the Company's existing cash resources, supports the going concern assumption referred to above.

2. Material accounting policies and information

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The Board of Directors approved these consolidated financial statements on April 29, 2026.

(b) Functional and presentation currency

Following the acquisition of Challenger and its subsidiaries and the Company's subsequent admission to AIM in the United Kingdom, Sintana Energy Inc. has elected to change the presentation currency of its consolidated financial statements from Canadian Dollars ("CAD") to United States Dollars ("USD"), including comparative information for the year ended December 31, 2024.

The change in presentation currency was made as the expanded Company is primarily invested in offshore assets along the Atlantic Margin, where the majority of expected input costs are denominated in USD, and any future revenues or proceeds from asset sales, farm-downs or production are likely to be realized in USD. In addition, given the Company's listing on the TSXV, OTCQX and AIM, USD was considered to be a more appropriate presentation currency for the enlarged and diverse shareholder base.

Notes to Consolidated Financial Statements years ended December 31, 2025 and 2024 (continued)

2. Material accounting policies and information (continued)

(b) Functional and presentation currency (continued)

Transactions in foreign currencies are translated into each subsidiary's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the period-end exchange rate. Non-monetary items measured at historical cost are translated at the exchange rate at the date of the transaction, and non-monetary items measured at fair value are translated at the exchange rate at the date the fair value was determined. Foreign exchange differences arising on translation are recognized in the consolidated statement of loss and comprehensive loss, except for differences arising on the translation of foreign operations, which are recognized in other comprehensive income.

(c) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of expenses during the period. Actual results could materially differ from these estimates.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Sintana and its wholly-owned and partially owned subsidiaries:

Name	Registered	% of control
Sintana Resources Corp.	Ontario, Canada	100%
Mobius Resources Corp.	Alberta, Canada	100%
1873520 Ontario Inc.	Ontario, Canada	100%
Sintana Energy Finance Inc.	Ontario, Canada	100%
Sintana Energy Exploration and Production Inc.	Texas, United States	100%
Northbrook Oil and Gas LLC	Texas, United States	100%
Patriot Energy Oil and Gas Inc.	Panama	100%
Patriot Energy Services LLC Corp.	Panama	100%
Patriot Energy (Colombia)	Colombia	100%
Giraffe Energy Investments (Pty) Ltd.	Namibia	49%
Challenger Energy Group Limited	Isle of Man	100%
CEG (A) Limited	Isle of Man	100%
BPC (B) Limited	Isle of Man	100%
BPC (C) Limited	Isle of Man	100%
BPC (D) Limited	Isle of Man	100%
CEG (A) Limited	Bahamas	100%
BPC Limited	Bahamas	100%
Bahamas Offshore Petroleum Limited	Bahamas	100%
Island Offshore Petroleum Limited (1)	Bahamas	100%
Privateer Petroleum Limited	Bahamas	100%
Sagrasso Petoleum Limited (1)	Bahamas	100%
Columbus Oil & Gas Limited (1)	Bahamas	100%
BPC Uruguay Holdings Limited	England and Wales	100%
Columbus Energy Resources Limited	England and Wales	100%
CEG Uruguay S.A	Uruguay	100%
CEG OFF-3 Uruguay S.A	Uruguay	100%
Compañia Petrolifera de Sedano S.L.U. (1)	Spain	100%

(1) This entity is in the process of being wound up or liquidated as part of a restructuring exercise to simplify the overall group structure and reduce costs.

As noted, the Company's primary assets are held through its 49% interest in all of the issued and outstanding shares of Inter Oil. The Company's 49% investment in Inter Oil is accounted for as an investment in a joint venture using the equity method of accounting, as the Company has significant influence over this investment - accordingly, Inter Oil is not regarded as a subsidiary and is not included in the above table.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

2. Material accounting policies and information (continued)

(e) Financial assets and liabilities

IFRS 9 - Financial Instruments ("IFRS 9") includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model which objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVOCI. Gains or losses on these items are recognized in profit or loss.

ii. Amortized cost

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

The Company's cash and cash equivalents and accounts receivable, excluding HST and VAT, are classified as financial assets measured at amortized cost.

iii. Financial assets recorded at FVOCI

Financial assets are recorded at FVOCI when the change in fair value is attributable to changes in the Company's credit risk.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are measured at amortized cost, include borrowings, are initially measured at fair value, net of transaction cost. They are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the next carrying amount or initial recognition.

The Company's accounts payable and accrued liabilities and deferred compensation do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into amortized cost detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

2. Material accounting policies and information (continued)

(e) Financial assets and liabilities (continued)

Subsequent measurement
Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive loss.

Derecognition
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model
The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses ("ECLs") resulting from all possible default events over the assets' contractual lifetime. The Company has established an allowance for ECLs that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This rate is then adjusted based on management judgment to account for current economic conditions, counterparty's present financial condition and the term to maturity of the specified receivable balance. Actual credit loss may significantly differ from this estimate of provision.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof. The Company's expected credit loss provision was insignificant as at December 31, 2025 and 2024.

Impairment of financial assets
An ECL model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables. The Company applies the simplified approach to impairment for trade and other receivables by recognizing lifetime expected losses on initial recognition through both the analysis of historical defaults and a reassessment of counterparty credit risk in revenue contracts on an annual basis.

Financial instruments recorded at fair value
Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2025 and 2024, none of Sintana's financial instruments are recorded at fair value in the consolidated statements of financial position.

(f) Impairment of non-financial assets

At the end of each reporting period, Sintana reviews the carrying amounts of its non-financial assets with finite lives to determine whether there are any indications that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use, which is determined using discounted estimated future net cash flows. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(g) Cash equivalents

Cash equivalents comprise guaranteed investment certificates with an original maturity of three months or less, and which are readily convertible into a known amount of cash. Sintana does not invest in any asset-backed deposits/investments. Restricted cash is not included within cash and cash equivalents (refer to note 8 for details of restricted cash).

(h) Provisions

A provision is recognized when Sintana has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Sintana had no material provisions at December 31, 2025 and 2024 other than the asset retirement obligation and provision.

2. Material accounting policies and information (continued)

(i) Asset retirement obligations ("ARO")

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an oil and gas property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises, whether at the start of each project or on an ongoing basis during production. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit of production or the straight-line method as appropriate under IFRS. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

(j) Exploration and evaluation expenditures

Sintana expenses exploration and evaluation expenditures as incurred for oil and gas prospects not commercially viable and financially feasible. Exploration and evaluation expenditures include acquisition costs of oil and gas prospects, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for production operations. Capitalization ceases when the oil and natural gas reserves are capable of commercial production, with the exception of development costs that give rise to a future benefit.

