2022 FIRST QUARTER REPORT

Tenaz Energy

FINANCIAL AND OPERATIONAL SUMMARY

	Three months ended		
($000 CAD, except per share and per boe amounts)	**Mar 31 2022**	Dec 31 2021	Mar 31 2021
FINANCIAL			
Petroleum and natural gas sales	**6,201**	5,453	3,440
Cash flow from operating activities	**1,158**	373	827
Funds flow from operations(1)	**992**	216	809
Per share – basic(1)(4)	**0.03**	0.01	0.07
Per share – diluted(1)(3)(4)	**0.03**	0.01	0.07
Net income (loss)(2)	**3,497**	(258)	(976)
Per share – basic(2)(4)	**0.12**	(0.01)	(0.09)
Per share – diluted(2)(3)(4)	**0.12**	(0.01)	(0.09)
Capital expenditures(1)	**719**	5,840	1,510
Property dispositions	**-**	-	(438)
Adjusted working capital (net debt)(1)	**20,995**	20,688	(4,207)
Common Shares outstanding (000)			
End of period – basic(4)	**28,458**	28,438	10,892
Weighted average for the period – basic(4)	**28,457**	26,069	10,892
Weighted average for the period – diluted(3)(4)	**29,361**	27,450	10,892
OPERATING			
Average daily production			
Heavy crude oil (bbls/d)	**515**	502	496
NGLs (bbls/d)	**62**	78	53
Natural gas (Mcf/d)	**2,579**	2,895	2,356
Total (boe/d)(5)	**1,007**	1,063	942
($/boe)(5)			
Petroleum and natural gas sales	**68.44**	55.78	40.59
Royalties	**(10.38)**	(7.10)	(4.45)
Operating expenses	**(21.02)**	(12.20)	(13.16)
Transportation expenses	**(1.57)**	(1.81)	(1.96)
Operating netback(1)	**35.47**	34.67	21.02
BENCHMARK COMMODITY PRICES			
WTI crude oil (US$/bbl)	**94.29**	77.19	57.84
WCS (CAD$/bbl)	**101.03**	78.71	57.43
AECO daily spot (CAD$/GJ)	**4.52**	4.41	2.99

(1) This is a non-GAAP and other financial measure. Refer to “Non-GAAP and Other Financial Measures” included in the “Advisories” section of the Management’s Discussion & Analysis for the three months ended March 31, 2022 (“MD&A”).
(2) Prior period amounts have been restated. Refer to the “Change in Accounting Policies” section included in the MD&A.
(3) Basic weighted average shares are used to calculate diluted per share amounts in periods in which there is a loss position.
(4) On December 23, 2021, the Company completed a 10 to 1 common share consolidation. All per share and common share values have been presented on a post-consolidation basis.
(5) The term barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 bbl) of crude oil. Refer to “Barrels of Oil Equivalent” section included in the “Advisories” section of the MD&A.

HIGHLIGHTS

- On May 25, 2022, we announced an agreement to acquire SDX Energy Plc ("SDX") in an all-share transaction. SDX is an AIM-listed oil and gas producer with assets in Egypt and Morocco. Completion of the transaction is subject to a number of conditions and approvals including the approval of the Toronto Stock Exchange ("TSX"), and shareholders of both Tenaz and SDX. The combined company will retain the name Tenaz Energy Inc. and will be headquartered in Calgary, Alberta.
- On May 12, 2022, Tenaz completed the process of graduation to the TSX and concurrently delisted from the TSX Venture exchange.
- During Q1 2022, we equipped, tied-in and brought on production two (1.75 net) wells targeting the Rex formation in Leduc-Woodbend. Following clean-up, production rates are on our predicted type curve.
- Production volumes averaged 1,007 boe/d[1] in the quarter, little changed from Q4 2021. While two new wells were placed on production during the first quarter, they contributed little to quarterly production due to frac clean-up.
- Net income for the quarter was $3.5 million ($0.12 per share), which increased from a net loss of $0.3 million ($0.01 per share) in Q4 2021, primarily driven by an impairment reversal arising from an improved commodity price outlook.
- Funds flow from operations[2] for the quarter was $1.0 million, up 360% from Q4 2021. Higher first quarter funds flow from operations resulted from higher commodity prices and the absence of recapitalization transaction costs incurred in Q4 2021, partially offset by realized hedging losses and increased well servicing.
- Hedges put in place prior to the recapitalization, which were required by credit facility covenants, expire in May 2022. Hedging requirements by lenders have been waived for Tenaz following recapitalization and repayment of the outstanding balance on the facility. We have elected at this time to not hedge any additional production.
- We ended the quarter with positive adjusted working capital[2] of approximately $21 million, providing flexibility in deploying capital in our acquisition strategy and organic investment program.
- Our Board of Directors has approved the establishment of a plan to repurchase shares through a normal course issuer bid (the "NCIB"). The NCIB will allow the repurchase and retirement of up to 10% of the issued and outstanding common shares of Tenaz. The NCIB will be subject to the approval of the TSX and is intended to be effective upon closing of the SDX acquisition.

PRESIDENT'S MESSAGE

Our vision is to build a leading intermediate-size E&P by targeting acquisition of high-quality assets in global markets. As a meaningful step in delivering on this strategy, Tenaz is pleased to announce it has reached agreement to acquire all of the issued and to be issued share capital of SDX Energy PLC ("SDX") in an all-share transaction (the "Transaction").

SDX has producing assets in Egypt and Morocco, two desirable jurisdictions within our primary regions of focus. The SDX assets are high quality, having both high-return organic investment opportunities and proximity to additional business development targets. This access to organic development and consolidation gives us the potential to build a significant operating base in the MENA region. We find both jurisdictions to be highly supportive of the oil and gas industry. Egypt is a resource rich country that recognizes the importance of oil and

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[2] This is a non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section of this MD&A.

gas to the energy transition and to energy security, and accordingly, encourages sustainable hydrocarbon development. Morocco has a highly supportive fiscal environment, coupled with increasing local natural gas demand that provides a ready market for domestic production.

Our Board has unanimously determined that the Transaction is in the best interests of Tenaz and its shareholders, and unanimously recommends that Tenaz shareholders vote in favour of the resolutions relating to the Transaction. Similarly, the SDX board of directors believes the Transaction with Tenaz represents a compelling opportunity for SDX shareholders, its employees and wider stakeholders to participate in Tenaz's growth. As such, the SDX Directors voted unanimously to recommend the Transaction to SDX shareholders.

The SDX acquisition follows the M&A playbook we outlined at the time of the recapitalization: careful bottom-up evaluation of the assets under consideration, a plan for effective integration of the SDX staff and acquired assets into Tenaz, and identification of opportunities for operating improvement. We expect that the combination of our technical teams will enhance the operating, HSE and sustainability performance of these assets and future assets that we may acquire as we pursue our corporate strategy.

Due to rules in the United Kingdom governing M&A, we are not allowed to forecast future profitability of either our current operations or of the combined entity until completion of the transaction. We have forecast production accretion based on guidance by Tenaz and SDX. In addition, we have conducted a look back at net operating income accretion based on Q4 2021 results. We find both metrics accretive, as explained in our press release dated May 25, 2022, and in the presentation regarding the transaction on our website. In addition, SDX has negative net debt and a Canadian tax pool position which we find desirable. Our new combined company will have $39 million of cash on hand as at December 31, 2021, further enhancing our flexibility and expanding the war chest available to partially fund additional acquisitions.

We look forward to closing this transaction and joining forces with the high quality staff at SDX. In the meantime, we continue to pursue other acquisition opportunities within our geographic remit as outlined at the time of the recapitalization. Our recent graduation to the TSX big board is consistent with this strategy, increasing our access to capital for value-adding transactions. The commodity run-up has significantly increased cash flows from E&P assets, but increases in asset and enterprise valuations have not always kept pace with the improvement in cash flows. We believe we can be a competitive employer of capital in this new environment, and intend to take advantage of valuations that are typically lower in the overseas market at the same time that the opportunities for operating improvement are often greater.

Corporate Update

On May 25, 2022, the Company announced the acquisition of London AIM listed SDX in an all-share deal valued at $34.3 million (based on the closing price of Tenaz at the time of announcement). This deal marks our first international acquisition following the recapitalization of the Company in October 2021. SDX has operations in Egypt and Morocco with a previously stated 2022 production guidance range of 3,300 - 3,550 boe/d. In addition to the producing assets, SDX also has approximately $24 million in positive working capital, including $13.5 million in cash, and has $89 million in Canadian tax pools.

Completion of the Transaction is subject to a number of conditions and approvals including, but not limited to, the approval of the TSX, and shareholders of both Tenaz and SDX. Tenaz will hold a shareholder meeting to approve the Transaction in early to mid-July, with SDX expected to hold a shareholder meeting to approve the Transaction in mid-July.

On May 12, 2022, following approval from the TSX, Tenaz’s Common Shares were listed on the TSX and commenced trading under the symbol “TNZ” at which time trading on the TSX Venture Exchange ceased.

Our Board has authorized application to the TSX to institute a normal course issuer bid which will establish the ability to repurchase, for cancellation, up to 10% of the issued and outstanding common shares of Tenaz. The NCIB will be subject to the approval of the TSX and is intended to be effective upon closing of the SDX acquisition. Tenaz believes that following the closing of the SDX Transaction the market price of its common shares may not necessarily reflect the Company’s underlying value and future prospects, and that the purchase of the Company’s common shares may represent an appropriate use of the Company’s financial resources and enhance shareholder value.

Operations Update

In addition to pursuing our international acquire-and-exploit strategy, Tenaz is developing a high quality semi-conventional project in the Leduc-Woodbend area of Alberta, Canada. This project targets the Rex zone within the Mannville formation across a contiguous asset base with Tenaz-owned infrastructure. This oil-weighted play offers significant advantages, including robust drilling economics, a large operated land position, largely self-sufficient infrastructure with excess capacity, ease of surface access, and low abandonment obligations. We will continue to develop this project to generate moderate growth and free cash flow that can be deployed in support of our overall corporate strategy.

First quarter production primarily reflected natural decline of base production, lower uptime on the single Leduc-Woodbend well that is tied in to a third-party facility, and limited contribution from our two most recent wells. Two gross (1.75 net) new wells were equipped, tied-in and brought on production during Q1, but spent most of the quarter cleaning up frac fluid, and contributed little to Q1 production. Both wells have now cleaned up and are on their expected 1.5-mile type curves. We experienced lower uptime at our 8-36 well which is tied into third party infrastructure and was shut-in during the quarter. The 8-36 well was a successful extension test drilled in the northern part of the field in 2019. This well will be tied into company-owned infrastructure in a future drilling campaign developing the north part of the Leduc-Woodbend field. Once completed, this extension of pipeline infrastructure will increase uptime and decrease production costs for this well and for future wells in this area.

We are preparing for our 2022 Leduc-Woodbend drilling program which currently includes two gross (1.75 net) wells. The program is expected to begin mid-year after a drilling rig has been secured and ground conditions are favorable. Previous Leduc-Woodbend wells had approximately 1-mile and 1.5-mile horizontal lateral lengths. In the current program, we expect to drill our first 2-mile horizontal lateral. We believe that 2-mile drilling is warranted given our previous success with 1.5-mile long wells, and is a natural move up the learning curve to further improve capital efficiencies. The Leduc-Woodbend wells reach payout rapidly, within one year at the current commodity strip pricing. We expect to have optionality to expand the drilling program for the second half of 2022, potentially to a four-well program, and will make that determination later in the year based on services availability among other factors.

Our Leduc-Woodbend project has a significant drilling inventory capable of providing production growth for a number of years. We plan to continue to develop this valuable land base into a business unit of appropriate scale over the coming years with funding from internally generated cash flow. We view this ongoing semi-conventional development project as a small but worthwhile component of our overall growth and free cash flow-oriented strategy.

In closing, we are looking forward to assimilating our first international acquisition, and we would like to thank our shareholders for their ongoing support of Tenaz.

