UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

[Check one]
☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2024** Commission File Number **001-41810**

Greenfire Resources Ltd.

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English (if applicable))

Alberta

(Province or other jurisdiction of incorporation or organization)

1311

(Primary Standard Industrial Classification Code Number (if applicable))

Not applicable

(I.R.S. Employer Identification Number (if applicable))

1900 – 205 5th Avenue SW
Calgary, Alberta T2P 2V7
(403) 264-9046

(Address and telephone number of Registrant's principal executive offices)

Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711
(302) 738-6680

(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	**GFR**	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 69,718,464

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

INCORPORATION BY REFERENCE

This Annual Report on Form 40-F shall be incorporated by reference into or as an exhibit to, as applicable, each of the Registrant's Registration Statements under the Securities Act of 1933, as amended: Form F-3 (File No. 333-282275) and Form S-8 (File No. 333-277054).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 40-F are forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933, as amended. Please see section titled "Special Note Regarding Forward-Looking Statements" in the Annual Information Form, which is Exhibit 99.1 of this Annual Report on Form 40-F.

Principal Documents

The following documents are filed as part of this Annual Report on Form 40-F:

A. Annual Information Form

For the Registrant's Annual Information Form for the year ended December 31, 2024, see Exhibit 99.1 of this Annual Report on Form 40-F.

B. Audited Annual Financial Statements

For the Registrant's Audited Consolidated Financial Statements for the year ended December 31, 2024, including the report of its Independent Registered Public Accounting Firm with respect thereto, see Exhibit 99.2 of this Annual Report on Form 40-F.

C. Management's Discussion and Analysis

For the Registrant's Management's Discussion and Analysis of the operating and financial results for the year ended December 31, 2024, see Exhibit 99.3 of this Annual Report on Form 40-F.

Controls and Procedures

A. Certifications

The required disclosure is included in Exhibits 99.4, 99.5, 99.6, and 99.7 of this Annual Report on Form 40-F.

B. Disclosure Controls and Procedures

Registrant conducted an evaluation of the effectiveness of its "disclosure controls and procedures" ("Disclosure Controls"), as defined by Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2024. The Disclosure Controls evaluation was done under the supervision and with the participation of management, including the President (principal executive officer) and Chief Financial Officer. Based on that evaluation, the President (principal executive officer) and Chief Financial Officer concluded that such disclosure controls and procedures were effective as of December 31, 2024 to provide reasonable assurance that the information required to be disclosed by the Registrant in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure.

C.Management's Annual Report on Internal Control Over Financial Reporting

Management's Annual Report on Internal Control Over Financial Reporting is included in the Management's Report that accompanies the Registrant's Audited Consolidated Financial Statements for the year ended December 31, 2024, filed as Exhibit 99.2 to this Annual Report on Form 40-F, and is incorporated herein by reference.

D. Attestation Report of Independent Registered Public Accounting Firm

This Annual Report does not include an attestation report on internal control over financial reporting by the Registrant's independent registered public accounting firm due to an exemption established by the JOBS Act for "emerging growth companies."

E. Changes in Internal Control Over Financial Reporting

During the year ended December 31, 2024, there were no changes in the Registrant's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Notices Pursuant to Regulation BTR.

None.

Audit Committee Financial Expert

The Registrant's Board of Directors has determined that Mr. W. Derek Aylesworth is an "audit committee financial expert" (as that term is defined in paragraph 8(b) of General Instruction B to Form 40-F) and that each of the following members of the Registrant's audit committee are "independent" (as defined by the New York Stock Exchange corporate governance rules): W. Derek Aylesworth, Mr. Brian Heald, and Mr. Tom Ebbern.

The Securities and Exchange Commission has indicated that the designation or identification of a person as an "audit committee financial expert" does not (i) mean that such person is an "expert" for any purpose, including without limitation for purposes of Section 11 of the Securities Act of 1933, (ii) impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the audit committee and the board of directors in the absence of such designation or identification, or (iii) affect the duties, obligations or liability of any other member of the audit committee or the board of directors.