Exploration and evaluation expenditures are capitalized if Sintana can demonstrate that these expenditures meet the criteria of an identifiable intangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

(k) Share-based payment transactions

The fair value of stock options granted to employees and consultants is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of Sintana.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based payments to non-employees are measured at fair value of services provided, measured on the service date and recorded over the service period. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

(l) Restricted share units ("RSUs")

Under the Company's restricted share unit plan, employees and directors are granted RSUs where each RSU has a value equal to one Sintana common share. RSUs are measured at fair value on the grant date. The fair value of RSUs is recognized as a charge to share-based compensation as a general and administrative expense over the vesting period with a corresponding increase in equity. RSUs expected to settle in cash are reclassified as a liability and valued at fair value at period end.

(m) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss, in which case the income tax is also recognized directly in equity or other comprehensive loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates an laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Notes to Consolidated Financial Statements years ended December 31, 2025 and 2024 (continued)

2. Material accounting policies and information (continued)

(n) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined using the treasury stock method by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

(o) Interest in joint ventures

A joint venture can take the form of a jointly controlled entity, jointly controlled operation or jointly controlled assets. A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

When the Company undertakes its activities under joint venture arrangements, its share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the consolidated financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interest in jointly controlled assets are accounted for on an accrual basis.

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Company reports its interest in jointly controlled entities using the equity method.

The Company annually assesses whether there is any objective evidence that its investment in a joint venture is impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal or value in use) and charged to the consolidated statement of comprehensive loss.

The Company is accounting for its investment in Inter Oil, as a joint venture (refer to note 9).

(p) Segment reporting

The Company determines and presents operating segments based on information that is internally provided to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), who are the Company's chief operating decision makers. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results, for which discrete financial information is available, are reviewed regularly by the CEO and CFO to make decisions about resources to be allocated to the segment and assess its performance. The Company has one operating segment which is the exploration and development of oil and gas properties, however for reporting purposes, segmented information is presented across four geographical segments: Uruguay (operating), Namibia (operating), Corporate (including Canada, the United States, the United Kingdom and the Isle of Man) and Non-operating (including Colombia, Panama, The Bahamas and Spain).

(q) Non-controlling interest

Non-controlling interest represents the minority shareholders' interest in the Company's less than wholly-owned subsidiary. On initial recognition, non-controlling interest is measured at its proportionate share of the acquisition-date fair value of identifiable net assets of the related subsidiary acquired by the Company. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interest for the minority shareholders' share of changes to the subsidiary's equity. Changes in the Company's ownership interest that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

(r) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future events. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions made by management about the future could result in material adjustments to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. Material accounting policies and information (continued)

(r) Significant accounting judgments and estimates (continued)

- The Company uses the asset and liability method in accounting for deferred income taxes. Under this method, deferred income taxes are recognized for the estimated future income tax liabilities. In preparing these estimates, management is required to interpret substantially enacted legislation as well as economic and business conditions along with management's tax and corporate plans which may impact taxable income in future periods. Deferred income tax assets are recognized only to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

- Management determines the fair value of warrants and stock options using the Black-Scholes option pricing model. The estimate of share-based compensation and warrants require the selection of an appropriate valuation model and consideration of the inputs necessary for the model chosen. The Company has made estimates of the volatility of its own shares, the probable life of options and warrants granted, interest rates, and the time of exercise of those options and warrants.

- Provision (included in accounts payable and accrued liabilities): Management estimates the probability each year for the likelihood of the provision. Changes to the probability can affect the carrying value of the provision.

- The Company has applied judgement in determining whether the acquisition of Challenger Energy Group Plc constitutes a business combination under IFRS 3 or an asset acquisition. Although control was obtained in accordance with IFRS 10, management concluded that the acquired set does not meet the definition of a business, as substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets (being the Uruguay exploration licences). Accordingly, the optional concentration test under IFRS 3 was met, and the transaction has been accounted for as an asset acquisition, with no goodwill recognized.

- The Company has also applied judgement in assessing indicators of impairment for exploration and evaluation assets recognized following the acquisition of Challenger Energy Group Plc, in accordance with IFRS 6. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. Such indicators include, but are not limited to, expiry or expected non-renewal of licence interests, absence of planned or budgeted substantive exploration expenditure, unsuccessful exploration results, or a decision to discontinue activities in a specific area. In making this assessment, management considers the status of ongoing exploration programmes, technical results, commercial viability, and available funding. Where indicators of impairment are identified, a formal impairment test is performed, which requires significant judgement in estimating recoverable amounts.

- ARO has been determined based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to liability on a quarterly basis. Actual rehabilitation costs will ultimately depend on the settlement amount for actual rehabilitation costs which will reflect the market condition at the time costs are incurred. The final cost may be higher or lower than the currently recognized rehabilitation provision.

Critical accounting judgments

- The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses, meet its liabilities for the upcoming year and fund planned projects, involves significant judgment based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Given the judgment involved, actual results may lead to a materially different outcome.

- Joint venture: Pursuant to the acquisition of 49% of the outstanding shares of Inter Oil on March 8, 2022, the Company determined that the acquisition is a form of joint venture and the Company is required to account for its share in the joint venture company by using the equity method.

(s) Accounting standards effective this year and future applicable accounting standards

Accounting standards effective this year

The Company adopted no new IFRSs and interpretations during 2025.

Future applicable accounting standards

The following new standards and amendments to standards have been issued as at December 31, 2025 but are not yet effective. The Company does not plan to early adopt any of these new or amended standards and interpretations.

2. Material accounting policies and information (continued)

(s) Accounting standards effective this year and future applicable accounting standards (continued)

Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures:
In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures to clarify the date of recognition and derecognition of some financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of certain financial assets and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026, and are to be applied retrospectively; restatement of prior periods is not required. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements:
IFRS 18, issued in April 2024, replaces IAS 1, Presentation of Financial Statements and establishes the overall requirements for presentation and disclosures in the financial statements, including a new defined structure for the statement of profit or loss and specific disclosure requirements related to management-defined performance measures. IFRS 18 also enhances guidance on how to group information within the financial statements. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, including interim financial statements, and is to be applied retrospectively. The Company has not yet determined the impact of this standard on its consolidated financial statements.