/s/ Anthony Marino
President and Chief Executive Officer
May 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations for Tenaz Energy Corp. (formerly Altura Energy Inc. or "**Altura**") (the "**Company**" or "**Tenaz**") is dated May 30, 2022 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three months ended March 31, 2022 and 2021, the audited consolidated financial statements and related notes for the year ended December 31, 2021, as well as the Company's Annual Information Form ("**AIF**") that is found on SEDAR at www.sedar.com. These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), and sometimes referred to in this MD&A as Generally Accepted Accounting Principles or ("**GAAP**"), specifically International Accounting Standard 34, *Interim Financial Reporting,* as issued by the International Accounting Standards Board.

This MD&A includes references to certain financial and performance measures which do not have standardized meanings prescribed by IFRS ("**Non-GAAP**"). In addition, this MD&A includes references to certain Non-GAAP financial measures, Non-GAAP financial ratios, capital management measures and supplementary financial measures which are not specified, defined, or determined under IFRS and are therefore considered Non-GAAP and other financial measures. These Non-GAAP and other financial measures are unlikely to be comparable to similar financial measures presented by other issuers. For a full description of these Non-GAAP and other financial measures and a reconciliation of these measures to their most directly comparable GAAP measures, please refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in this MD&A.

Readers are cautioned that the MD&A also contains forward-looking statements and should be read in conjunction with Tenaz's disclosure under "Forward-Looking Information" included in this MD&A.

All figures are in Canadian dollar thousands unless otherwise noted.

Change in Accounting Policies

Effective December 31, 2021, Tenaz voluntarily changed its accounting policy with respect to the discounting of its decommissioning liability. As a result, certain comparative information has been restated in this MD&A. Refer to the "Change in Accounting Policies section" of this MD&A for a description of the changes and the impact on the Company's financial statements.

Share Consolidation

On December 23, 2021, the Company completed a 10-to-1 share consolidation. The number of common shares of the Company ("**Common Shares**"), warrants and stock options outstanding have been adjusted on a retroactive basis and have been presented in this MD&A on a post-consolidation basis.

DESCRIPTION OF BUSINESS

Tenaz is an energy company focused on the acquisition and sustainable development of oil and gas assets capable of returning free cash flow to shareholders. In addition, Tenaz conducts development of a semi-conventional oil project in the Rex member of the Upper Mannville group at Leduc-Woodbend in central Alberta. Additional information regarding Tenaz is available on SEDAR and on its website at www.tenazenergy.com. Tenaz's Common Shares are listed for trading on the Toronto Stock Exchange under the symbol "TNZ".

REORGANIZATION

In the second half of 2021, (i) the Company raised aggregate gross proceeds of $31.3 million following two equity private placements and a rights offering; (ii) the Board was reconstituted and a new management team was appointed; and (iii) the Company's name was changed from "Altura Energy Inc." to "Tenaz Energy Corp" (collectively the "**Reorganization**").

TSX GRADUATION

On May 12, 2022, following approval from the Toronto Stock Exchange, Tenaz's Common Shares were listed on the Toronto Stock Exchange ("**TSX**") and commenced trading under the symbol "TNZ" at which time trading on the TSX Venture Exchange ceased (the "**TSX Graduation**").

As previously communicated, Tenaz views its graduation to the TSX as a natural step in executing the corporate strategy outlined at the time of the Reorganization.

PROPOSED TRANSACTIONS

On May 25, 2022, it was announced that the boards of directors of Tenaz and SDX Energy PLC ("**SDX**"), a UK-listed, MENA-focused, international oil and gas production, development and exploration company headquartered in London, had reached agreement on the terms of a recommended share-for-share combination between Tenaz and SDX (the "**Combination**"). The Combination is to be implemented by means of a United Kingdom court-sanctioned scheme of arrangement with the entire issued and to be issued ordinary share capital of SDX being acquired by Tenaz in a ratio of 0.075 Common Shares for each one SDX common share, an estimated 208 million SDX common shares on a fully-diluted basis.

The completion of the Combination will require Tenaz and SDX shareholder and regulatory approvals.

2022 GUIDANCE

($000, except per boe amounts)	March 24, 2022 Guidance
2022 average production volumes (boe/d)	1,200 to 1,300
Capital expenditures[1]	5,800
Wells:	
Drilled	2 (1.75 net)
Completed	2 (1.75 net)

(1) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

RESULTS OF OPERATIONS

Operational and Financial Review

	Q1 2022	Q4 2021	Q1 2021
Production			
Heavy crude oil (bbls/d)	**515**	502	496
Natural gas liquids (“NGLs”) (bbls/d)	**62**	78	53
Natural gas (Mcf/d)	**2,579**	2,895	2,356
Total (boe/d)	**1,007**	1,063	942
Net income (loss)(1)	**3,497**	(258)	(976)
Per share - basic(1)(4)	**0.12**	(0.01)	(0.09)
Per share – diluted(1)(2)(4)	**0.12**	(0.01)	(0.09)
Cash flow from operating activities	**1,158**	373	827
Funds flow from operations(3)	**992**	216	809
Per basic share(3)(4)	**0.03**	0.01	0.07
Per basic diluted share(2)(3)(4)	**0.03**	0.01	0.07
Adjusted working capital (net debt)(3)	**20,995**	20,688	(4,207)
Activity			
Capital expenditures(3) ($000)	**719**	5,840	1,510
Property dispositions ($000)	**-**	-	(438)
Wells drilled - Gross/(Net)	**-**	2 (1.75)	-
Wells completed - Gross/(Net)	**-**	2 (1.75)	1 (0.9)

(1) Prior period amounts have been restated. Refer to the “Change in Accounting Policies” section in the MD&A.
(2) Basic weighted average shares are used to calculate diluted per share amounts in periods in which there is a loss position.
(3) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.
(4) On December 23, 2021, the Company completed a 10 to 1 common share consolidation. All per share and common share values have been presented on a post-consolidation basis.

Production

Tenaz's production in Q1 2022 decreased 5% to 1,007 boe/d compared to the prior quarter and increased 7% from Q1 2021. The change in quarter-over-quarter production primarily reflected natural decline of base production and increased downtime on the 8-36 well, partially offset by minimal contributions from two gross (1.75 net) new wells brought on production, which were still cleaning up at the end of the quarter.

Production in Q1 2022 was higher than the same quarter in the prior year largely as a result of increased production from 2021 drilling activity, partially offset by the sale of a portion of working interest in the field. Refer to the “Capital Expenditures” section of this MD&A for further information on the dispositions.

Net Income (loss)

The Company's Q1 2022 net income increased to $3.5 million compared to a net loss of $1.0 million in Q1 2021. The increased net income primarily reflects a reversal of impairment of $4.2 million (Q1 2021 - $nil) and, increased sales revenue from higher commodity prices and production volumes, partially offset by higher royalties, operating expenses, DD&A expenses, G&A expenses, and share-based compensation expenses.

Funds flow from operations

In Q1 2022, funds flow from operations increased by $0.2 million to $1.0 million compared to $0.8 million in Q1 2021. The increase primarily reflects increased sales revenue from higher commodity prices and production volumes as well as lower interest and financing costs with bank debt repaid in October 2021, partially offset by higher royalties, operating expenses and G&A expenses.

Benchmark Commodity Prices

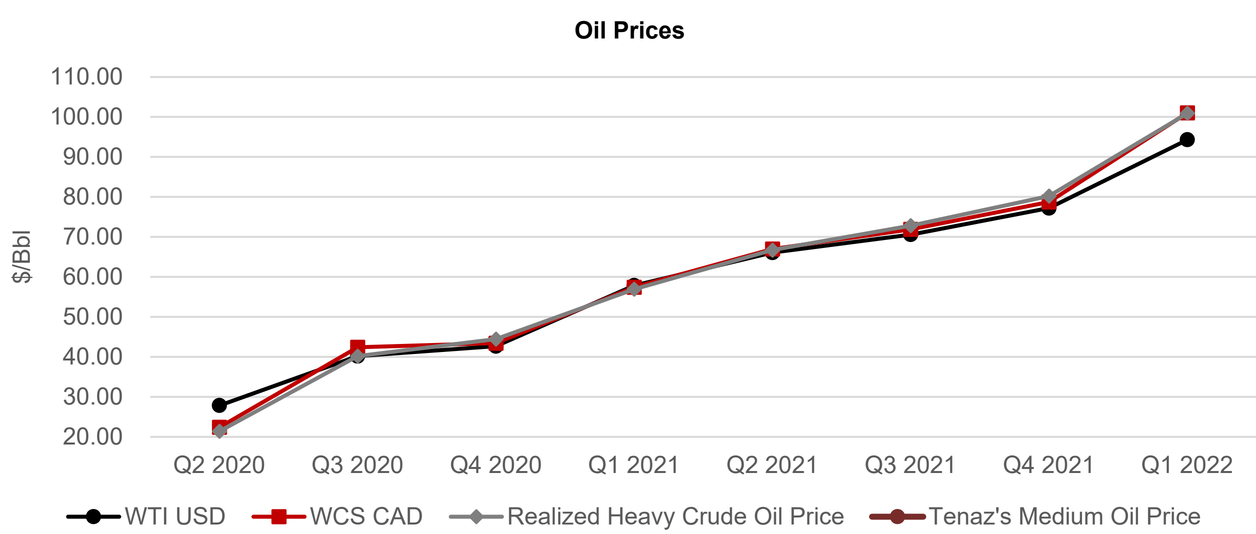
	Q1 2022	Q4 2021	Q1 2021
Average Benchmark Prices			
WTI crude oil (US$/bbl)(1)	94.29	77.19	57.84
WCS differential (US$/bbl) (2)	(14.48)	(14.64)	(12.47)
US$/CAD$ exchange rate	0.790	0.794	0.790
WCS (CAD$/bbl)	101.03	78.71	57.43
AECO daily spot (CAD$/GJ)	4.52	4.41	2.99
Average Realized Prices(3)			
Heavy crude oil ($/bbl)	100.92	80.20	56.92
Natural gas ($/Mcf)	5.15	5.04	3.30
Natural gas liquids ($/bbl)	58.74	56.78	41.50
Petroleum and natural gas sales ($/boe)	68.44	55.78	40.59

(1) WTI represents posting price of West Texas Intermediate crude oil.
(2) WCS differential represents the difference between the average market price for the benchmark Western Canadian Select ("WCS") heavy crude oil and WTI.
(3) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

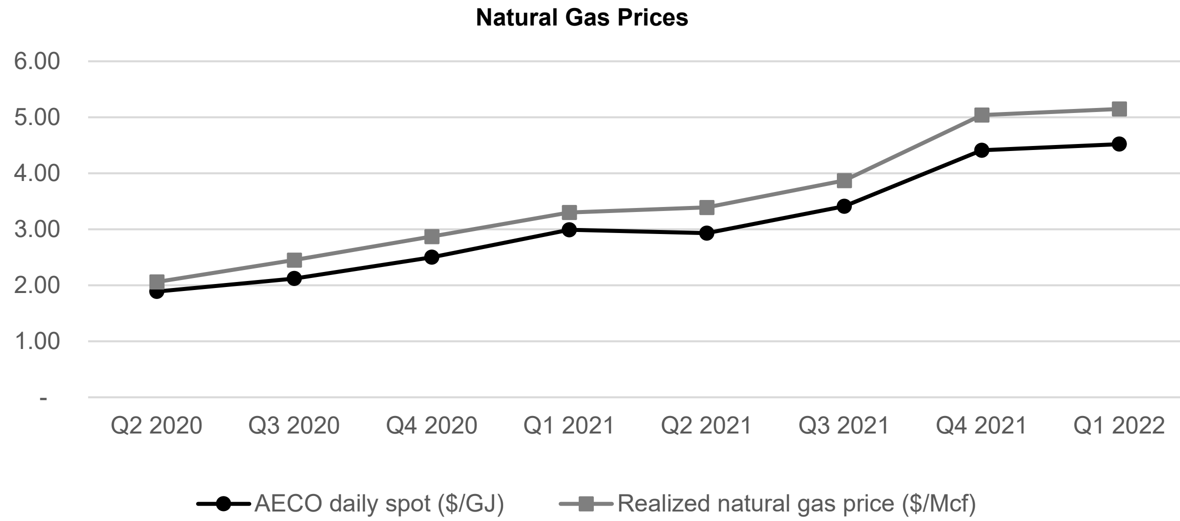
Tenaz currently sells its crude oil on a monthly index basis and natural gas production on a spot basis. The average realized price the Company receives for its crude oil and natural gas production depends on several factors, including the average benchmark prices for crude oil and natural gas, the US-to-Canadian dollar exchange rate and transportation and product quality differentials.