Code of Ethics

The Registrant has adopted a "code of ethics" (as that term is defined in paragraph 9(b) of General Instruction B to Form 40-F) ("Code of Ethics"), which is applicable to the directors, officers, employees and consultants of the Registrant and its affiliates (including, its principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions). The Code of Ethics is available on the Registrant's website at https://www.greenfireres.com/who-we-are/#governance.

In the past fiscal year, the Registrant has not amended any provision of its Code of Ethics that relates to any element of the code of ethics definition enumerated in paragraph (9)(b) of General Instruction B to Form 40-F, or granted any waiver, including an implicit waiver, from any provision of its Code of Ethics.

If any amendment to the Code of Ethics is made, or if any waiver from the provisions thereof is granted, the Registrant may elect to disclose the information about such amendment or waiver required by Form 40-F to be disclosed, by posting such disclosure on the Registrant's website, which may be accessed at https://www.greenfireres.com.

Principal Accountant Fees and Services

The required disclosure is included under the headings "Pre-Approval Policies" and "External Audit Service Fees" in the Registrant's Annual Information Form for the year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F, and is incorporated herein by reference. The Registrant's independent registered public accounting firm is Deloitte LLP, Calgary, Canada, PCAOB ID No. 1208.

Off-Balance Sheet Arrangements

The Registrant does not have any "off-balance sheet arrangements" (as that term is described in paragraph 11 of General Instruction B to Form 40-F) that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Contractual Obligations.

The required disclosure is included under the heading "Commitments and Contractual Obligations" in the Registrant's Management's Discussion and Analysis for the fiscal year ended December 31, 2024, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

Identification of the Audit Committee

The Registrant has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Registrant's Audit Committee members consist of Mr. W. Derek Aylesworth, Mr. Brian Heald and Mr. Tom Ebbern.

Exemptions From the Listing Standards for Audit Committees

Not applicable.

Mine Safety Disclosure

Not applicable.

Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Recovery of Erroneously Awarded Compensation

Not applicable.

Compliance with NYSE Corporate Governance Rules

As a foreign private issuer, Registrant has the option to follow certain home country corporate governance practices rather than those of NYSE, provided that it discloses the requirements it is not following and describe the home country practices it is following. A summary of the significant differences can be found on Registrant's website at *https://www.greenfireres.com*.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

1. The Registrant has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

2. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the Commission by amendment to Form F-X referencing the file number of the Registrant.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

GREENFIRE RESOURCES LTD.

Date: March 19, 2025

/s/ Tony Kraljic
Name: Tony Kraljic
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Document
97	Greenfire Resources Ltd. Incentive - Based Compensation Recovery Policy (incorporated by reference to Exhibit 97.1 of the Registrant's Annual Report on Form 20-F for the year ended on December 31, 2023) (File No. 001-41810).
99.1	Annual Information Form of the Registrant for the fiscal year ended December 31, 2024.
99.2	Audited Consolidated Financial Statements of the Registrant for the year ended December 31, 2024 together with the Auditors' Report thereon.
99.3	Management's Discussion and Analysis of the operating and financial results of the Registrant for the year ended December 31, 2024.
99.4	Certification of President (principal executive officer) pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934.
99.5	Certification of Chief Financial Officer Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934 .
99.6	Certificate of President (principal executive officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 *Sarbanes- Oxley Act of 2002.*
99.7	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002.*
99.8	Consent of Deloitte LLP, Independent Registered Public Accounting Firm.
99.9	Consent of McDaniel & Associates Consultants Ltd., independent engineers.
101	Interactive Data Files.
104	Cover page Interactive Data File (embedded within the Inline XBRL document).

Exhibit 99.1



Annual Information Form

For the Year Ended December 31, 2024

March 17, 2025

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APPENDICES

Appendix A – Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

Appendix B – Report of Management and Directors on Reserves Data and Other Information

Appendix C – Audit Committee Mandate

PRESENTATION OF INFORMATION

Throughout this Annual Information Form, the terms, we, us, our, the Company and Greenfire mean Greenfire Resources Ltd. (" **GRL**") and its subsidiaries. In particular, Greenfire includes references to Greenfire Resources Operating Corporation ("**GROC**").