3.1 Acquisition of Challenger Energy Group Plc

On October 9, 2025, the Company announced that it has reached an agreement with Challenger Energy Group Plc ("Challenger") on the terms of an all-share acquisition pursuant to which Sintana would acquire all of the issued and to be issued ordinary share capital of Challenger (the "Challenger Acquisition"). The Challenger Acquisition was implemented by way of a Court-sanctioned scheme of arrangement under Part IV (Section 152) of the Isle of Man Companies Act 1931 as amended from time to time (the "Scheme"). Under the terms of the Challenger Acquisition, Challenger shareholders received approximately 0.4705 common shares of Sintana for each Challenger ordinary share held.

On 12 December 2025, the Scheme was sanctioned by the Isle of Man Court and the Scheme became effective on 16 December 2025. As a result, Sintana acquired the entire issued and to be issued share capital of the Company, and Challenger became a wholly-owned subsidiary of Sintana. Admission of the common shares of Sintana (including those issued as consideration in accordance with the Scheme) to trading on AIM became effective on 23 December 2025, and Challenger's ordinary shares were cancelled from trading on AIM.

The Challenger Acquisition did not meet the definition of a business combination under IFRS 3, Business Combination. Accordingly, the Challenger Acquisition was accounted for as an asset acquisition.

The following table summarizes the fair value of the purchase price and the allocation to net assets acquired:

Purchase Price Consideration	
Consideration shares issued to acquire all the share in Challenger (126,731,086 Sintana common shares issued)	35,950,774
Costs related to the Challenger Acquisition	3,745,627
	39,696,401

Net Assets Acquired (Fair Value)	
Statement of financial position	
Cash and cash equivalents	4,451,617
Accounts receivable and other assets	1,394,562
Tangible assets	41,417
Intangible assets	39,288,794
Restricted cash	707,602
Accounts payable and other liabilities	(3,555,859)
Asset retirement obligation	(2,631,732)
Total	**39,696,401**

Cash inflows	
Cash and cash equivalents acquired	4,451,617
Costs related to the Challenger Acquisition (capitalized to intangible costs)	(3,745,627)
Net cash inflows	**705,990**

3.2 Acquisition of Giraffe (2024)

On April 24, 2024, the Company entered into a definitive agreement with Crown Energy (Pty) Ltd. ("Crown"), a private Namibian company, providing for the acquisition (the "Giraffe Acquisition") by the Company from Crown of up to 67% of the issued and outstanding shares of Giraffe. Giraffe holds a 33% limited carried interest in PEL 79 which governs Namibia offshore blocks 2815 and 2915. The Giraffe acquisition was structured as an initial purchase of 49% of the issued and outstanding shares of Giraffe from Crown for cash consideration of $2,000,000, with the Company being granted an option to increase its ownership up to an aggregate 67% interest in Giraffe over a period of five years for an additional cash payment at the time of exercise of $1,000,000. This option remains outstanding and has not as yet been exercised by the Company. On June 10, 2024, the Company announced that it had completed the Giraffe Acquisition.

Following completion, and although the Company only owned approximately 49% of Giraffe and less than half of its voting power, management determined that the Company controlled Giraffe, on a de facto power basis, because the option to increase ownership from 49% to 67% is exercisable immediately, without any significant legal, procedural, or financial barriers, making it a substantive potential voting right. When combined with Sintana's existing 49% ownership, the exercisability of the option provides Sintana with the current ability to direct Giraffe's relevant activities, including the approval of exploration budgets, capital expenditures, and operational strategies for PEL 79. Furthermore, it was determined that the requirement for 100% unanimous approval of fundamental decisions will not preclude Sintana from directing the relevant activities, even upon exercising the additional 18% option: the requirement grants Crown a protective right rather than limiting Sintana's ability to exercise control over the relevant activities of Giraffe.

The Giraffe Acquisition did not meet the definition of a business combination under IFRS 3, Business Combination. Accordingly, the Giraffe Acquisition was accounted for as an asset acquisition. The Company recorded a total of $2,037,903 in exploration and evaluation expenditures to the consolidated statement of loss and comprehensive loss which is the excess of the consideration paid over the fair value of the identifiable net assets.

The following table summarizes the fair value of the purchase price and the allocation to net assets acquired:

Purchase Price Consideration	
Cash payment	2,000,000
Costs related to the Giraffe Acquisition	35,614
	2,035,614

Net Assets Acquired (Fair Value)	
Statement of financial position	
Cash and cash equivalents	218
Accounts payable and other liabilities	(4,890)
Non-controlling interest on acquisition	2,383
Statement of loss and comprehensive loss	
Exploration and evaluation expenditures	2,037,903
Total	**2,035,614**

As at the Giraffe Acquisition date, unrelated parties owed 51% in the net liabilities of Giraffe:	
Total net liabilities on the date of acquisition	(4,672)
% of equity held	51%
Total value of non-controlling interest on acquisition	**(2,383)**

4. Capital risk management

Sintana manages its capital with the following objectives:

- ensure sufficient financial flexibility to achieve its ongoing business objectives;
- maximize shareholder value.

Sintana monitors its capital structure and makes adjustments, as deemed necessary, in an effort to meet its commitments and objectives. Sintana can manage its capital structure by issuing additional shares and debt, purchasing outstanding shares, reducing participation interests, adjusting capital spending and operating costs, and / or disposing of assets. The cash forecast and capital structure are reviewed by management and the Board of Directors on an ongoing basis. There were no changes to how management manages its capital during 2025.

4. Capital risk management (continued)

Sintana considers its financial capital to be shareholders' equity, which comprises share capital, warrants, contributed surplus (which includes stock options and RSUs), non-controlling interest, deficit, and other comprehensive income which at December 31, 2025 totaled a shareholders' equity of $54,134,233 (2024 - $20,175,755).

Sintana monitors its sources and uses of capital through its financial and operational forecasting processes. Sintana reviews its working capital and forecasts the timing and amounts of its future cash flows based on anticipated operating and overhead expenditures, and other investing and financing activities. The forecast is updated periodically based on current and planned activities related to its oil and natural gas participation interests. Forecast summaries are provided to the Board of Directors.

Sintana's capital management objectives, policies and processes remained unchanged during the year ended December 31, 2025 The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) CAD$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2025, the Company was compliant with Policy 2.5.

5. Financial risk management

Financial risk
Sintana's activities expose it to a variety of financial risks, including credit risk, liquidity risk and market risk (including interest rates and foreign exchange risks).

Risk management is carried out by Sintana's management team with guidance from the Board of Directors.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, accounts receivable, excluding HST and VAT and deferred consideration arising following the acquisition of Challenger Energy Group Plc. All of the Company's cash and cash equivalents is held with large, well-known and established financial institutions. As such, management considers credit risk related to these financial assets to be minimal.