The average benchmark prices for crude oil are impacted by global and regional events that dictate the level of supply and demand for these commodities. The principal crude oil benchmarks that Tenaz compares its oil price to are the WTI oil price and the WCS oil price. The differential between WTI and WCS oil prices can widen due to several factors, including, but not limited to, downtime in North American refineries, rising domestic and international production, the US-to-Canadian dollar exchange rate, high inventory levels in North America and lack of pipeline infrastructure or takeaway capacity connecting key consuming oil markets.

In Q1 2022, WTI increased 63% to US$94.29 per barrel compared to $57.84 per barrel in Q1 2021 and the differential between WTI and WCS widened to US$14.48 per barrel in Q1 2022 from US$12.47 per barrel in Q1 2021, driven primarily by a global oil supply shortage exacerbated by Russia's invasion of Ukraine. The increase in WTI and a narrower percentage WCS differential in relation to the underlying WTI resulted in WCS increasing 76% from Q1 2021 to $101.03 per barrel in Q1 2022. Crude sold by Tenaz closely tracks WCS but the exact price of crude received is a function of the sales point to which the product is delivered.



In Q1 2022, Tenaz's realized natural gas price increased by 56% to $5.15 per Mcf from Q1 2021 while the AECO daily spot price increased 51% to $4.52 per GJ from Q1 2021.



Financial Review

($000)	**Q1 2022**	Q4 2021	Q1 2021
Sales			
Heavy crude oil	**4,681**	3,706	2,543
Natural gas liquids	**326**	406	197
Natural gas	**1,194**	1,341	700
Petroleum and natural gas sales	**6,201**	5,453	3,440
Royalties	**(940)**	(694)	(377)
Operating	**(1,905)**	(1,191)	(1,116)
Transportation	**(142)**	(178)	(166)
Realized loss on derivative instruments	**(971)**	(918)	(403)
General and administrative expenses	**(1,246)**	(1,113)	(465)
Transaction costs	**-**	(1,117)	-
Interest and financing expenses	**(5)**	(26)	(104)
Funds flow from operations(1)	**992**	216	809
Changes in non-cash operating working capital	**166**	157	18
Cash flow from operating activities	**1,158**	373	827

(1) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

Petroleum and Natural Gas Sales

Petroleum and natural gas sales in Q1 2022 increased 80% to $6.2 million compared to $3.4 million in Q1 2021. The increase of $2.8 million was due to increased realized commodity prices and production. The increase in commodity prices was driven primarily by the global oil supply shortage exacerbated by Russia's invasion of Ukraine in Q1 2022.

Royalties

In Q1 2022, royalty expense increased to 15.2% of sales ($10.38 per boe) compared to 11.0% of sales ($4.45 per boe) in Q1 2021. This increase is reflective of higher average royalty rates on Crown lands due to increased commodity prices for all products as Crown royalty rates vary depending on the product reference price. Additionally, in 2021 the Company had fewer wells receiving the Crown's flat royalty rate of 5% on early production under the Drilling and Completion Cost Allowance program.

Operating

Operating expenses increased to $1.9 million in Q1 2022 from $1.1 million in Q1 2021 mainly due to an unusually high level of well servicing activity during Q1 2022, and to a lesser extent, a higher number of producing wells in the current period and inflation in fuel and chemical costs.

Operating expenses increased to $21.02 per boe in Q1 2022 compared to $13.16 per boe in Q1 2021. The year-over-year increase in unit operating expense was driven by two factors. First, production levels were depressed by extended well clean-up periods for the two new wells and by higher than normal downtime on the 8-36 and other wells. Second, the unusually high number of pump, rod and tubing repairs increased operating expense above normal levels. Unit operating expense is expected to revert more closely to historical levels during subsequent quarters.

Transportation

Transportation expenses decreased in Q1 2022 from Q1 2021 due to the trucking of crude to the closer sales points for optimal blending of the crude produced in the quarter. In 2021, transportation expenses were consistent period-over-period.

On a per boe basis, transportation expenses decreased to $1.57 per boe in Q1 2022, compared to $1.96 per boe in Q1 2021. The decrease is due to the shorter transported distances for crude oil as described above.

Operating Netback Summary

($/boe)	**Q1 2022**	Q4 2021	Q1 2021
Petroleum and natural gas sales	**68.44**	55.78	40.59
Royalties	**(10.38)**	(7.10)	(4.45)
Operating	**(21.02)**	(12.20)	(13.16)
Transportation	**(1.57)**	(1.81)	(1.96)
Operating netback(1)	**35.47**	34.67	21.02

(1) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

In Q1 2022, operating netback increased 69% to $35.47 per boe compared to $21.02 per boe in Q1 2021. The increase in both periods is due to the increase in commodity prices, partially offset by higher royalty rate and higher unit operating costs. The operating netback in Q1 2022 was higher than the Q4 2021 netback with stronger commodity prices partially offset by higher operating costs from well servicing costs and a higher royalty rate.

Realized loss on derivative instruments

The Company has a risk management program in place with the objectives of reducing the volatility of crude oil and natural gas sales, increasing the certainty of funds flow from operations, protecting development economics and complying with its banking covenant. Prior to the Reorganization, Altura had drawn on its credit facility and was therefore required to hedge a minimum percentage of its production for a rolling three-quarter period due to a banking facility covenant. Tenaz's lender has waived the hedging covenant in its credit facility while the Company's credit facility is undrawn. Following the Reorganization in 2021, the Company paid off its bank indebtedness.

The Company's realized loss on derivative instruments by product type is detailed in the following table.

($000)	**Q1 2022**	Q4 2021	Q1 2021
Crude oil contracts	**(817)**	(746)	(391)
Natural gas contracts	**(154)**	(172)	(12)
Realized loss on derivative instruments	**(971)**	(918)	(403)

Tenaz has recognized realized losses on derivative instruments in Q1 2022 and Q1 2021 due to the increase in commodity prices compared to the prices at the time the contracts were entered into.

General and Administrative ("G&A") Expenses

($000)	**Q1 2022**	Q4 2021	Q1 2021
Gross G&A	**1,509**	1,305	585
Capitalized G&A and overhead recoveries	**(263)**	(192)	(120)
G&A expenses	**1,246**	1,113	465

G&A expenses increased to $1.2 million in Q1 2022, compared to $0.5 million in Q1 2021. The increase in the current period is due to additional staff following the Reorganization associated with the Company's new strategy of evaluating and acquiring oil and gas assets in overseas markets, and increased professional services, specifically regarding the TSX Graduation and the pursuit of international opportunities.

Transaction Costs

No transaction costs were incurred in Q1 2022 or 2021. Business development costs associated with pursuing the Company's new strategy have been included in G&A expenses. Transaction costs of $1.1 million in Q4 2021 were incurred to complete the Reorganization and include legal costs, advisory fees, insurance, and severance costs of former management who did not continue with Tenaz.

Interest and Financing Expenses

In Q1 2022, interest and financing expenses decreased compared to Q1 2021 due to Tenaz's bank debt being repaid in October 2021. The expense in Q1 2022 relates to standby fees and amortized credit facility renewal fees.

Net Income (Loss) and Funds Flow from Operations

The following table reconciles funds flow from operations to net income (loss):

($000)	**Q1 2022**	Q4 2021	Q1 2021
Funds flow from operations[(1)]	**992**	216	809
Unrealized gain (loss) on derivative instruments	**(23)**	1,195	(866)
Share-based compensation expense	**(312)**	(317)	(27)
Depletion, depreciation and amortization	**(1,349)**	(1,300)	(1,044)
Impairment reversal	**4,240**	-	-
Accretion of decommissioning liability	**(51)**	(52)	(48)
Gain on property dispositions	**-**	-	200
Net income (loss)	**3,497**	(258)	(976)

(1) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

Unrealized loss on derivative instruments

At March 31, 2022, Tenaz held the following crude oil and natural gas contracts:

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price	Fair Value at March 31, 2022 ($000)
Western Canadian Select ("WCS") Swap Contracts						
Apr 1/22—Apr 30/22	Crude Oil	Fixed Swap	175 bbls/d	WCS	CAD $65.75	(226)
May 1/22—May 31/22	Crude Oil	Fixed Swap	175 bbls/d	WCS	CAD $65.50	(230)
WCS Differential Swap Contracts						
Apr 1/22—Apr 30/22	Crude Oil	Fixed Swap	175 bbls/d	WCS-WTI Differential	CAD ($17.00)	(7)
May 1/22—May 31/22	Crude Oil	Fixed Swap	175 bbls/d	WCS-WTI Differential	CAD ($16.70)	(12)
WTI Put Options						
Apr 1/22—Apr 30/22	Crude Oil	Put Option(1)	175 bbls/d	WTI	CAD $62.00	(14)
May 1/22—May 31/22	Crude Oil	Put Option(2)	175 bbls/d	WTI	CAD $62.00	(13)
Natural Gas Swap Contracts						
Apr 1/22—Apr 30/22	Natural Gas	Fixed Swap	1,000 GJ/d	AECO 5A	CAD $2.680	(54)
May 1/22—May 31/22	Natural Gas	Fixed Swap	1,000 GJ/d	AECO 5A	CAD $2.730	(67)
Derivative instruments liability						**(623)**

(1) Includes a $14,000 liability to the counterparty on this contract for the deferred premium of $2.65 per barrel.
(2) Includes a $14,000 liability to the counterparty on this contract for the deferred premium of $2.50 per barrel.

At March 31, 2022, the crude oil and natural gas contracts were fair valued with a liability of $0.6 million (December 31, 2021 - $0.6 million) recorded on the balance sheet.

Share-based compensation

($000)	**Q1 2022**	Q4 2021	Q1 2021
Total share-based compensation	**337**	334	31
Share-based compensation capitalized	**(25)**	(17)	(4)
Share-based compensation expense	**312**	317	27

Tenaz's share-based compensation in Q1 2022 is related to the granting of stock options. The Company estimates the fair value of the incentive award based on a Black Scholes model for the determination of non-cash related share-based compensation, and the expense is recorded over the expected life. Share-based compensation expense increased to $0.3 million in Q1 2022, compared to $0.03 million in Q1 2021. The increase in the current period is due to the Reorganization and a new stock option grant in November 2021 to the new management team, directors, and staff.

Depletion, Depreciation and Amortization ("DD&A")

For Q1 2022, DD&A expense was higher than the same period of 2021 due to higher production volumes and higher DD&A rates.

On a per unit basis, DD&A increased to $14.89 per boe in Q1 2022, compared to $12.32 per boe in Q1 2021. The increased per unit depletion is mainly due to the impairment reversal recorded in the third quarter of 2021 as well as estimated future development cost increases throughout 2021 and 2022, which increased the net asset base in Q1 2022 subject to depletion relative to the same period in Q1 2021.

Impairment reversal

Impairment is recognized when the carrying value of an asset or group of assets exceeds its estimated recoverable amount, defined as the higher of its value in use or fair value less cost to sell. Any asset impairment that is recorded is recoverable to its original value less any associated DD&A expense should there be indicators that the recoverable amount of the asset has increased in value since the time of recording the initial impairment.

<u>Developed and Producing ("**D&P**") Assets</u>

March 31, 2022

At March 31, 2022, the significant increases in forecast benchmark commodity prices since the last impairment test at December 31, 2021, were indicators of impairment reversal. As a result, a test for impairment reversal was conducted on Tenaz's D&P assets in Tenaz's only cash-generating unit ("**CGU**"), Leduc-Woodbend. The Company recognized an impairment reversal of $4.2 million, net of depletion, in the three months ended March 31, 2022 (2021 - $nil) due to the estimated recoverable amount of $51.1 million, using value in use, exceeding the carrying amount of these assets. Subsequent to the impairment reversal at March 31, 2022, the Company has $nil further impairments that can be reversed in future periods for its CGU.