Unless otherwise noted, the information contained in this Annual Information Form is given at or for the year ended December 31, 2024. Amounts are expressed in Canadian dollars, unless otherwise indicated. Financial information is presented in accordance with IFRS Accounting Standards.

Unless otherwise defined herein, defined terms in this Annual Information Form have the meanings set forth in " *Glossary*" at the back of this Annual Information Form.

Disclosure of Reserves and Production Information

All oil and gas information presented in this Annual Information Form has been prepared and is presented in accordance with the Canadian disclosure standards set forth in NI 51-101.

The oil and gas reserves and operational information of Greenfire contained in this Annual Information Form contains the information required to be included in the Statement of Reserves Data and Other Oil and Gas Information pursuant to NI 51-101. Readers should also refer to the Report on Reserves Data by McDaniel attached as Appendix A and the Report of Management and Directors on Oil and Gas Disclosure and Other Information attached hereto as Appendix B. The effective date for the Statement of Reserves Data and Other Oil and Gas Information contained in this Annual Information Form is December 31, 2024 and the preparation date for such information is March 17, 2025.

Notice to U.S. Readers

Data on oil and natural gas reserves contained in this Annual Information Form has generally been prepared in accordance with Canadian disclosure standards and specifically in accordance with NI 51-101, which are not comparable in all respects to United States disclosure standards under Subpart 1200 of Regulation S-K or other foreign disclosure standards. For example, although the SEC generally permits oil and gas issuers, in their filings with the SEC, to disclose both proved reserves and probable reserves (each as defined in the SEC rules), the SEC definitions and estimation of proved reserves and probable reserves may differ from the definitions and estimation of "proved reserves" and "probable reserves" under Canadian securities laws. In addition, under Canadian disclosure requirements and industry practice, reserves and production are reported using gross (or, as noted above with respect to production information, "company interest") volumes, which are volumes prior to deduction of applicable royalties and similar payments. The practice in the United States is to report reserves and production using net volumes, after deduction of applicable royalties and similar payments, plus royalty interests. Moreover, in accordance with Canadian disclosure requirements, the Company has determined and disclosed estimated future net revenue from its reserves using forecast prices and escalating costs, whereas the SEC generally requires that reserves estimates be prepared using an unweighted average of the closing prices for the applicable commodity on the first day of each of the twelve months preceding the Company's fiscal year-end, with the option of also disclosing reserves estimates based upon future or other prices and constant costs. As a consequence of the foregoing, the Company's reserves estimates and production volumes may not be comparable to those made by companies utilizing United States reporting and disclosure standards.

Interests in Reserves, Production, Wells and Properties

Certain of the following definitions and guidelines are contained in the glossary to NI 51-101 contained in CSA Notice 51-324, which incorporates certain definitions from the COGE Handbook. Readers should consult CSA Notice 51-324 and the COGE Handbook for additional explanation and guidance.

In addition to the terms having defined meanings set forth in CSA Notice 51-324, the terms set forth below have the following meanings when used in this Annual Information Form:

"**gross**" means:

(a) in relation to Greenfire's interest in production or reserves, its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of Greenfire;

(b) in relation to wells, the total number of wells in which Greenfire has an interest; and

(c) in relation to properties, the total area in which Greenfire has an interest.

"**net**" means:

(a) in relation to Greenfire's interest in production or reserves, its working interest (operating or non-operating) share after deduction of royalty obligations, plus Greenfire's royalty interests in production or reserves;

(b) in relation to Greenfire's interest in wells, the number of wells obtained by aggregating Greenfire's working interest in each of its gross wells; and

(c) in relation to Greenfire's interest in a property, the total area in which Greenfire has an interest multiplied by the working interest owned by Greenfire.