Accounts receivable primarily consist of indirect tax receivables (HST/VAT) and other receivables. Deferred consideration balances represent amounts receivable from Predator Oil & Gas Holdings Plc ("Predator") in connection with a prior transaction. Under the terms of the agreement, additional consideration of $500,000 is receivable within 12 months (expected in August 2026), with further amounts of $250,000 receivable on December 31, 2026 and $250,000 on December 31, 2027. Management has assessed the credit risk associated with the Predator receivable as low taking into account that an initial $500,000 cash payment was received from Predator upon completion of the transaction as well as management's assessment of Predator's financial capacity to meet its remaining obligations.

The Company's exposure to credit risk is concentrated in respect of the receivable from Predator, however, this concentration is not considered significant given the factors noted above. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote since the Company does not have any receivables other than HST and VAT and the receivable balance from Predator.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in economic conditions generally or matters specific to Sintana. The Company generates cash flow primarily from its financing activities.

Most of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. Sintana had a cash and cash equivalents balance of $10,315,705 (2024 – $12,591,728) and working capital of $5,044,376 at December 31, 2025 (2024 – $11,459,561).

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company's current policy is to invest excess cash in short-term guaranteed investment certificates or money market funds of major Canadian chartered banks. Accordingly, the Company is not subject to material interest rate risk.

(b) Foreign currency risk

The Company is exposed to foreign currency risk through transactions denominated in currencies other than the functional currency of the relevant Company's entities. Foreign currency risk arises primarily from the Company's monetary assets and liabilities denominated in USD, CAD, British pounds sterling ("GBP"), Euros ("EUR"), Namibian dollars and Uruguayan pesos.

5. Financial risk management (continued)

The Company's financial statements are presented in USD, which is the Company's presentation currency. The functional currency of the Company and certain subsidiaries is CAD, while other subsidiaries have functional currencies including USD, CAD, GBP, EUR, Namibian dollars and Uruguayan pesos.

The Company maintains bank accounts in multiple jurisdictions including the Isle of Man, the United Kingdom, Canada, the United States, Namibia, Uruguay, Colombia and The Bahamas. The Company does not currently use derivative financial instruments to hedge its exposure to foreign currency fluctuations.

The following table presents the USD equivalent balances of monetary items denominated in currencies other than the relevant functional currency:

December 31,	2025	2024
Financial assets	4,624,819	3,314,285
Financial liabilities	(2,592,115)	–

Sensitivity analysis
The sensitivity analysis below reflects the impact on the Company's loss and comprehensive loss of reasonably possible changes in foreign exchange rates on monetary assets and liabilities denominated in currencies other than the functional currency of the relevant Company entities. The results of the analysis are presented in the Company's presentation currency, USD. Exposures to USD may arise within subsidiaries whose functional currency is not USD.

	Profit or loss sensitivity	
	10% increase	10% decrease
Year ended 31 December 2025	$ 000's	$ 000's
US dollars	388,045	(388,045)
British Pounds Sterling	(185,937)	185,937
Columbian pesos	595	(595)
Uruguay pesos	567	(567)
Total	**203,270**	**(203,270)**
Year ended 31 December 2024		
US dollars	330,660	(330,660)
Columbian pesos	768	(768)
Total	**331,428**	**(331,428)**

The sensitivity analysis reflects the impact of reasonably possible changes in foreign exchange rates on monetary assets and liabilities denominated in currencies other than the functional currency of the relevant Company entities. As the Company does not have financial instruments whose foreign exchange movements are recognized directly in equity, there is no impact on equity from the sensitivities presented above.

6. Fair value measurements of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company does not have financial instruments that require to be measured at fair value on a recurring basis.

The Company has not offset financial assets with financial liabilities.

The carrying value of the Company's cash and cash equivalents, accounts receivable excluding HST and VAT, accounts payable and accrued liabilities and deferred compensation is close to fair value due to their short-term maturity.

7. Accounts receivable and other assets

	As at December 31, 2025	As at December 31, 2024
Current trade and other receivables		
Accounts receivable (1)	392,047	68,756
Prepaids and other advances	255,456	184,083
Deposit - Corcel (2)	500,000	–
Deferred consideration (3)	500,000	–
Total	**1,647,503**	**252,839**
Non-current trade and other receivables		
Deferred consideration (3)	431,155	–
Total	**431,155**	**–**

(1) Accounts receivable balances are predominantly comprised of HST and VAT amounts recoverable from the subsidiaries' respective tax jurisdictions.

(2) The deposit to Corcel represents a $500,000 deposit paid during the year in respect of the KON-16 transaction. See note 24 for further details.

(3) Deferred consideration represents amounts due to Challenger Energy Limited following the disposal of its Trinidad operations, which completed in August 2025. The deferred consideration due from that transaction comprises $500,000 payable in cash on August 30, 2026, $250,000 payable on December 31, 2026, and a further $250,000 payable on December 31, 2027. The deferred consideration amounts due in December 2026 and 2027 have been discounted and classified as non-current deferred consideration amounting to $431,155.

8. Restricted cash

	As at December 31, 2025	As at December 31, 2024
Credit card security	7,656	–
Licence related restricted bank deposits Licence (1)	700,000	–
	707,656	**–**

(1) Licence related restricted bank deposits are cash amounts held in separately identified Company bank accounts pledged in support of fulfilment of work programme commitments on specific licences, and to which access is restricted until those work program commitments are met. As at December 31, 2025 this consisted of $700,000 (2024 - nil) relating to the Company's Uruguay licences

9. Investment in joint venture

Balance, December 31, 2023	**9,777,673**
Additional funding in joint venture	116,945
Sintana's 49% share of Inter Oil's net loss for the year ended December 31, 2024	(84,165)
Foreign exchange adjustments	(740,435)
Balance, December 31, 2024	**9,070,018**
Additional funding in joint venture	219,589
Sintana's 49% share of Inter Oil's net loss for the year ended December 31, 2025	(31,360)
Foreign exchange adjustments	434,411
Balance, December 31, 2025	**9,692,658**

On March 8, 2022, the Company completed the acquisition of 49% of the outstanding shares of Inter Oil. Inter Oil is a private Namibian company which indirectly holds a strategic portfolio of onshore and offshore PELs in Namibia including (i) a 15% (Sintana: 7.35%) limited carried interest in PEL 87; (ii) a 10% (Sintana: 4.9%) limited carried interest in each of PELs 82 and 83; and (iii) a 10% (Sintana: 4.9%) limited carried interest in PEL 90. Inter Oil also holds a 30% (Sintana: 14.7%) interest in a subsidiary which, in turn, holds a 90% interest in onshore PEL 103.