The estimated recoverable amount of the CGU is the greater of (i) its value in use, and (ii) its fair value less cost to sell. The estimated recoverable amount for the Leduc-Woodbend CGU was based on the proved and probable oil and gas reserves and related cash flows from Tenaz's December 31, 2021 reserve report prepared by its independent third-party reserve evaluators, updated using forecast oil and gas commodity prices at April 1, 2022, revised forecasted future development costs and operating expenses assumptions and removed production for the first three months of 2022, as updated by the Company's internal reserve evaluator. The estimated recoverable amount was determined to be value in use and was based on before-tax discount rates specific to the underlying composition of reserve categories and risk profile residing in the Leduc-Woodbend CGU, net of decommissioning obligations and included recoverable value for certain undeveloped land included in property and equipment related to this CGU based on management's estimates as at March 31, 2022 which were established principally on relevant land sales. The discount rates used in the valuation ranged from 12% to 30%, with an overall weighted average discount rate of approximately 20%.

Deferred Taxes

Tenaz has not recognized a deferred tax asset at March 31, 2022, December 31, 2021 and March 31, 2021 for its estimated tax pools as management did not find it probable that the benefit will be realized. As such, the Company did not recognize a deferred tax expense or recovery in the three months ended March 31, 2022 and 2021.

Estimated tax pools at March 31, 2022 and December 31, 2021 are as follows:

($000)	**March 31, 2022**	December 31, 2021
Canadian development expenses	**11,966**	12,832
Canadian exploration expenses	**3,090**	3,088
Canadian oil and gas property expenses	**35**	-
Non-capital losses	**25,078**	24,463
Undepreciated capital cost	**8,205**	8,170
Share issue costs	**1,358**	1,447
	49,732	50,000

At March 31, 2022, Tenaz has non-capital losses of $25.1 million that expire between 2025 and 2042.

Capital Expenditures

($000)	**Q1 2022**	Q4 2021	Q1 2021
Geological and geophysical	**2**	1	1
Land	**45**	232	84
Drilling and completions	**93**	4,980	800
Workovers and recompletions	**37**	225	326
Equipping and tie-in	**310**	192	170
Facilities and pipelines	**164**	118	76
Other	**68**	92	53
Capital expenditures(1)	**719**	5,840	1,510
Property dispositions	**-**	-	(438)
Capital expenditures, net of dispositions(1)	**719**	5,840	1,072

(1) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

Capital expenditures, net of dispositions was allocated as follows:

($000)	**Q1 2022**	Q4 2021	Q1 2021
Exploration and evaluation	**-**	-	62
Property and equipment	**719**	5,840	1,010
Capital expenditures, net of dispositions(1)	**719**	5,840	1,072

(1) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

In Q1 2022, Tenaz invested $0.7 million in capital expenditures which primarily related to the equipping and tie-in of two (1.75 net) horizontal wells at Leduc-Woodbend drilled in December of 2021.

In Q1 2021, Tenaz invested $1.5 million in capital expenditures which included the completion and equipping of a horizontal oil well that was drilled in the first quarter of 2020. Workover costs in Q1 2021 relate to three rod upgrades at Leduc-Woodbend to improve run-time efficiency and a production test on Tenaz's Entice well.

In Q1 2021, Tenaz closed an asset disposition for cash proceeds of $0.4 million selling off a minor working interest in the Company's production, wells, lands and facilities through staged acquisitions.

Decommissioning Liability

At March 31, 2022, Tenaz's decommissioning liability was $2.3 million (December 31, 2021 - $2.6 million) for the future abandonment and reclamation of Tenaz's properties. The estimated decommissioning liability includes cost assumptions to abandon wells or reclaim the property, the time frame in which such costs will be incurred as well as annual inflation factors used to calculate the undiscounted total future liability. The future liability has been inflated at 1.8% (December 31, 2021 – 1.7%) and discounted at a credit-adjusted risk-free rate of 9.7% (December 31, 2021 – 8.4%).

Abandonment cost estimates are derived from both industry and government sources and operational knowledge of the properties.

Accretion expense is the increase in the decommissioning liability resulting from the passage of time. Accretion expense was consistent for the three months ended March 31, 2022 and 2021.

The Company's Liability Management Rating ("**LMR**") with the Alberta Energy Regulator ("**AER**") was 6.25 at May 7, 2022. The LMR is the ratio of the Company's deemed assets to its deemed liabilities and is updated monthly. An LMR rating less than 1.0 would require the Company to pay a deposit to the AER. Additionally, Tenaz's revolving operating demand loan includes a covenant requiring the Company to maintain a Licensee Liability Rating ("**LLR**") in Alberta, Saskatchewan and British Columbia, in each case, of no less than 2.0. Tenaz's LLR with the AER was 6.25 at May 7, 2022, consistent with its LMR.

CAPITAL RESOURCES AND LIQUIDITY

Adjusted working capital (net debt) as at March 31, 2022 and December 31, 2021 is summarized as follows:

($000)	**March 31, 2022**	December 31, 2021
Current assets	**24,881**	27,499
Current liabilities	**(4,509)**	(7,411)
Working capital surplus	**20,372**	20,088
Exclude fair value of derivative instruments	**623**	600
Adjusted working capital[1]	**20,995**	20,688

(1) Non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section in the MD&A.

The Company's policy is to maintain a strong capital base to enhance investor, creditor and market confidence and to sustain the future development of the business. Tenaz's adjusted working capital of $21.0 million as at March 31, 2022 increased from $20.7 million at December 31, 2021 as a result of free cash flow generated from the Company's oil and gas properties.

Credit Facilities

At March 31, 2022 and December 31, 2021, the Company had a revolving operating demand loan (the "**Operating Loan**") with a Canadian bank (the "**Lender**") with a maximum borrowing limit of $4.0 million.

As at March 31, 2022 and December 31, 2021, bank debt was $nil and the unused portion of the Operating Loan was $3.85 million as the Company had outstanding letters of credit for $0.15 million.

The Operating Loan is revolving, payable on demand and contains customary material adverse change clauses. The borrowing base of the Operating Loan is based on the Lenders' interpretation of Tenaz's estimated proved and probable oil and natural gas reserves and forecasted commodity prices. As a result, there can be no assurance as to the amount of available limit that will be determined at each scheduled review. The Operating Loan can be drawn in whole multiples of a minimum of $10,000, and letters of credit and/or letters of guarantee can be issued not exceeding an aggregate of $0.75 million.

The Operating Loan is secured by a general security agreement providing a security interest over all present and after acquired property, a floating charge on all lands, and a $30.0 million debenture with a first floating charge over all assets of the Company.

The interest rate on the Operating Loan is the Lender's prime rate plus 3.5%. Fees for Letters of Credit issued under the Operating Loan are 3.5% and standby fees on the unused portion of the authorized amount of the Operating Loan are 0.875%.

Tenaz is subject to certain reporting and financial covenants including:

- the Company is required to maintain a working capital ratio of at least 1:1, but for the purposes of the covenant, the Credit Facilities and the fair value of any commodity contracts are excluded and the unused portion of the Operating Loan is added to current assets;
- the Company will, at all times, maintain hedging agreements covering no less than 350 bbls/d of oil (Western Canadian Select) and no less than 1,000 GJ/d of natural gas (AECO) for no less than the succeeding nine-month period, on a rolling basis; and
- the Company will maintain a LLR in Alberta, Saskatchewan and British Columbia, in each case, of no less than 2.0.

As at March 31, 2022, the working capital ratio as defined was 7.39:1 (December 31, 2021 – 4.60:1) and the Company was compliant with the LLR covenant (6.25 at May 7, 2022). In March 2022, Tenaz's Lender waived the hedging covenant for the quarter ended March 31, 2022, relating to maintaining hedge agreements for the succeeding nine-month period.

The next review date for the Operating Loan, scheduled for May 31, 2022, has been extended by the Lender to July 15, 2022.

Shareholders' Equity

At March 31, 2022 and May 30, 2022 there were 28,458,074 Common Shares, 2,010,500 stock options and 2,778,000 warrants outstanding. A summary of the Company's change in Common Shares from December 31, 2021 to March 31, 2022 is presented below:

	Number of Common Shares
Balance, December 31, 2021	28,438,074
Exercise of stock options	20,000
Balance, March 31, 2022	**28,458,074**

Capital Resources

Tenaz has adequate liquidity to fund its planned 2022 capital expenditure budget through a combination of cash flow from operating activities, and cash on hand.

SUMMARY OF QUARTERLY INFORMATION

Quarters Ended	**Q1 2022**	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
($000, except per share)								
Petroleum and natural gas sales	**6,201**	5,453	4,717	4,220	3,440	2,659	2,526	647
Cash flow from operating activities	**1,158**	373	1,982	763	827	206	505	512
Net income (loss)	**3,497**	(258)	10,105	(532)	(976)	10,730	(420)	(1,287)
Per share – basic	**0.12**	(0.01)	0.93	(0.05)	(0.09)	0.99	(0.04)	(0.12)
Per share – diluted[(1)]	**0.12**	(0.01)	0.93	(0.05)	(0.09)	0.99	(0.04)	(0.12)
Shareholders' equity[(2)]	**69,191**	65,315	35,950	25,264	25,625	26,570	15,788	16,134

(1) Basic weighted average shares are used to calculate diluted per share amounts when the Company is in a loss position.
(2) Prior period amounts have been restated. Refer to the "Change in Accounting Policies" section in the MD&A.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Tenaz has contractual obligations in the normal course of operations including operating agreements, transportation commitments, royalty obligations, lease rental obligations and employee agreements. These obligations are of a recurring, consistent nature and impact Tenaz's cash flows in an ongoing manner.

OFF BALANCE SHEET ARRANGEMENTS

Tenaz does not have any off-balance sheet arrangements that would result in a material change to its financial position, performance or funds flow from operations during the reporting periods.

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions.

SUBSEQUENT EVENTS

Tenaz Incentive Plan

In April 2022, in anticipation of the TSX Graduation, the Board approved a new omnibus security-based compensation arrangement referred to as the Tenaz Incentive Plan (the "**TIP**") pursuant to which the Company is able to issue share-based long-term incentives, subject to shareholder approval at the Company's annual general meeting on May 31, 2022 (the "**Meeting**"). All directors, officers, employees and independent contractors of the Company and/or its affiliates (collectively, "**Service Providers**") are eligible to receive all or some of awards under the TIP. The purpose of the TIP is to: (i) promote the interest of Service Providers in the growth and development of the Company by providing such persons with the opportunity to acquire a proprietary interest in the Company; (ii) attract and retain valuable Service Providers to the Company through a competitive compensation program; and (iii) align the interests of Service Providers with those of Shareholders by devising a compensation program which encourages the long-term growth of the Company and returns to shareholders.

The TIP will replace the Company's existing Stock Option Plan and no further stock options ("**Options**") will be granted under the Stock Option Plan following shareholder approval of the TIP. Outstanding Options granted under the Stock Option Plan will continue to be governed by the Stock Option Plan.

The types of awards available under the TIP include Options, restricted share units, performance share units, deferred share units and dividend-equivalent rights (collectively, "**Awards**"). Under the TIP, the maximum number of Common Shares issuable from treasury pursuant to Awards shall not exceed 10% of the total outstanding Common Shares from time to time (on a non-diluted basis) less the number of Common Shares issuable pursuant to all other security-based compensation arrangements of the Company (being the Stock Option Plan). As of May 30, 2022, there were 2,010,500 Options outstanding and unexercised under the Stock Option Plan. If the TIP is approved at the Meeting, then as of the date hereof there will be 835,307 Common Shares available for issuance under the TIP. The TIP is administered by the Board or a committee of the Board.

Toronto Stock Exchange Graduation

Tenaz's graduated listing of its Common Shares on May 12, 2022 is described in the "TSX Graduation" section in this MD&A.

Offer by Tenaz to Acquire the Shares of SDX Energy PLC in an all-share transaction

Tenaz's offer to acquire the shares of SDX is described in the "Proposed Transaction" section in this MD&A.

Normal Course Issuer Bid

On May 30, 2022, the Board of Directors approved management to pursue approval from the TSX to institute a normal course issuer bid which will be established for the ability to repurchase, for cancellation, up to 10% of the issued and outstanding common shares of the company (the "**NCIB**"). The NCIB will be subject to the approval of the TSX and is intended to be effective upon closing of the SDX acquisition.