"**working interest**" means the percentage of undivided interest held by Greenfire in the oil and/or natural gas or mineral lease granted by the mineral owner (Crown or freehold), which interest gives Greenfire the right to "work" the property (lease) to explore for, develop, produce and market the leased substances.

Reserves Categories and Levels of Certainty for Reported Reserves

In this Annual Information Form, the following terms have the meaning assigned thereto in CSA Notice 51-324 and the COGE Handbook:

"**reserves**" are estimated remaining quantities of crude oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed. Reserves may be divided into proved and probable categories according to the degree of certainty associated with the estimates.

"**proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

Development and Production Status

Each of the reserves categories reported by Greenfire (proved and probable) may be divided into developed and undeveloped categories:

"**developed reserves**" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

- "**developed producing reserves**" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- "**developed non-producing reserves**" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"**undeveloped reserves**" are those reserves that are expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved or probable) to which they are assigned.

Description of Price and Cost Assumptions

"**forecast prices and costs**" means future prices and costs that are:

(a) generally accepted as being a reasonable outlook of the future; and

(b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which Greenfire is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices or costs referred to in paragraph (a).

FORWARD-LOOKING INFORMATION

This Annual Information Form contains forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable securities laws. The forward-looking information in this Annual Information Form is based on Greenfire's current internal expectations, estimates, projections, assumptions and beliefs. Such forward-looking information is not a guarantee of future performance

and involves 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. The Company believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable as of the time of such information, but no assurance can be given that these factors, expectations and assumptions will prove to be correct, and such forward-looking information included in this Annual Information Form should not be unduly relied upon.

The use of any of the words “expect”, “anticipate”, “estimate”, “objective”, “ongoing”, “may”, “will”, “should”, “project”, “believe”, “depends”, “could”, “guidance”, “plan”, “strategy” and similar expressions are intended to identify forward-looking information. In particular, but without limiting the generality of the foregoing, this Annual Information Form contains forward-looking information pertaining to the following:

- the Company’s business strategy and future plans, including prospects for future production
- Greenfire’s future operating and financial results;
- bitumen production levels;
- oil and natural gas prices and differentials, foreign currency exchange rates and interest rates;
- the quantity of, and future net revenues from, Greenfire’s reserves;
- capital spending programs, drilling programs, operating and reservoir management techniques, development plans and other future expenditures;
- sources of funding for the Company’s capital program and the terms of Greenfire’s future contractual obligations, including its obligations under the Senior Credit Facility and the 2028 Notes;
- the Company’s ability to meet current and future obligations, including making scheduled principal and interest payments and to fund the other needs of the business;
- the Company’s compliance with applicable regulatory permits and authorizations, including its ability to remedy its current non-compliance with sulphur dioxide emissions authorizations;
- potential plans to repurpose or relocate the SAGD facilities and infrastructure located at the McKay Asset, including the anticipated benefits thereof;
- future growth potential and future potential acquisitions and divestments
- expectations regarding Greenfire’s ability to raise capital and to continually add to reserves and/or resources through acquisitions and development;
- future liquidity and financial capacity;
- the amount of estimated future income tax deductions as well as the timing and magnitude of future income tax payments
- treatment of, and compliance by Greenfire with, existing and proposed governmental and other regulatory regimes and tax, environmental and other laws; and
- expectations about changes to laws and the impact thereof.

In addition, statements relating to “reserves” are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. Forward-looking information in this Annual Information Form relating to oil and gas exploration, development and production, and management’s general expectations relating to the oil and gas industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the industry which management believes to be reasonable. Although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. Management is not aware of any misstatements regarding any industry data presented in this Annual Information Form. Oil and gas exploration, development and production involves risks and uncertainties and industry data is subject to change based on various factors. See “*Risk Factors*” in this Annual Information Form.