The consideration for the acquisition consisted of a cash payment of $4,000,000 and the issuance of an aggregate of 34,933,333 common shares of the Company (issued and valued at CAD$8,034,667).

9. Investment in joint venture (continued)

The following is the net loss of Inter Oil and the proportionate share of net loss for the Company's ownership interest for the twelve months ended December 31, 2025.

	2025	2024
Net loss	(64,000)	(173,806)
Proportionate share of net loss	(31,360)	(84,165)

10. Intangible assets

Cost	
At January 1, 2025	–
Acquisition of Challenger Energy Group Plc (note 3.1)	39,288,794
Foreign exchange adjustments	–
Balance, December 31, 2025	**39,288,794**
Net book value	
At, December 31, 2025	**39,288,794**
At, December 31, 2024	**–**

11. Tangible assets

Cost	
At January 1, 2025	–
Acquisition of Challenger Energy Group Plc (note 3.1)	41,417
Foreign exchange adjustments	(43)
Balance, December 31, 2025	**41,374**
Net book value	
At, December 31, 2025	**41,374**
At, December 31, 2024	**–**

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding relating to general operating and administrative activities and a dormant arbitration of disputed joint venture cash calls:

	As at December 31, 2025	As at December 31, 2024
Accounts payable	2,986,637	38,835
Accrued liabilities	1,272,875	118,214
	4,259,512	**157,049**

The following is an aged analysis of accounts payable and accrued liabilities:

	As at December 31, 2025	As at December 31, 2024
Less than 1 month	3,531,061	128,719
1 to 3 months	240,920	10,232
Greater than 3 months	487,531	18,098
	4,259,512	**157,049**

12. Accounts payable and accrued liabilities (continued)

Accounts payable and accrued liabilities include amounts totaling approximately $1,266,735 (2024 - $157,049) that are considered to be of a routine working capital nature and are expected to be settled in the ordinary course of business. The remainder of trade and other payables (including accruals) comprises amounts due in respect of the acquisition of Challenger, which completed in December 2025, amounting to $2,524,840 (2024 - nil). In addition, the total trade and other payables balance includes an accrual of $467,937 for a potential insurance exposure, arising from the final cost of the Perseverance-1 well in The Bahamas (dating back to 2021) exceeding the original estimate. However, this matter remains unresolved with the insurers as of the date of this report. During the year ended December 31, 2025, the Company recorded a gain on accounts payable of nil (2024 - $45,856) in the consolidated statements of loss and comprehensive loss related to the decrease in the probability of the provision being paid.

13. Asset retirement obligation

As at December 31, 2025, the Company had estimated the net present value of its total ARO to be $2,703,739 (2024 – $71,308). The settlement period is estimated to occur within the next twelve months. The ARO Is made up of the following amounts:

1) CAD$102,312 was acquired upon completion of the Mobius Business Combination in August 2015 and relates to a well in the Duvernay formation in Alberta. The settlement period is expected to occur in the next 12 months.

2) As part of the Challenger Acquisition in December 2025, a decommissioning provision as well as various site restoration obligations for certain facilities became incorporated into the Company's financial statements. All of these are obligations of a Spanish subsidiary company, dating back approximately 10 years. The decommissioning provision is undiscounted and uninflated, as the field is no longer in operation. The Spanish subsidiary is currently in the process of being liquidated, and management expects that the decommissioning provision relating to the Spanish company will be released upon completion of this process, with no cash impact to the Company.

Both provisions were estimated by suitably qualified independent experts with the appropriate technical expertise to assess decommissioning costs in the relevant jurisdictions, taking into account applicable local regulatory requirements.

Balance, December 31, 2023	**77,138**
Foreign exchange adjustments	(5,830)
Balance, December 31, 2024	**71,308**
Acquisition of Challenger Energy Group Plc (note 3.1)	2,631,732
Foreign exchange adjustments	699
Balance, December 31, 2025	**2,703,739**

14. Share capital

a) Authorized share capital:
At December 31, 2025, and 2024, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued common shares are fully paid.

b) Common shares issued:
The change in issued share capital for the years presented was as follows:

	Number of common shares	Amount $ 000's
Balance, December 31, 2023	**282,360,668**	**93,603,754**
Warrants exercised (note 15)	87,176,546	19,333,984
Restricted share units vested and converted to common shares (1)	3,900,000	332,518
Exercise of options (note 16(v))	1,146,907	207,037
Balance, December 31, 2024	**374,584,121**	**113,477,293**
Restricted share units vested and converted to common shares (1)	2,400,000	2,290,796
Exercise of options (note 16(v))	4,128,090	811,895
Acquisition of Challenger Energy Group Plc	126,731,086	35,950,774
Share settled compensation	2,512,943	837,827
Balance, December 31, 2025	**510,356,240**	**153,368,585**

(1) During the year ended December 31, 2025, 2,400,000 RSUs vested (2024 - 3,900,000) and were converted to common shares with a value of $2,290,796 (2024 - $332,518).

15. Warrants

The following table reflects the continuity of warrants for the years presented:

	Number of warrants	Weighted average exercise price per share
Balance, December 31, 2023	**88,957,833**	**CAD$0.25**
Warrants exercised	(87,176,546)	CAD$0.25
Warrants expired	(1,781,287)	CAD$0.25
Balance, December 31, 2024 and 2025	**–**	**–**

During the year ended December 31, 2024, 87,176,546 warrants were exercised for cash proceeds of $15,879,240 and the related grant date fair value of the warrants of $3,454,744 was reclassified from warrants to share capital.

There were no warrants outstanding as at December 31, 2024 and December 31, 2025.

16. Stock options

The following table reflects the continuity of stock options for the years presented:

	Number of stock options outstanding	Weighted average exercise price $ 000's
Balance, December 31, 2023	**23,625,000**	**CAD$0.17**
Granted (i)(ii)	5,550,000	CAD$1.19
Exercised (v)	(1,146,907)	CAD$0.13
Balance, December 31, 2024	**28,028,093**	**CAD$0.37**
Granted (iii)	100,000	CAD$0.73
Exercised (v)	(4,128,090)	CAD$0.14
Cancelled	(900,000)	CAD$0.16
Balance, December 31, 2025	**23,100,003**	**CAD$0.42**

(i) On May 1, 2024, the Company granted a total of 1,650,000 stock options to certain directors and officers of the Company. The options have an exercise price of CAD$1.08 and expire on May 1, 2034. Vesting of the stock options is as follows: one-third on day of grant, one-third after one year and one-third after two years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 131%; risk-free interest rate of 3.76%; and an expected average life of 10 years. The options were valued at CAD$1,726,714.