ACCOUNTING STANDARDS, CHANGE IN ACCOUNTING POLICIES AND PRONOUNCEMENTS

Tenaz's interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards as issued by the IASB. These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021. There were no new or amended accounting standards or interpretations issued during the three months ended March 31, 2022 that are expected to have a material impact on the interim condensed consolidated financial statements.

A summary of significant accounting policies can be found in note 3 to the annual consolidated financial statements for the for the year ended December 31, 2021.

Change in Accounting Policy – Decommissioning Liability

As described in Notes 1 and 18 of the audited consolidated financial statements for the year ended December 31, 2021 and as described in Notes 2 and 13 of the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022, effective December 31, 2021, Tenaz voluntarily changed its accounting policy with respect to decommissioning liability to utilize a credit-adjusted risk-free discount rate to determine the discounted amount of the liability presented at each balance sheet date. The Company had previously utilized a risk-free discount rate to determine the discounted amount of the liability. Tenaz believes that discounting asset retirement obligations based on a credit-adjusted risk-free discount rate more closely approximates the value at which such liabilities could be transferred to a third party, increases the comparability of its financial statements to certain peer companies, provides a better indication of the risk associated with such obligations and results in reliable and more relevant information for the readers of the Company's financial statements.

The change in accounting policy did not have an impact on the Company's operations, cash flows, capital expenditures or strategic objectives and was applied retrospectively, resulting in the restatement of previously reported amounts as follows:

Consolidated Balance Sheets

As at	March 31, 2021			December 31, 2020		
($000)	Previous accounting policy	Effect of change	Restated	Previous accounting policy	Effect of change	Restated
E&E Assets	318	6	324	260	-	260
Property and equipment	32,659	622	33,281	32,872	-	32,872
Decommissioning liability	5,395	(2,976)	2,419	5,802	(3,672)	2,130
Retained earnings (deficit)	(22,971)	3,604	(19,367)	(22,063)	3,672	(18,391)

Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)

	For the year ended December 31, 2021	For the three months ended March 31, 2021		
($000)	Effect of change	Previous accounting policy	Effect of change	Restated
Depletion, depreciation and amortization	31	1,030	14	1,044
Impairment	487	-	-	-
Accretion of decommissioning liability	96	26	22	48
(Gain) loss on property dispositions	118	(232)	32	(200)
Net income (loss) and comprehensive income (loss)	(732)	(908)	(68)	(976)
Net income (loss) per share ($/share)				
Basic	(0.05)	(0.08)	(0.01)	(0.09)
Diluted	(0.05)	(0.08)	(0.01)	(0.09)

Consolidated Statements of Cash Flows

The change in accounting policy did not have an impact on the Company's cash flows.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make certain judgments, accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

A summary of Tenaz's critical accounting estimates, judgments and assumptions can be found in Note 2 to the annual consolidated financial statements for the year ended December 31, 2021. There have been no significant changes to the use of estimates, judgements or assumptions since December 31, 2021.

RISK FACTORS & RISK MANAGEMENT

Tenaz monitors and complies with current government regulations that affect its activities, although operations may be adversely affected by changes in government policy, regulations or taxation. In addition, Tenaz maintains a level of liability, and property insurance, which is believed to be adequate for the Company's size and activities but is unable to obtain insurance to cover all risks within the business or in amounts to cover all possible claims.

Natural disasters, wars, terrorist attacks, riots or civil unrest, could materially and negatively impact the Company's business, its revenues and ultimately its profitability. Such events or occurrences may have a materially negative affect on one or more factors upon which the Company's business relies, including without limitation the demand for, and therefore the price of, the natural resource products produced by the Company, supply chains to operate its business, and the availability of capital required by the Company to fund its operations.

See "Forward-Looking Information" in this MD&A and "Risk Factors" in Tenaz's most recently filed AIF information, available on SEDAR at www.sedar.com, for additional information.

ADVISORIES

Non-GAAP and Other Financial Measures

This MD&A and first quarter report contains the terms funds flow from operations, capital expenditures, and capital expenditures, net of dispositions which are considered "non-GAAP financial measures" and operating netback which is considered a "non-GAAP financial ratio". These terms do not have a standardized meaning prescribed by GAAP. In addition, this MD&A contains the term adjusted working capital (net debt), which is considered a "capital management measure". Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that these measures should not be construed as an alternative to net income (loss) determined in accordance with GAAP and these measures should not be considered to be more meaningful than GAAP measures in evaluating the Company's performance.

a) Non-GAAP Financial Measures

Funds flow from operations

Tenaz considers funds flow from operations to be a key measure of performance as it demonstrates the Company's ability to generate the necessary funds for sustaining capital, future growth through capital investment, and to repay debt. Funds flow from operations is calculated as cash flow from operating activities, before changes in non-cash operating working capital. Funds flow from operations is not intended to represent cash flows from operating activities calculated in accordance with IFRS. A summary of the reconciliation of cash flow from operating activities to funds flow from operations, is set forth below:

($000)	**Q1 2022**	Q4 2021	Q1 2021
Cash flow from operating activities	**1,158**	373	827
Change in non-cash working capital	**(166)**	(157)	(18)
Funds flow from operations	**992**	216	809

Capital Expenditures and Capital Expenditures, Net of Dispositions

Management uses the terms “capital expenditures” and “capital expenditures, net of dispositions” as measures of capital investment in exploration and production activity, as well as property acquisitions and dispositions, and such spending is compared to the Company’s annual budgeted capital expenditures. The most directly comparable GAAP measure for capital expenditures and capital expenditures, net of dispositions is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to capital expenditures and capital expenditures, net of dispositions, is set forth below:

($000)	**Q1 2022**	Q4 2021	Q1 2021
Cash flow used in investing activities	**4,853**	1,645	671
Change in non-cash working capital	**(4,134)**	4,195	401
Capital expenditures, net of dispositions	**719**	5,840	1,072
Property dispositions	**-**	-	438
Capital expenditures	**719**	5,840	1,510

b) Non-GAAP Financial Ratio

Operating Netback

Tenaz calculates operating netback on a per boe basis, as petroleum and natural gas sales less royalties, operating costs and transportation costs. Operating netback is a key industry benchmark and a measure of performance for Tenaz that provides investors with information that is commonly used by other crude oil and natural gas producers. The measurement on a per boe basis assists management and investors with evaluating operating performance on a comparable basis. Tenaz’s operating netback is disclosed in the “Operating Netback” section of this MD&A.

c) Capital Management Measure

Adjusted working capital (net debt)

Management views adjusted working capital (net debt) as a key industry benchmark and measure to assess the Company's financial position and liquidity. Adjusted working capital (net debt) is calculated as current assets less current liabilities, excluding the fair value of derivative instruments. Tenaz’s adjusted working capital (net debt) is disclosed in the “Capital Resources and Liquidity” section of this MD&A.

d) Supplementary Financial Measures

“**DD&A expense per boe**” is comprised of DD&A expense, as determined in accordance with IFRS, divided by the Company's total production.

“**Funds flow from operations per basic share**” is comprised of funds from operations divided by basic weighted average Common Shares.

“**Funds flow from operations per diluted share**” is comprised of funds from operations divided by diluted weighted average Common Shares.

“**Operating expense per boe**” is comprised of operating expense, as determined in accordance with IFRS, divided by the Company's total production.

“**Realized heavy crude oil price**” is comprised of heavy crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company's crude oil production.

“**Realized natural gas liquids price**” is comprised of NGLs commodity sales from production, as determined in accordance with IFRS, divided by the Company's NGLs production.

“**Realized natural gas price**” is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas production.

“**Realized petroleum and natural gas sales price**” is comprised of total commodity sales from production, as determined in accordance with IFRS, divided by the Company's total production.

“**Royalties as a percentage of sales**” is comprised of royalties, as determined in accordance with IFRS, divided by commodity sales from production as determined in accordance with IFRS.

“**Royalties per boe**” is comprised of royalties, as determined in accordance with IFRS, divided by the Company's total production.

“**Transportation expense per boe**” is comprised of transportation expense, as determined in accordance with IFRS, divided by the Company's total production.

Barrels of Oil Equivalent

The term barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 bbl) of crude oil. The boe conversion ratio of 6 Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Forward-looking Information

This MD&A and quarterly report contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "budget", "forecast", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A and quarterly report contains forward-looking information and statements pertaining to: the Combination, the TIP and Awards thereunder, Tenaz’s capital plans, activities and budget for 2022, forecasted average production volumes and capital expenditures for 2022, and the Company’s strategy.

The forward-looking information and statements contained in this MD&A and quarterly report reflect several material factors and expectations and assumptions of Tenaz including, without limitation: the completion of transactions as proposed, the continued performance of Tenaz's oil and gas properties in a manner consistent with its past experiences; that Tenaz will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of Tenaz's reserves and resource volumes; certain commodity price and other cost assumptions; the continued availability of oilfield services; and the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures.

Tenaz believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A and quarterly report are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Tenaz's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Tenaz or by third party operators of Tenaz's properties, increased debt levels or debt service requirements; inaccurate estimation of Tenaz's oil and gas reserve volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; a failure to obtain necessary approvals as proposed or at all and certain other risks detailed from time to time in Tenaz's public documents.

The forward-looking information and statements contained in this MD&A and first quarter report speak only as of the date of this MD&A and first quarter report, and Tenaz does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

As at

($000)	Note	**March 31 2022**	December 31 2021
ASSETS			
Current assets			
Cash and cash equivalents		**21,804**	25,470
Accounts receivable	10	**2,855**	1,777
Prepaid expenses and deposits		**222**	252
		24,881	27,499
Property and equipment	4	**51,199**	47,902
Total assets		**76,080**	75,401
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**3,830**	6,750
Current portion of lease liabilities	6	**56**	61
Derivative instruments	10	**623**	600
		4,509	7,411
Lease liabilities	6	**98**	106
Decommissioning liability	7	**2,282**	2,569
Total liabilities		**6,889**	10,086
SHAREHOLDERS' EQUITY			
Share capital	8	**64,569**	64,503
Warrants	8	**3,203**	3,203
Contributed surplus		**7,974**	7,661
Deficit		**(6,555)**	(10,052)
Total shareholders' equity		**69,191**	65,315
Total liabilities and shareholders' equity		**76,080**	75,401
Subsequent events	14		

See accompanying notes to the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) (unaudited)

		Three months ended March 31	
($000, except per share amounts)	Note	**2022**	2021 Restated (Note 13)
REVENUE			
Petroleum and natural gas sales	9	**6,201**	3,440
Royalties		**(940)**	(377)
Petroleum and natural gas revenue		**5,261**	3,063
Loss on derivative instruments	10	**(994)**	(1,269)
Net revenue and loss on derivative instruments		**4,267**	1,794
EXPENSES			
Operating		**1,905**	1,116
Transportation		**142**	166
General and administrative		**1,246**	465
Share-based compensation	8	**312**	27
Interest and financing charges		**5**	104
Depletion, depreciation and amortization	4	**1,349**	1,044
Impairment reversal	4	**(4,240)**	-
Accretion of decommissioning liability	7	**51**	48
Gain on property dispositions		**-**	(200)
		770	2,770
Income (loss) before taxes		**3,497**	(976)
Deferred tax recovery		**-**	-
Net income (loss) and comprehensive income (loss)		**3,497**	(976)
Net income (loss) per share	8		
Basic		**0.12**	(0.09)
Diluted		**0.12**	(0.09)

See accompanying notes to the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

For the periods ended March 31

($000)	Note	Share capital	Warrants	Contributed surplus	Deficit	Total Equity
Balance, January 1, 2021 (Restated)	13	37,712	-	7,249	(18,391)	26,570
Share-based compensation expense	8	-	-	27	-	27
Share-based compensation capitalized	8	-	-	4	-	4
Net loss for the period (Restated)	13	-	-	-	(976)	(976)
Balance, March 31, 2021		**37,712**	**-**	**7,280**	**(19,367)**	**25,625**
Balance, December 31, 2021		64,503	3,203	7,661	(10,052)	65,315
Exercise of stock options	8	66	-	(24)	-	42
Share-based compensation expense	8	-	-	312	-	312
Share-based compensation capitalized	8	-	-	25	-	25
Net income for the period		-	-	-	3,497	3,497
Balance, March 31, 2022		**64,569**	**3,203**	**7,974**	**(6,555)**	**69,191**

See accompanying notes to the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

		Three months ended March 31	
($000)	Note	**2022**	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net income (loss) for the period		**3,497**	(976)
Items not involving cash:			
Unrealized loss on derivative instruments	10	**23**	866
Share-based compensation	8	**312**	27
Depletion, depreciation and amortization	4	**1,349**	1,044
Impairment reversal	4	**(4,240)**	-
Accretion of decommissioning liability	7	**51**	48
Gain on property dispositions		**-**	(200)
Change in non-cash working capital	12	**166**	18
Cash flow from operating activities		**1,158**	827
CASH FLOW USED IN INVESTING ACTIVITIES			
Exploration and evaluation asset expenditures		**-**	(62)
Property and equipment expenditures	4	**(719)**	(1,448)
Property dispositions		**-**	438
Change in non-cash working capital	12	**(4,134)**	401
Cash flow used in investing activities		**(4,853)**	(671)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of bank debt		**-**	(147)
Proceeds from the exercise of stock options	8	**42**	-
Principal payments on lease liabilities	6	**(13)**	(9)
Cash flow from (used in) financing activities		**29**	(156)
CHANGE IN CASH AND CASH EQUIVALENTS		**(3,666)**	-
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**25,470**	-
CASH AND CASH EQUIVALENTS, END OF PERIOD		**21,804**	-
Cash interest paid		**5**	104

See accompanying notes to the interim condensed consolidated financial statements.