All forward-looking information reflects Greenfire’s beliefs and assumptions based on information available at the time the applicable forward-looking information is disclosed and in light of the Company’s current expectations with respect to such matters as: the success of Greenfire’s operations and growth and expansion projects; expectations regarding production growth, future well production rates and reserves volumes; expectations regarding Greenfire’s capital program; the outlook for general economic trends, industry trends, prevailing and future commodity prices, foreign exchange rates and interest rates; prevailing and future royalty regimes and tax laws; expectations regarding differentials and realized prices; future well production rates and reserves volumes; fluctuations in energy prices based on worldwide demand and geopolitical events; the impact of inflation; the integrity and reliability of Greenfire’s assets; decommissioning obligations; Greenfire’s ability to comply with its

financial covenants; Greenfire's ability to comply with applicable regulations, including those related to various emissions; and the governmental, regulatory and legal environment. Management believes that its assumptions and expectations reflected in the forward-looking information contained herein are reasonable based on the information available on the date such information is provided and the process used to prepare the information. However, Greenfire cannot assure readers that these expectations will prove to be correct.

The forward-looking information included in this Annual Information Form is not a guarantee of future performance and involves 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, including, without limitation:

- changes in oil and gas prices and differentials;
- changes in the demand for or supply of Greenfire's products;
- the continued impact, or further deterioration, in global economic and market conditions, including from inflation and/or certain geopolitical conflicts, such as the ongoing war in Eastern Europe and the conflict in the Middle East, and other heightened geopolitical risks, including imposition of tariffs or other trade barriers, and the ability of the Company to carry on operations as contemplated in light of the foregoing;
- determinations by OPEC and other countries as to production levels;
- unanticipated operating results or production declines;
- changes in tax or environmental laws, climate change regulations, royalty rates or other regulatory matters;
- changes in Greenfire's operating and development plans;
- reliability of third party facilities, infrastructure and pipelines required for Greenfire's operations and production;
- competition for, among other things, capital, acquisitions of reserves and resources, undeveloped lands, access to services, third party processing capacity and skilled personnel;
- inability to retain drilling rigs and other services;
- severe weather conditions, including wildfires, impacting Greenfire's operations and third party infrastructure;



- availability of diluent, natural gas and power to operate Greenfire's facilities;
- failure to realize the anticipated benefits of the Company's acquisitions;
- incorrect assessment of the value of acquisitions;
- delays resulting from or inability to obtain required regulatory approvals;
- increased debt levels or debt service requirements;
- inflation;
- changes in foreign exchange rates;
- inaccurate estimation of Greenfire's bitumen reserves volumes;
- limited, unfavourable or a lack of access to capital markets or other sources of capital;
- increased costs;
- failure to comply with applicable regulations, including relating to the Company's emissions, and potentially significant impact on the Company's business, operations, production, reserves estimates and financial condition as a result of any penalties and orders associated therewith;
- a lack of adequate insurance coverage; and
- the other factors discussed under the "*Risk Factors*" section in this Annual Information Form.

The foregoing risks should not be construed as exhaustive. Many of these risk factors and other specific risks and uncertainties are discussed in further detail throughout this Annual Information Form and in the Company's MD&A, which is available on the Company's SEDAR+ profile at www.sedarplus.ca, and in the Company's annual report on Form 40-F filed with the SEC (together with this Annual Information Form), which is

available on the Company's EDGAR profile at www.sec.gov.

The forward-looking information contained in this Annual Information Form speaks only as of the date of this Annual Information Form and Greenfire does not assume any obligation to publicly update or revise such forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable laws. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