(ii) On December 13, 2024, the Company granted a total of 3,900,000 stock options to certain directors and officers of the Company. The options have an exercise price of CAD$1.23 and expire on December 13, 2034. Vesting of the stock options is as follows: one-third on day of grant, one-third after one year and one-third after two years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 131%; risk-free interest rate of 3.17%; and an expected average life of 10 years. The options were valued at CAD$4,641,853.

(iii) On June 27, 2025, the Company granted a total of 100,000 stock options to an officer of the Company. The options have an exercise price of CAD$0.73 and expire on June 27, 2035. Vesting of the stock options is as follows: one-third on day of grant, one-third after one year and one-third after two years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 132%; risk-free interest rate of 3.31%; and an expected average life of 10 years. The options were valued at CAD$70,731.

(iv) Share-based compensation includes $2,136,605 (2024 – $2,508,425) relating to stock options granted in current and previous years in accordance with their respective vesting terms, during the year ended December 31, 2025.

(v) During the year ended December 31, 2025, 4,128,090 stock options were exercised for cash proceeds of $403,481 (year ended December 31, 2024 – 1,146,907 stock options were exercised for cash proceeds of $109,621) and the related grant date fair value of the stock options of $2,290,796 (2024 – $97,416) was reclassified from contributed surplus to share capital. The average share price on the exercise of stock options for the year ended December 31, 2025 was CAD$0.63 (2024 – CAD$1.15).

Notes to Consolidated Financial Statements years ended December 31, 2025 and 2024 (continued)

16. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of December 31, 2025:

Expiry date	Exercise price	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
December 18, 2025*	CAD$0.100	–	400,000	400,000	–
March 24, 2027	CAD$0.165	0.36	6,750,000	6,750,000	–
December 19, 2032	CAD$0.110	1.65	5,450,001	5,450,001	–
December 19, 2033	CAD$0.270	1.67	4,850,002	4,850,002	–
May 1, 2034	CAD$1.080	0.60	1,650,000	1,100,000	550,000
December 13, 2034	CAD$1.230	1.51	3,900,000	2,600,000	1,300,000
June 27, 2035	CAD$0.730	0.04	100,000	33,333	66,667
		5.83	**23,100,003**	**21,183,336**	**1,916,667**

* The expiry date of the options was extended as the original expiry date fell within a close period during which the holders were restricted from exercising the options.

Subsequent to period end, on January 6, 2026 the Company announced 400,000 stock options were exercised at an exercise price of CAD$0.10 each, on March 27, 2026 the Company announced 800,000 stock options were exercised at an exercise price of CAD$0.11 each, and on April 24, 2026 the Company announced that 625,000 stock options were exercised at the following prices: 250,000 options at a price of CAD$0.165 per share, 200,000 options at a price of CAD$0.11 per share and 175,000 at a price of CAD$0.27 per share.

17. RSUs

The grant date fair value of RSUs equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in contributed surplus. The total amount expensed is recognized over the vesting period, which is the period over which all specified vesting conditions must be satisfied before RSUs are earned and therefore convertible. RSUs are converted into common shares when vested.

On May 1, 2024, the Company granted a total of 2,400,000 RSUs to certain directors and officers of the Company. The RSUs vested on May 1, 2025.

On December 13, 2024, the Company granted a total of 2,600,000 RSUs to certain directors and officers of the Company. The RSUs vested subsequent to year end on 7 January 2026.

On June 27, 2025, the Company granted a total of 4,200,000 RSUs to certain directors and officers of the Company. The RSUs will vest on June 27, 2026.

During the year ended December 31, 2025, 2,400,000 RSUs (2024 – 3,900,000) vested and were converted to common shares with a value of $2,290,796 (2024 – $332,518).

The compensation portion of RSUs granted in the current and prior years and vested during the year ended December 31, 2025, amounted to $3,838,338 (2024 - $1,497,878).

As of December 31, 2025, there were 6,800,000 RSUs outstanding (2024 – 5,000,000 RSUs).

The weighted average fair value of RSUs granted during the year ended December 31, 2025 was CAD$0.71 per unit (year ended December 31, 2024 – CAD$1.15 per unit).

On January 6, 2026 an aggregate of 2,600,000 common shares were Issued upon the conversion of RSUs and an aggregate total of 7,250,000 RSU's were granted to several directors and service providers of the Company.

18. Net loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2025 was based on the loss attributable to common shareholders of $10,223,896 (2024 - loss of $7,666,402) and the weighted average number of common shares outstanding of 381,503,896 (2024 – 360,996,016). Diluted loss per share did not include the effect of options, warrants and RSUs for the year ended December 31, 2025 and 2024 as they were anti-dilutive.

19. Exploration and evaluation expenditures

The following table provides a breakdown of the Company's exploration evaluation expenditures in each of the last two years:

Exploration Expenditures	Year Ended December 31, 2025 $	Year Ended December 31, 2024 $
Namibia		
Consulting fees	16,154	16,432
Acquisition of 49% in Giraffe	–	2,037,903
	16,154	**2,054,335**
Magdalena Basin, Colombia		
Administrative and general	29,097	26,693
Professional fees	30,772	7,736
	59,869	**34,429**
Angola		
Consulting fees	30,456	–
	30,456	**–**
Duvernay formation, Alberta		
Other	–	2,324
	–	**2,324**
	106,479	**2,091,088**

Notes:

In recent periods, the Company has principally acquired relatively small ownership interests in oil and gas assets, in many cases benefiting from carry arrangements which result in limited direct exploration and evaluation expenditure. As most of these interests are held through associated entities and accounted for under the equity method, any additional contributions to the underlying joint ventures are capitalized at the associate level, thereby limiting exploration and evaluation related costs recognized directly by the Company.

The key exception to this has been the Giraffe investment in PEL 79, where the Company holds an option to acquire up to a 67% interest, resulting in a level of quasi-control and therefore full consolidation. This led to a higher level of exploration and evaluation expenditure being recognized in the year ended December 31, 2024 with the acquisition cost being recognized as exploration expenditures (refer to note 3.2).

Following completion of the Challenger acquisition in December 2025, the Group now holds a 100% interest in the OFF-3 licence and a 40% carried interest in the OFF-1 licence. As a result, exploration and evaluation activity is expected to increase going forward, particularly in relation to the OFF-3 asset.