1. REPORTING ENTITY

Tenaz Energy Corp. (“**Tenaz**” or the “**Company**”) (formerly Altura Energy Inc.) is an energy company focused on the acquisition and sustainable development of international oil and gas assets capable of returning free cash flow to shareholders. In addition, Tenaz conducts development of a semi-conventional oil project in the Rex member of the Upper Mannville group at Leduc-Woodbend in central Alberta. Tenaz is the corporation resulting from the amalgamation of Tenaz Energy Corp. and Altura Energy Inc. on October 15, 2021 under the *Business Corporations Act* (Alberta) (“**ABCA**”). The Company is headquartered in Calgary and is an Alberta-based reporting entity whose shares are listed on the Toronto Stock Exchange under the symbol “TNZ” (Note 14). Tenaz's principal place of business is located at 2500, 605 5th Avenue SW, Calgary, Alberta, T2P 3H5.

Reorganization

In the second half of 2021, (i) the Company raised aggregate gross proceeds of $31.3 million following two equity private placements and a rights offering; (ii) the Board was reconstituted and a new management team was appointed; and (iii) the Company’s name was changed from “Altura Energy Inc.” to “Tenaz Energy Corp” (collectively the “**Reorganization**”).

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These interim condensed consolidated financial statements (the "**Financial Statements**") have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements, including International Accounting Standard 34, *Interim Financial Reporting* ("**IAS 34**"), and have been prepared following the same accounting policies and methods of computation as the audited consolidated financial statements for the year ended December 31, 2021. In the opinion of management, these Financial Statements contain all adjustments necessary to present fairly Tenaz’s financial position as at March 31, 2022 and the results of its operations and cash flows for the three months ended March 31, 2022 and 2021. Certain information and disclosures normally included in the notes to the audited consolidated financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

These Financial Statements were approved by the Board of Directors on May 30, 2022.

(b) Basis of Measurement and Principles of Consolidation

These Financial Statements have been prepared on a historical cost basis and include the accounts of Tenaz and its wholly-owned subsidiary, 1880675 Alberta Ltd., a corporation existing under the ABCA. All inter-entity transactions have been eliminated.

(c) Functional and Presentation Currency

The Financial Statements are presented in Canadian dollars, which is the Company and its subsidiary's functional currency.

(d) Voluntary Change in Accounting Policy

Effective December 31, 2021, Tenaz voluntarily changed its accounting policy with respect to its decommissioning liability to utilize a credit-adjusted risk-free discount rate to determine the discounted amount of the liability presented at each balance sheet date. The Company had previously utilized a risk-free discount rate to determine the discounted amount of the liability. Tenaz believes that discounting asset retirement obligations based on a credit-adjusted risk-free discount rate more closely approximates the value at which such liabilities could be transferred to a third party, increases the comparability of its financial statements to certain peer companies, provides a better indication of the risk associated with such obligations and results in reliable and more relevant information for the readers of the Company's financial statements. The change in accounting policy was applied retrospectively, including the restatement of comparative amounts in the audited consolidated statements for the year ended December 31, 2021. The impact of the change in accounting policy on these Financial Statements is described in Note 13.

(e) Use of Estimates, Judgements and Assumptions

The preparation of Financial Statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ as a result of using estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

There have been no significant changes to the use of estimates, judgements or assumptions since December 31, 2021, as detailed in note 2 of the audited consolidated financial statements for the year ended December 31, 2021.

3. EXPLORATION AND EVALUATION

The following table reconciles Tenaz's Exploration and Evaluation ("**E&E**") assets:

($000)	Total
Balance, December 31, 2020	260
Additions	80
Change in decommissioning costs (Note 7)	6
Dispositions	(8)
Impairment	(338)
Balance, December 31, 2021 and March 31, 2022	**-**

E&E assets consist of the Company's projects that have yet to be established as technically feasible and commercially viable. Additions represented Tenaz's share of costs incurred on E&E assets at its Entice area during the periods. No costs were attributable to E&E activities in the three months ended March 31, 2022 and 2021.

4. PROPERTY AND EQUIPMENT

The following table reconciles Tenaz's property and equipment:

($000)	Developed and Producing Assets	Administrative Assets	Total
Cost			
Balance, December 31, 2020	65,373	203	65,576
Additions	10,273	38	10,311
Share-based compensation	62	-	62
Dispositions	(2,044)	-	(2,044)
Change in decommissioning costs (Note 7)	302	-	302
Balance, December 31, 2021	73,966	241	74,207
Additions	715	4	719
Share-based compensation (Note 10)	25	-	25
Change in decommissioning costs (Note 7)	(338)	-	(338)
Balance, March 31, 2022	**74,368**	**245**	**74,613**
Depletion, depreciation and impairment ($000)			
Balance, December 31, 2020	(32,596)	(108)	(32,704)
Depletion, depreciation and amortization	(4,631)	(29)	(4,660)
Dispositions	1,038	-	1,038
Impairment reversal	10,021	-	10,021
Balance, December 31, 2021	(26,168)	(137)	(26,305)
Depletion, depreciation and amortization	(1,342)	(7)	(1,349)
Impairment reversal	4,240	-	4,240
Balance, March 31, 2022	**(23,270)**	**(144)**	**(23,414)**
Carrying amounts ($000)			
As at March 31, 2022	**51,098**	**101**	**51,199**
As at December 31, 2021	47,798	104	47,902

Estimated future development costs of $122.7 million (December 31, 2021 – $102.6 million) associated with the development of the Company's proved and probable oil and gas reserves were added to the Company's net book value in the depletion and depreciation calculation. In the three months ended March 31, 2022, Tenaz capitalized cash and administrative costs directly attributable to property and equipment of $0.1 million and included in the additions above (2021 – $0.05 million).

Impairment reversal

March 31, 2022

At March 31, 2022, the significant increases in forecast benchmark commodity prices since the last impairment test at December 31, 2021, were indicators of impairment reversal. As a result, a test for impairment reversal was conducted on Tenaz's developed and producing ("**D&P**") assets in Tenaz's only cash-generating unit ("**CGU**"), Leduc-Woodbend. The Company recognized an impairment reversal of $4.2 million, net of depletion, in the three months ended March 31, 2022 (2021 - $nil) due to the estimated recoverable amount of $51.1 million, using value in use, exceeding the carrying amount of these assets. Subsequent to the impairment reversal at March 31, 2022, the Company has $nil further impairments that can be reversed in future periods for its CGU.

The estimated recoverable amount of the CGU is the greater of (i) its value in use, and (ii) its fair value less cost to sell. The estimated recoverable amount for the Leduc-Woodbend CGU was based on the proved and probable oil and gas reserves and related cash flows from Tenaz's December 31, 2021 reserve report prepared by its independent third-party reserve evaluators, updated using forecast oil and gas commodity prices at April 1, 2022, revised forecasted future development costs and operating expenses assumptions and removed production for the first three months of 2022, as updated by the Company's internal reserve evaluator. The estimated recoverable amount was determined to be value in use and was based on before-tax discount rates specific to the underlying composition of reserve categories and risk profile residing in the Leduc-Woodbend CGU, net of decommissioning obligations and included recoverable value for certain undeveloped land included in property and equipment related to this CGU based on management's estimates as at March 31, 2022 which were established principally on relevant land sales. The discount rates used in the valuation ranged from 12% to 30%, with an overall weighted average discount rate of approximately 20%.

The following table details the forecasted oil and gas commodity pricing used in estimating the recoverable amount of Tenaz's Leduc-Woodbend CGU at March 31, 2022:

	WTI Crude Oil ($US/bbl)(1,2)	**Western Canadian Select Crude Oil ($CAD/bbl)(1,2)**	**Alberta AECO Gas ($CAD/mmbtu)(1,2)**	**Foreign Exchange ($US/$CAD)(1)**
2022 Remainder	94.50	102.91	5.30	0.800
2023	84.15	85.16	4.28	0.800
2024	77.51	77.04	3.69	0.800
2025	71.63	70.69	3.45	0.800
2026	73.06	72.10	3.52	0.800
thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	0.800

(1) Source: Three Consultants' average, McDaniel & Associates Consultants, GLJ Petroleum Consultants, and Sproule Associates price forecasts, effective April 1, 2022.

(2) Product sale prices will reflect these reference prices with further adjustments for product quality differentials and transportation to point of sale.

The following table demonstrates the sensitivity of the impairment reversal amount at March 31, 2022 using reasonable changes in significant assumptions inherent in the estimate:

($000)	**Increase in discount rate of 1%**	**Decrease in discount rate of 1%**	**Decrease in forecasted combined average realized prices of 5%**	**Increase in forecasted combined average realized prices of 5%**
Impairment reversal increase (decrease)	-	-(1)	(4,900)	-(1)

(1) Subsequent to the impairment reversal at March 31, 2022, the Company has $nil further impairments that can be reversed in future periods for its CGU. As such, a decrease in the discount rate or an increase in forecasted combined average realized prices would have no further impact for impairment reversal.

5. CREDIT FACILITIES

At March 31, 2022 and December 31, 2021, the Company had a revolving operating demand loan (the "**Operating Loan**") with a Canadian bank (the "**Lender**") with a maximum borrowing limit of $4.0 million.

As at March 31, 2022 and December 31, 2021, bank debt was $nil and the unused portion of the Operating Loan was $3.85 million as the Company had outstanding letters of credit for $0.15 million.

The Operating Loan is revolving, payable on demand and contains customary material adverse change clauses. The borrowing base of the Operating Loan is based on the Lenders' interpretation of Tenaz's estimated proved and probable oil and natural gas reserves and forecasted commodity prices. As a result, there can be no assurance as to the amount of available limit that will be determined at each scheduled review. The Operating Loan can be drawn in whole multiples of a minimum of $10,000, and letters of credit and/or letters of guarantee can be issued not exceeding an aggregate of $0.75 million.

The Operating Loan is secured by a general security agreement providing a security interest over all present and after acquired property, a floating charge on all lands, and a $30.0 million debenture with a first floating charge over all assets of the Company.

The interest rate on the Operating Loan is the Lender's prime rate plus 3.5%. Fees for Letters of Credit issued under the Operating Loan are 3.5% and standby fees on the unused portion of the authorized amount of the Operating Loan are 0.875%.