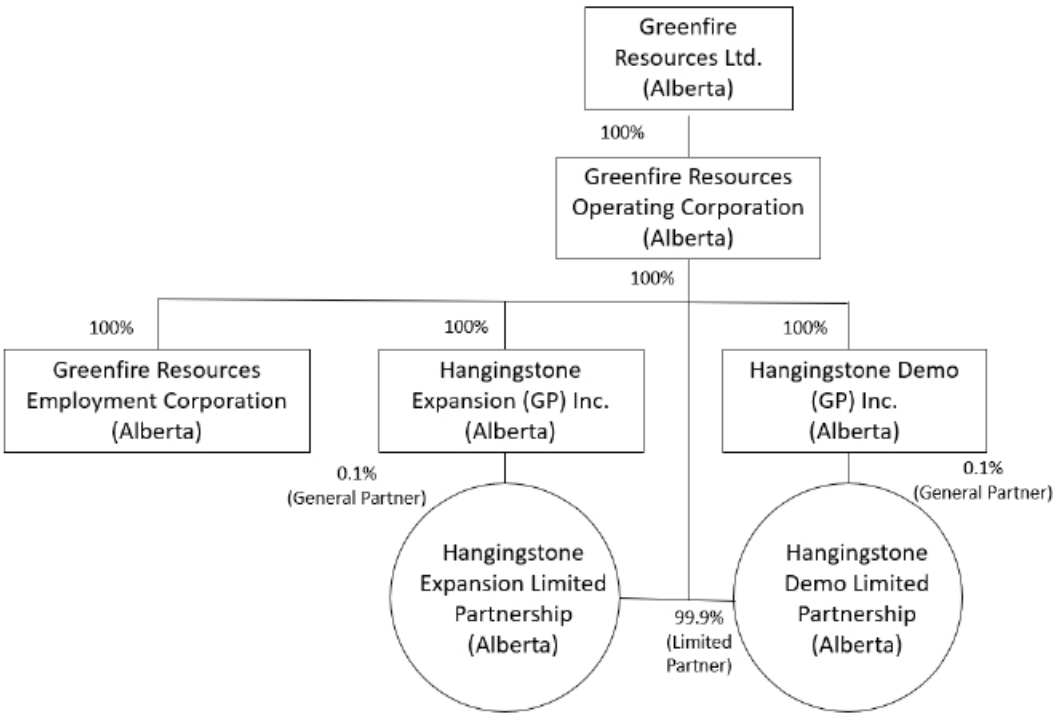
CORPORATE STRUCTURE

Greenfire's head office is located at Suite 1900, 205 – 5th Avenue SW, Calgary, Alberta T2P 2V7 and its registered office is located at Suite 3500, 855 – 2nd Street S.W., Calgary, Alberta T2P 4J8.

GRL was incorporated under the *Business Corporations Act* (Alberta) on December 9, 2022. GRL was incorporated in connection with a business combination transaction (the "**Business Combination**") involving, among others, GRL, Greenfire Resources Inc. (" **GRI**") and M3-Brigade Acquisition III Corp. ("**MBSC**"), a NYSE listed special purpose acquisition company, which was completed on September 20, 2023. Following completion of the Business Combination, GROC carries on Greenfire's business as the principal operating subsidiary of GRL.

Organizational Structure

The following organizational chart illustrates the intercorporate relationships between GRL and its subsidiaries, the percentage of votes attached to all voting securities of the subsidiaries beneficially owned, controlled or directed, directly or indirectly, by GRL, and the jurisdiction of incorporation or formation of each subsidiary.



GENERAL DEVELOPMENT OF THE BUSINESS

Summarized below are significant developments that have occurred in our business, and certain acquisitions, dispositions, events or conditions which have had an influence on those developments, during the last three financial years and year to date in 2025.

2022

Business Combination Agreement

On December 14, 2022, GRL, GRI and MBSC, among others, entered into a business combination agreement pursuant to which GRL would become the parent of both GRI and MBSC, with the combined company continuing to operate Greenfire's production and facilities.

Concurrently with the execution of the business combination agreement, GRL and MBSC entered into subscription agreements with certain investors (the "**PIPE Investors**") for the purchase of equity securities of MBSC for an aggregate closing purchase price of US$42 million (the "**PIPE Financing**").

2023

Completion of Business Combination

On September 20, 2023, the Company, GRI and MBSC completed the Business Combination pursuant to a plan of arrangement under the ABCA and closed the PIPE Financing. On closing of the Business Combination, former equity holders of GRI were issued approximately 86% of the outstanding Common Shares and received their pro rata share of US$75 million, and former MBSC equity holders and PIPE Investors were issued approximately 14% of the outstanding Common Shares.