20. General and administrative expenses

	Year Ended December 31, 2025	Year Ended December 31, 2024
Salaries and benefits (note 22)	2,657,133	2,109,280
Professional fees (note 22)	726,289	467,846
Share-based payments (notes 16,17 and 22)	5,978,695	4,040,963
Investor relations	460,203	396,424
Travel expenses	172,879	217,350
Administrative and general	174,979	93,080
Reporting issuer costs	87,957	36,633
	10,258,135	**7,361,576**

Notes to Consolidated Financial Statements years ended December 31, 2025 and 2024 (continued)

21. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2024 – 26.5%) to the effective tax rates is as follows:

Year Ended December 31,	2025	2024
Net loss before income taxes	(10,165,008)	(7,473,238)
Expected income tax recovery	(2,693,727)	(1,980,407)
Effect on income taxes of:		
Share-based compensation and other non-deductible items	1,599,574	1,720,693
Difference in tax rates	111,795	25,685
Change in tax benefits not recognized	1,041,246	427,193
Income tax	58,888	193,164
The Company's income tax is allocated as follows:		
Current income tax expense	65,257	201,764
Deferred income tax (recovery) expense	(6,369)	(8,600)
	58,888	**193,164**

Deferred tax

The following table summarizes the components of deferred income tax:

Year Ended December 31,	2025	2024
Deferred tax assets		
Capital losses carried forward	32,693	42,081
Deferred tax liabilities		
Joint venture	(364,289)	(353,840)
Long-term loan	(32,528)	(42,065)
Net deferred tax liability	**(364,124)**	**(353,824)**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

	2025	2024
Balance at the beginning of the year	(353,824)	(391,632)
Recognized in profit/loss	6,369	8,600
Foreign exchange adjustments	(16,669)	29,208
Balance at the end of the year	**(364,124)**	**(353,824)**

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2025	2024
Property, plant and equipment	118,318	113,476
Asset retirement obligation	74,694	71,311
Share issuance costs	349,855	675,629
Reserves	–	996,835
Operating tax losses - Canada	16,043,856	13,941,688
Operating tax losses - USA	13,481,302	9,621,716
Operating tax losses - Colombia	201,286	140,142
Operating tax losses - Namibia	241,900	85,146
Operating tax losses - Uruguay	476,855	–
Operating tax losses - UK	642,097	–
Capital losses carried forward	92,037,658	87,871,014
Resource pools - Mineral properties	13,431,063	12,923,580

21. Income taxes Income taxes (continued)

The Canadian and U.S. operating tax losses carry forwards expire as noted in the table below. In addition, $6.9M of these losses are subject to further restrictions. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's operating tax losses expire as follows:

	Canada	USA
2030	111,883	–
2031	2,102,764	–
2032	2,413,576	–
2033	505,294	93,107
2034	422,578	1,147,982
2035	2,829,150	1,223,442
2036	665,947	–
2037	64,825	827,559
2038	1,126,482	209,189
2039	231,848	164,155
2040	212,453	123,641
2041	195,423	144,409
2042	1,191,348	–
2043	1,156,951	–
2044	1,372,331	–
2045	1,441,001	–
Indefinitely	–	9,547,818
	16,043,854	**13,481,302**

22. Director and Key Management Compensation, Share Based Payments and Related party transactions and balances

(a) Director and Key Management Compensation

During the year ended December 31, 2025, total cash salaries and benefits paid amounted to $2,657,133 (2024 – $2,109,280). Of this total, $2,493,942 related to salaries and benefits paid to directors and key management personnel (2024 – 1,974,616), inclusive of directors' fees and other benefits. The total of $2,493,942 include $737,215 of termination payments; excluding termination payments, the total of cash salaries and benefits paid amounted to $1,919,918. The termination payments arose following completion of the Challenger transaction where certain amounts were paid pursuant to contractual obligations to Mr. Keith Spickelmier in respect of the loss of his Executive Chairman position ($206,761), to Mr, Douglas Manner following the termination of his role as President ($235,454) and to Mr. David Cherry following the termination of his role as Chief Operating Officer ($295,000).

Balances for deferred compensation due to directors and key management personnel of $604,939 are included in deferred compensation as at December 31, 2025 (2024 - $954,939).

(b) Share based payments

During the year ended December 31, 2025, the Company made a number of share based payments, including to directors and key management personnel of the Company, in the form of either options or RSUs, as detailed in notes 16 and 17 (and which notes explains the method of valuing these instruments and how these costs are then amortized over their respective vesting periods).

Accordingly, the total charges to share based payments in the financial statements for the year ending December 31, 2025 was $5,776,021 (2024 – $3,830,720). This is recorded under general and administrative costs.

(c) Related party transactions and balances

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Notes to Consolidated Financial Statements years ended December 31, 2025 and 2024 (continued)

22. Director and Key Management Compensation, Share Based Payments and Related party transactions and balances (continued)

(c) Related party transactions and balances (continued)
The below noted transactions during the year ended December 31, 2025 occurred in the normal course of business and are measured initially at fair value and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations:

- the Company paid professional fees and disbursements totaling $147,845 (year ended December 31, 2024 – $64,375) to Marrelli Support Services Inc., and certain of its affiliates, together known as the "Marrelli Group", for: (i) Mr. Carmelo Marrelli, beneficial owner of the Marrelli Group, to act as the Chief Financial Officer of the Company (until December 16, 2025 and who ceased office / employment with the Company effective on completion of the Challenger acquisition), (ii) regulatory filing services, and (iii) press release services; and
- In connection with the acquisition of Challenger, Sintana entered into a loan agreement with Charlestown Energy Partners, LLC ("Charlestown"), a shareholder of Sintana and a related party, pursuant to which Charlestown has agreed to provide Sintana with a working capital facility of up to US$4 million (the "Facility") from the closing date of the acquisition. The Facility may be terminated by Sintana at any time upon providing not less than 20 business days' prior written notice to Charlestown. The amount drawn on the facility at December 31, 2025 was $nil.

23. Segmented information

The Company operates as a single reporting segment focused on oil and natural gas exploration and development in Namibia, Uruguay and Angola, with additional group entities located in Canada, the United Kingdom, the United States, Colombia, The Bahamas, Spain and Panama. The Company's principal place of business is London, United Kingdom, with administrative offices in Castletown, Isle of Man, and Toronto, Canada.

For reporting purposes, segmented information is presented across four geographical segments: Namibia (operating), Uruguay (operating), Corporate (including Canada, the United States, the United Kingdom and the Isle of Man) and Non-operating (including Colombia, Panama, The Bahamas and Spain).