Tenaz is subject to certain reporting and financial covenants including:

- the Company is required to maintain a working capital ratio of at least 1:1, but for the purposes of the covenant, the Operating Loan and the fair value of any commodity contracts are excluded and the unused portion of the Operating Loan is added to current assets;
- the Company will, at all times, maintain hedging agreements covering no less than 350 bbls/d of oil (Western Canadian Select) and no less than 1,000 GJ/d of natural gas (AECO) for no less than the succeeding nine-month period, on a rolling basis; and
- the Company will maintain a Licensee Liability Rating ("**LLR**") in Alberta, Saskatchewan and British Columbia, in each case, of no less than 2.0.

As at March 31, 2022, the working capital ratio as defined was 7.39:1 (December 31, 2021 – 4.60:1) and the Company was compliant with the LLR covenant (6.25 at May 7, 2022). In March 2022, Tenaz's Lender waived the hedging covenant for the quarter ended March 31, 2022, relating to maintaining hedge agreements for the succeeding nine-month period.

The next review date for the Operating Loan, scheduled for May 31, 2022, has been extended by the Lender to July 15, 2022.

6. LEASE LIABILITIES

The following table reconciles lease liabilities associated with office space and equipment obligations:

($000)	Total
Balance, December 31, 2020	206
Lease interest	11
Total cash outflow	(50)
Balance, December 31, 2021	167
Lease interest	2
Total cash outflow	(15)
Balance, March 31, 2022	**154**
Current lease liabilities	56
Non-current lease liabilities	98

Tenaz has the following future commitments:

($000)	**As at March 31, 2022**
Total lease liabilities per above	**154**
Impact of discounting	11
Total lease payments	**165**
Lease payments due within one year	63
Lease payments due between one and three years	102

7. DECOMMISSIONING LIABILITY

The Company's decommissioning liability results from its net ownership interests in petroleum and natural gas properties and equipment including well sites and facilities. Tenaz estimates the total undiscounted and uninflated amount of cash flows required to settle its decommissioning obligations as at March 31, 2022 to be approximately $5.6 million (December 31, 2021 – $5.6 million) with the majority of costs anticipated to be incurred between 2030 and 2040. A credit-adjusted risk-free rate of 9.7% (December 31, 2021 – 8.4%) and an inflation rate of 1.8% (December 31, 2021 – 1.7%) were used to calculate the fair value of the decommissioning liability.

A reconciliation of the decommissioning liability is provided below:

($000)	**Three months ended March 31, 2022**	Year ended December 31, 2021
Balance, beginning of period[(1)]	**2,569**	2,130
Additions	**-**	51
Liabilities disposed	**-**	(68)
Change in estimates[(2)]	**(338)**	257
Accretion	**51**	199
Balance, end of period	**2,282**	2,569
Current - Expected to be incurred within one year	**-**	-
Non-current - Expected to be incurred beyond one year	**2,282**	2,569

(1) The balance at December 31, 2020 was restated. Refer to Note 13.
(2) At March 31, 2022, the change in estimates is due to a $338,000 decrease in decommissioning liability resulting from the change in the discount and inflation rates (December 31, 2021 - $318,000 increase resulting from the change in the discount and inflation rates offset by a decrease in abandonment and remediation cost estimates and future abandonment dates totaling $61,000).

8. SHARE CAPITAL

(a) Authorized:

- Unlimited number of voting common shares ("**Common Shares**").
- Unlimited number of preferred shares issuable in series, with rights and privileges to be designated by the Board of Directors at the time of issuance.

(b) Issued and outstanding:

	Number of Common Shares	**Amount ($000)**
Balance, December 31, 2020	10,892,097	37,712
Issuance of Common Shares on recapitalization	13,611,200	24,500
Issuance of units on recapitalization	2,777,800	5,000
Allocation to warrants	-	(3,203)
Issuance of Common Shares on rights offering	1,017,984	1,832
Exercise of stock options	139,000	470
Fractional rounding on share consolidation	(7)	-
Share issue costs	-	(1,808)
Balance, December 31, 2021	28,438,074	64,503
Exercise of stock options	20,000	66
Balance, March 31, 2022	**28,458,074**	**64,569**

On December 23, 2021, the Company completed a 10-to-1 common share consolidation. The number of Common Shares, warrants and stock options outstanding have been adjusted on a retroactive basis and presented in these Financial Statements on a post-consolidation basis.

(i) Exercise of Stock Options

In the three months ended March 31, 2022, 20,000 stock options were exercised for cash proceeds of $42,000. Contributed surplus related to the options exercised of $24,000 was transferred to share capital.

(c) Warrants:

	Number of Warrants	**Weighted Average Exercise Price ($)**
Balance, December 31, 2020	-	-
Issuance of warrants on recapitalization	2,777,800	1.80
Balance, December 31, 2021 and March 31, 2022	**2,777,800**	**1.80**

On October 8, 2021, as part of the Reorganization (Note 1), the Company closed a non-brokered private placement pursuant to which 2,777,800 Units were issued at a price of $1.80 per Unit for gross proceeds of $5.0 million. Each Unit was comprised of one common share and one warrant of the Company, with each warrant entitling the holder thereof to purchase one common share at a price of $1.80 per common share for a period of five years from the issuance date, subject to certain terms and conditions. These warrants vest and become exercisable as to one-third upon the 20-day volume weighted average price of the Common Shares (the "**Market Price**") equaling or exceeding $2.50 per common share, an additional one-third upon the Market Price equaling or exceeding $3.15 per Common Share and a final one-third upon the Market Price equaling or exceeding $3.60 per common share.

The Warrants issued in connection with the non-brokered private placement were allocated a fair value of $3.2 million.

As at March 31, 2022 and December 31, 2021, two-thirds of the Warrants are fully vested. The Warrants will provide aggregate cash proceeds of approximately $5.0 million to the Company, if exercised by the holders. Consideration paid to the Company on the exercise of Warrants along with the fair value of Warrants will be credited to share capital.

(d) Stock options:

The Company has a Stock Option Plan for directors, employees and service providers. Under the plan, stock options may be granted to purchase up to 10% of the outstanding Common Shares of Tenaz and the maximum term of stock options granted is five years. The Board of Directors determines the vesting schedule at the time of grant. Unless otherwise determined by the Board of Directors at the time of grant, stock options vest as to one-third on each of the first, second and third anniversary dates of the date of grant. As at March 31, 2022, the Company may grant up to 2,845,807 stock options.

In April 2022, in anticipation of the Company's graduation to the Toronto Stock Exchange, the Board of Directors approved a new omnibus security-based compensation arrangement referred to as the Tenaz Incentive Plan pursuant to which the Company is able to issue share-based long-term incentives, subject to shareholder approval at the Company's annual general meeting on May 31, 2022 (Note 14).

A summary of the Company's outstanding stock options at March 31, 2022 is presented below:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, December 31, 2020	608,500	3.58
Granted	2,150,000	2.57
Exercised	(139,000)	2.14
Expired	(35,000)	2.90
Forfeited	(442,000)	3.87
Repurchased and canceled	(112,000)	2.70
Balance, December 31, 2021	2,030,500	2.60
Exercised	(20,000)	2.10
Balance, March 31, 2022	**2,010,500**	**2.61**

The range of exercise prices for stock options outstanding and exercisable under the plan at March 31, 2022 is as follows:

Exercise Prices		Awards Outstanding			Awards Exercisable		
Low ($)	High ($)	Quantity	Remaining contractual life (years)	Weighted Average Exercise Price ($)	Quantity	Remaining contractual life (years)	Weighted Average Exercise Price ($)
2.10	2.50	330,000	0.5	2.10	330,000	0.5	2.10
2.51	3.00	1,670,000	4.6	2.70	-	-	-
3.01	4.16	10,500	1.3	3.95	10,500	1.3	3.95
		2,010,500	**4.0**	**2.61**	**340,500**	**0.5**	**2.16**

The Company's share-based compensation relating to stock options, fair valued on the date of grant using a Black Scholes model, was as follows:

($000)	**Three months ended March 31, 2022**	Three months ended March 31, 2021
Share-based compensation expense	**312**	27
Share-based compensation capitalized (Note 4)	**25**	4
Total share-based compensation	**337**	31

(e) Weighted average Common Shares:

($000, except Common Shares and per share amounts)	**Three months ended March 31, 2022**	Three months ended March 31, 2021 Restated (Note 13)
Net income (loss) – Basic and diluted	**3,497**	(976)
Weighted average Common Shares		
Basic	**28,457,407**	10,892,097
Diluted	**29,361,207**	10,892,097
Net income (loss) per share		
Basic	**0.12**	(0.09)
Diluted	**0.12**	(0.09)

Per share information is calculated on the basis of the weighted average number of Common Shares outstanding during the period. Diluted per share information reflects the potential dilution that could occur if securities or other contracts to issue Common Shares were exercised or converted to Common Shares. Diluted per share information is calculated using a method which assumes that any proceeds received by the Company upon the exercise of in-the-money stock options or warrants plus unamortized share-based compensation expense would be used to buy back Common Shares at the average market price for the period.

For the three months ended March 31, 2022, 1,680,500 stock options were excluded from the weighted average number of Common Shares as they were anti-dilutive (2021 – 608,500 stock options).

9. REVENUE

The Company sells its production pursuant to variable-price contracts. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Commodity prices are based on market indices that are determined on a monthly or daily basis.

The contracts generally have a term of one year or less, whereby delivery takes place throughout the contract period. Revenues are typically collected on the 25th day of the month following production.

The following table details the Company's petroleum and natural gas sales by product:

($000)	**Three months ended March 31, 2022**	Three months ended March 31, 2021
Heavy crude oil	**4,681**	2,543
Natural gas liquids	**326**	197
Natural gas	**1,194**	700
Petroleum and natural gas sales	**6,201**	3,440

As at March 31, 2022, receivables for revenue were $2.3 million, which are included in accounts receivable (December 31, 2021 - $1.6 million).

10. FINANCIAL INSTRUMENTS AND DERIVATIVES

Tenaz is exposed to credit risk, liquidity risk and market risk as part of its normal course of business. The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework and periodically reviews the results of all risk management activities and all outstanding positions. Management identifies and analyzes the risks faced by the Company, sets appropriate risk limits and controls, and monitors risks and market conditions and the Company's activities.

Credit Risk

Tenaz is exposed to third party credit risk through its contractual arrangements with its joint interest partners, marketers of petroleum and natural gas, derivative instrument counterparties and other parties. In the event such entities fail to meet their contractual obligations to Tenaz, such failures could have a material adverse effect. The Company manages the risk by reviewing the credit risk of these entities and by entering into agreements only with parties that meet certain credit tests. The maximum credit risk that the Company is exposed to at any point in time is the carrying value of cash and cash equivalents, if any, accounts receivable and the fair value of derivative instrument assets, if any.

The majority of the credit exposure on accounts receivable at March 31, 2022, pertain to revenue for accrued March 2022 production volumes and receivables from joint interest partners. Tenaz primarily transacts with four oil and natural gas marketing companies. The marketing companies typically remit amounts to Tenaz by the 25th day of the month following production. At March 31, 2022, 74 percent of total outstanding accounts receivable pertains to four marketing companies. Tenaz did not have any other customers from which it had outstanding accounts receivable greater than 10 percent of the total outstanding balance at March 31, 2022. For the three months ended March 31, 2022, the Company received approximately 88 percent of its revenue from four marketing companies (2021 – 90 percent of its revenue from four marketing companies).

At March 31, 2022 and December 31, 2021, the Company's trade receivables have been aged as follows:

As at ($000)	**March 31, 2022**	December 31, 2021
Current	**2,284**	1,706
31 – 60 days	**495**	28
61 – 90 days	**108**	40
> 90 days	**11**	3
Allowance for doubtful accounts	**-**	-
Total	**2,855**	1,777

When determining whether amounts that are past due are collectible, management assesses the credit worthiness and past payment history of the counterparty, as well as the nature of the past due amount.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through its working capital surplus and an actively managed operating and capital expenditure budgeting process. As at March 31, 2022, the Company was holding cash and cash equivalents of $21.8 million (December 31, 2021 - $25.5 million). All the accounts payable and accrued liabilities are due in less than one year and amounts outstanding on the Operating Loan, if any, is due on demand.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The market price movements that could adversely affect the value of the Company's financial assets, liabilities and expected future cash flows include commodity price risk (crude oil and natural gas), foreign currency exchange risk and interest rate risk.