December 31, 2025	Corporate	Namibia	Uruguay	Non-operating	Total
Cash and cash equivalents	10,270,550	1,690	10,115	33,350	10,315,705
Accounts receivable and other assets	2,036,495	13,531	5,155	23,477	2,078,658
Restricted cash	707,656	–	–	–	707,656
Tangible assets	–	–	–	41,374	41,374
Intangible assets	–	–	39,288,794	–	39,288,794
Investment in joint venture	9,692,658	–	–	–	9,692,658
Total assets	**22,707,359**	**15,221**	**39,304,064**	**98,201**	**62,124,845**
Accounts payable and accrued liabilities	3,749,549	12,834	–	497,129	4,259,512
Current income tax payable	58,298	–	–	–	58,298
Deferred compensation	604,939	–	–	–	604,939
Asset retirement obligation	74,694	–	–	2,629,045	2,703,739
Deferred income tax liability	364,124	–	–	–	364,124
Total liabilities	**4,851,604**	**12,834**	**–**	**3,126,174**	**7,990,612**

December 31, 2025	Corporate	Namibia	Uruguay	Non-operating	Total
Exploration and evaluation expenditures	46,610	–	–	59,869	106,479
General and administrative	10,198,436	57,410	2,124	165	10,258,135
Foreign exchange loss (gain)	103,800	–	(386)	1,285	104,699
Gain on accounts payable	–	–	–	–	–
Interest income	(335,665)	–	–	–	(335,665)
Joint venture loss	31,360	–	–	–	31,360
Income tax expense	65,257	–	–	–	65,257
Deferred income tax recovery	(6,369)	–	–	–	(6,369)
Net loss	**10,103,429**	**57,410**	**1,738**	**61,319**	**10,223,896**

23. Segmented information (continued)

December 31, 2024	Corporate	Namibia	Non-operating	Total
Cash and cash equivalents	12,552,449	31,598	7,681	12,591,728
Accounts receivable and other assets	243,409	9,430	–	252,839
Investment in joint venture	9,070,018	–	–	9,070,018
Total assets	**21,865,876**	**41,028**	**7,681**	**21,914,585**
Accounts payable and accrued liabilities	140,695	13,004	3,350	157,049
Current income tax payable	201,710	–	–	201,710
Deferred compensation	954,939	–	–	954,939
Asset retirement obligation	71,308	–	–	71,308
Deferred income tax liability	353,824	–	–	353,824
Total liabilities	**1,722,476**	**13,004**	**3,350**	**1,738,830**

Year Ended December 31, 2024	Corporate	Namibia	Non-operating	Total
Exploration and evaluation expenditures	2,324	2,054,335	34,429	2,091,088
General and administrative	7,303,326	58,250	–	7,361,576
Foreign exchange loss (gain)	(1,444,557)	49,720	(1,865)	(1,396,702)
Gain on accounts payable	(45,856)	–	–	(45,856)
Interest income	(621,033)	–	–	(621,033)
Joint venture loss	84,165	–	–	84,165
Income tax expense	201,764	–	–	201,764
Deferred income tax recovery	(8,600)	–	–	(8,600)
Net loss	**5,471,533**	**2,162,305**	**32,564**	**7,666,402**

24. Proposed transactions

On May 14, 2025, the Company announced the formation of a strategic partnership with Corcel, plc ("Corcel"), a UK-listed entity focused on oil and gas opportunities in Angola. This included Sintana and Corcel entering into a head of terms providing for the Company to acquire an indirect 5% net interest in KON-16 located in the onshore Kwanza Basin in Angola. The acquisition terms provide that Sintana will also receive a future 2.5% Net Profits Interest ("NPI") on Corcel's interest in KON-16 of up to $50,000,000, after which the NPI reduces to 1.5%. The consideration for the transaction is a total of US$2.5MM payable by way of an initial $500,000 deposit and a balance of payment at completion. A definitive agreement in relation to this acquisition is expected to be entered into by the end of April 2026, and completion of the transaction will follow pending satisfaction of conditions precedent, including regulatory approval, with completion expected in Q4 2026.

25. Subsequent events

On January 6, 2026, the Company announced that 400,000 stock options had been exercised at an exercise price of CAD$0.10. These options had an original expiry date of December 18, 2025; however, the expiry date was extended as it fell within a blackout period during which the holders were restricted from exercising their options.

On January 6, 2026, the Company also announced the issuance of an aggregate of 2,600,000 common shares upon the conversion of RSUs. The new common shares were admitted to trading on January 7, 2026. On the same date the Company also approved the grant of a total of 7,250,000 RSUs to several directors and service providers of the Company.

On January 21, 2026, the Company announced that it had entered into a Letter of Intent ("LOI") securing a period of exclusivity in relation to a potential investment that would provide an indirect interest in Petroleum Exploration Licence 37 ("PEL 37") in the Walvis Basin, offshore Namibia. The exclusivity period runs initially through to April 30, 2026, during which period the Company is undertaking technical, commercial and legal due diligence and seeking to negotiate potential transaction terms. To secure the exclusivity, the Company agreed to pay a $1 million deposit, one-third of which is non-refundable should the Company elect not to proceed. As at the date of these accounts, the Company continues to undertake due diligence as to the technical and commercial merits of this opportunity, and in parallel is seeking to negotiate suitable transaction terms – the exclusivity period is expected to be extended.

On February 4, 2026, the Company announced that its subsidiaries, Patriot Energy Oil and Gas Inc. and Patriot Energy Sucursal Colombia, had reached an agreement with ExxonMobil Exploration Colombia Limited and its Colombian affiliate to resolve the previously announced arbitration relating to the VMM-37 block in Colombia's Middle Magdalena Valley Basin. Under the agreement, the parties will dismiss the arbitration, and Patriot has agreed to conditionally assign its interests in VMM-37 to ExxonMobil. In consideration, ExxonMobil will make cash payments totaling US$9 million, comprising $3 million payable within 60 days of execution and a further $6 million payable upon governmental approval of the assignment and satisfaction of certain contractual conditions. Subsequently, the arbitration has been dismissed as agreed, and the Company has received the first payment of $3 million. The parties are working collaboratively in relation to securing the requisite governmental approvals, and presently expect payment of the second instalment prior to year end 2026.

On March 27, 2025, the Company announced that 800,000 stock options had been exercised at an exercise price of CAD$0.10.

On April 24, 2025, the Company announced that 625,000 stock options had been exercised. The options were exercisable at the following prices: 250,000 options at a price of CAD$0.165 per share, 200,000 options at a price of CAD$0.11 per share and 175,000 at a price of CAD$0.27 per share.