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. A significant change in commodity prices can materially impact the Company's cash flows and borrowing base limit under its Operating Loan. Lower commodity prices may also reduce the Company's ability to raise capital. Commodity prices for petroleum and natural gas are not only influenced by supply and demand in Canada and the United States of America, but also by world events that dictate the levels of supply and demand.

Tenaz manages the risks associated with changes in commodity prices by entering into derivative instrument risk management contracts. The table below summarizes the realized losses and unrealized losses on derivative instruments in net income (loss).

($000)	**Three months ended March 31, 2022**	Three months ended March 31, 2021
Realized loss on derivative instruments	(971)	(403)
Unrealized loss on derivative instruments	(23)	(866)
Loss on derivative instruments	(994)	(1,269)

At March 31, 2022, Tenaz held the following crude oil and natural gas contracts:

Period	**Commodity**	**Type of Contract**	**Quantity**	**Pricing Point**	**Contract Price**	**Fair Value at March 31, 2022** ($000)
Western Canadian Select ("WCS") Swap Contracts						
Apr 1/22—Apr 30/22	Crude Oil	Fixed Swap	175 bbls/d	WCS	CAD $65.75	(226)
May 1/22—May 31/22	Crude Oil	Fixed Swap	175 bbls/d	WCS	CAD $65.50	(230)
WCS Differential Swap Contracts						
Apr 1/22—Apr 30/22	Crude Oil	Fixed Swap	175 bbls/d	WCS-WTI Differential	CAD ($17.00)	(7)
May 1/22—May 31/22	Crude Oil	Fixed Swap	175 bbls/d	WCS-WTI Differential	CAD ($16.70)	(12)
WTI Put Options						
Apr 1/22—Apr 30/22	Crude Oil	Put Option[1]	175 bbls/d	WTI	CAD $62.00	(14)
May 1/22—May 31/22	Crude Oil	Put Option[2]	175 bbls/d	WTI	CAD $62.00	(13)
Natural Gas Swap Contracts						
Apr 1/22—Apr 30/22	Natural Gas	Fixed Swap	1,000 GJ/d	AECO 5A	CAD $2.680	(54)
May 1/22—May 31/22	Natural Gas	Fixed Swap	1,000 GJ/d	AECO 5A	CAD $2.730	(67)
Derivative instruments liability						**(623)**

(3) Includes a $14,000 liability to the counterparty on this contract for the deferred premium of $2.65 per barrel.
(4) Includes a $14,000 liability to the counterparty on this contract for the deferred premium of $2.50 per barrel.

At March 31, 2022, the crude oil and natural gas contracts were fair valued with a liability of $0.6 million (December 31, 2021 - $0.6 million) recorded on the balance sheet.

If the forward price curves for WCS, WCS differential, WTI and AECO 5A increase or decrease by 10 percent, it is estimated that Tenaz's net income (loss) would change by approximately $0.1 million. The sensitivity is hypothetical and based on management's assessment of reasonably possible changes in commodity prices after the balance sheet date. The result of the sensitivity is not predictive of future performance. Changes in the fair value of risk management contracts cannot generally be extrapolated because the relationship of change in certain variables to a change in fair value may not be linear.

Foreign currency risk

Foreign currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The exchange rate effect cannot be quantified, but generally an increase in the value of the Canadian dollar as compared to the US dollar will reduce the prices received by Tenaz for its petroleum and natural gas sales. The Company had no risk management contracts that would be affected by foreign currency changes in place at March 31, 2022.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's Operating Loan is exposed to interest rate risk on floating interest rate indebtedness due to fluctuations in market interest rates. The Company had no risk management contracts that would be affected by interest rates in place at March 31, 2022.

If interest rates were to increase or decrease by one percent, it is estimated that Tenaz's net income (loss) would change by approximately $nil for the three months ended March 31, 2022.

11. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The Company's objectives when managing capital are to i) deploy capital to provide an appropriate return on investment to its shareholders; ii) maintain financial flexibility in order to preserve the Company's ability to meet financial obligations; and iii) maintain a capital structure that provides financial flexibility to execute strategic acquisitions.

The Company's strategy is designed to maintain a flexible capital structure consistent with the objectives as stated above and to respond to changes in economic conditions and the risk characteristics of the underlying crude oil and natural gas assets. Tenaz considers its capital structure to include shareholders' equity, working capital and bank debt, if any. In order to maintain or adjust its capital structure, the Company may from time to time issue new Common Shares, seek debt financing and adjust its capital spending to manage working capital.

In order to facilitate the management of its capital expenditures and working capital, the Company prepares annual budgets which are updated quarterly depending upon varying factors including current and forecast crude oil and natural gas prices, capital expenditures and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

Management views adjusted working capital (net debt) as a key industry benchmark and measure to assess the Company's financial position and liquidity. Adjusted working capital (net debt) is calculated as current assets less current liabilities, excluding the fair value of derivative instruments.

Adjusted working capital (net debt) as at March 31, 2022 and December 31, 2021 is summarized as follows:

($000)	**March 31, 2022**	December 31, 2021
Current assets	**24,881**	27,499
Current liabilities	**(4,509)**	(7,411)
Working capital surplus	**20,372**	20,088
Exclude fair value of derivative instruments	**623**	600
Adjusted working capital	**20,995**	20,688

The Company has not paid or declared any dividends since the date of incorporation. In 2021, Tenaz changed the reporting of adjusted working capital (net debt) to include the current portion of lease liabilities and current portion of decommissioning liabilities, if any. There have been no other changes in the Company's approach to capital management in 2022.

12. SUPPLEMENTAL CASH FLOW INFORMATION

The following table details the components of non-cash working capital:

($000)	**Three months ended March 31, 2022**	Three months ended March 31 2021
Provided by (used in):		
Accounts receivable	**(1,078)**	(448)
Prepaid expenses and deposits	**30**	(7)
Accounts payable and accrued liabilities	**(2,920)**	860
	(3,968)	419
Provided by (used in):		
Operating activities	**166**	18
Investing activities	**(4,134)**	401
	(3,968)	419

13. IMPACT OF ACCOUNTING POLICY CHANGE

As described in Note 2, effective December 31, 2021, Tenaz voluntarily changed its accounting policy with respect to its decommissioning liability to utilize a credit-adjusted risk-free discount rate to determine the discounted amount of the liability presented at each balance sheet date. The change in accounting policy was applied retrospectively, resulting in changes to amounts recorded for 2021 and to previously reported amounts as follows:

Consolidated Balance Sheets

As at	March 31, 2021			December 31, 2020		
($000)	Previous accounting policy	Effect of change	Restated	Previous accounting policy	Effect of change	Restated
E&E Assets	318	6	324	260	-	260
Property and equipment	32,659	622	33,281	32,872	-	32,872
Decommissioning liability	5,395	(2,976)	2,419	5,802	(3,672)	2,130
Retained earnings (deficit)	(22,971)	3,604	(19,367)	(22,063)	3,672	(18,391)

Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)

	For the year ended December 31, 2021	For the three months ended March 31, 2021		
($000)	Effect of change	Previous accounting policy	Effect of change	Restated
Depletion, depreciation and amortization	31	1,030	14	1,044
Impairment	487	-	-	-
Accretion of decommissioning liability	96	26	22	48
(Gain) loss on property dispositions	118	(232)	32	(200)
Net income (loss) and comprehensive income (loss)	(732)	(908)	(68)	(976)
Net income (loss) per share ($/share) (Note 8)				
Basic	(0.05)	(0.08)	(0.01)	(0.09)
Diluted	(0.05)	(0.08)	(0.01)	(0.09)

Consolidated Statements of Cash Flows

The change in accounting policy did not have an impact on the Company's cash flows.

14. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Tenaz Incentive Plan

In April 2022, in anticipation of the Company's graduation to the Toronto Stock Exchange, the Board of Directors approved a new omnibus security-based compensation arrangement referred to as the Tenaz Incentive Plan (the "**TIP**") pursuant to which the Company is able to issue share-based long-term incentives, subject to shareholder approval at the Company's annual general meeting on May 31, 2022 (the "**Meeting**"). All directors, officers, employees and independent contractors of the Company and/or its affiliates (collectively, "**Service Providers**") are eligible to receive all or some of awards under the TIP. The purpose of the TIP is to: (i) promote the interest of Service Providers in the growth and development of the Company by providing such persons with the opportunity to acquire a proprietary interest in the Company; (ii) attract and retain valuable Service Providers to the Company through a competitive compensation program; and (iii) align the interests of Service Providers with those of Shareholders by devising a compensation program which encourages the long-term growth of the Company and returns to shareholders.

The TIP will replace the Company's existing Stock Option Plan and no further stock options ("**Options**") will be granted under the Stock Option Plan following shareholder approval of the TIP. Outstanding Options granted under the Stock Option Plan will continue to be governed by the Stock Option Plan.

The types of awards available under the TIP include Options, restricted share units, performance share units, deferred share units and dividend-equivalent rights (collectively, "**Awards**"). Under the TIP, the maximum number of Common Shares issuable from treasury pursuant to Awards shall not exceed 10% of the total outstanding Common Shares from time to time (on a non-diluted basis) less the number of Common Shares issuable pursuant to all other security-based compensation arrangements of the Company (being the Stock Option Plan). As of May 30, 2022, there were 2,010,500 Options outstanding and unexercised under the Stock Option Plan. If the TIP is approved at the Meeting, then as of the date hereof there will be 835,307 Common Shares available for issuance under the TIP. The TIP is administered by the Board or a committee of the Board.

Toronto Stock Exchange Graduation

On May 12, 2022, following approval from the Toronto Stock Exchange, Tenaz's Common Shares were listed on the TSX and commenced trading under the symbol "TNZ" at which time trading on the TSX Venture Exchange ceased.

As previously communicated, Tenaz views its graduation to the TSX as a natural step in executing the corporate strategy outlined at the time of the Reorganization.

Offer by Tenaz to Acquire the Shares of SDX Energy PLC in an all-share transaction

On May 25, 2022, it was announced that the boards of directors of Tenaz and SDX Energy PLC ("**SDX**"), a UK-listed, MENA-focused, international oil and gas production, development and exploration company headquartered in London, had reached agreement on the terms of a recommended share-for-share combination between Tenaz and SDX (the "**Combination**"). The Combination is to be implemented by means of a United Kingdom court-sanctioned scheme of arrangement with the entire issued and to be issued ordinary share capital of SDX being acquired by Tenaz in a ratio of 0.075 Common Shares for each one SDX common share, an estimated 208 million SDX common shares on a fully-diluted basis.

The completion of the Combination will require Tenaz and SDX shareholder and regulatory approvals.

Normal Course Issuer Bid

On May 30, 2022, the Board of Directors approved management to pursue approval from the TSX to institute a normal course issuer bid which will be established for the ability to repurchase, for cancellation, up to 10% of the issued and outstanding common shares of the company (the "**NCIB**"). The NCIB will be subject to the approval of the TSX and is intended to be effective upon closing of the SDX acquisition.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Marty Proctor
Chair

Anna Alderson
Independent Director

John Chambers
Independent Director

Mark Rollins
Independent Director

Anthony Marino
President and Chief Executive Officer and Director

OFFICERS

Anthony Marino
President and Chief Executive Officer and Director

Bradley Bennett
Chief Financial Officer

Michael Kaluza
Chief Operating Officer

David Burghardt
Senior Vice President, Canada Business Unit

Jonathan Balkwill
Vice President, Business Development

Jennifer Russel-Houston
Vice President, Geoscience

Travis Stephenson
Vice President, Engineering

AUDITORS

KPMG LLP
Calgary, Alberta

BANKERS

ATB Financial
Calgary, Alberta

LEGAL COUNSEL

Lawson Lundell LLP
Calgary, Alberta

Torys LLP
Calgary, Alberta

EVALUATION ENGINEERS

McDaniel & Associates Consultants Ltd.
Calgary, Alberta

REGISTRAR & TRANSFER AGENT

Odyssey Trust Company
Calgary, Alberta

STOCK TRADING

Toronto Stock Exchange (“TSX”)
Trading Symbol: **TNZ**

Tenaz Energy