At closing of the Business Combination, certain private placement warrants of MBSC were exchanged for warrants to purchase Common Shares at an exercise price of US$11.50 per Common Share (each, a "**Warrant**"), with such Warrants governed by the terms a warrant agreement and an amended and restated warrant agreement, each dated as of September 20, 2023, by and between GRL, Computershare Inc. and Computershare Trust Company, N.A. (the "**Warrant Agreements**"). Each Warrant expires on September 20, 2028.

Following completion of the Business Combination, on September 21, 2023, the Common Shares commenced trading on the NYSE under the symbol "GFR" and Greenfire became an SEC registrant. In connection with completion of the Business Combination, the Company entered into an Investor Rights Agreement granting MBSC, the PIPE Investors, and certain other GRL shareholders with customary United States registration rights, including an obligation by the Company to file and maintain the effectiveness of a shelf resale registration statement with the SEC until such time as there are no longer any "Registrable Securities" (as defined therein).

2028 Notes

Concurrently with the closing of the Business Combination, the Company completed a refinancing of GRI's 12.00% senior secured notes due 2025.

As part of that refinancing, GRL issued US$300 million aggregate principal amount of 2028 Notes, governed by the 2028 Note Indenture.

Senior Credit Facility

Concurrently with the closing of the Business Combination, the Company entered into the Senior Credit Agreement to provide for the Senior Credit Facility. On May 24, 2024, the Senior Credit Facility was extended until May 31, 2025, and may, subject to the lenders' approval, be extended for a further 364-day period. If the revolving period is not extended, the undrawn portion of the facility will be cancelled, and any amounts outstanding would be repayable on May 31, 2026.

Letter of Credit Facility

On November 1, 2023, the Company entered into the Letter of Credit Facility. The Letter of Credit Facility replaced the Company's cash collateralized letter of credit facility, which was terminated and cancelled upon the Letter of Credit Facility coming into effect.

2024

TSX Listing and Becoming a Reporting Issuer in Canada

On February 2, 2024, Greenfire filed a final non-offering prospectus with the Alberta Securities Commission resulting in the Company becoming a reporting issuer in the Province of Alberta. On February 8, 2024, the Common Shares commenced trading on the TSX under the symbol "GFR" and Greenfire became a reporting issuer in the provinces of Alberta and Ontario.

Redemption of 2028 Notes

On July 10, 2024, the Company redeemed approximately US$61 million of the 2028 Notes.

Acquisition of Control by, and Agreement with, Waterous Energy Fund

On November 8, 2024, WEF acquired 29,988,854 Common Shares, representing approximately 43.3% of the issued and outstanding Common Shares, from certain former shareholders of Greenfire. On December 23, 2024, WEF completed an acquisition of an additional 9,311,424 Common Shares and 2,654,179 Warrants from MBSC and Brigade Capital Management LP, increasing WEF's interest in the Company to approximately 56.5% of the issued and outstanding Common Shares on an undiluted basis. Collectively these acquisitions are referred to as "**WEF Acquisition**".

On December 23, 2024, the Company announced that it had entered into the Investor Agreement with WEF, among others, pursuant to which WEF agreed to, among other things, continue the Company's strategic review process. Under the terms of the Investor Agreement, certain former directors of the Company (Matthew Perkal, Robert Logan and Jonathan Klesch) resigned from the Board and six nominees proposed by WEF (Adam Waterous, Andrew Kim, David Roosth, Henry Hager, Brian Heald and David Knight Legg) were appointed to the Board, with Adam Waterous appointed as the Chairman of the Board. Tom Ebbern, who joined the Board on December 9, 2024, remained on the Board and was appointed as the Lead Director. In accordance with the terms of the Investor Agreement, Derek Aylesworth would remain on the Board but will not be nominated for re-election at the Company's shareholder meeting to be held on or about May 6, 2025.

Change of Control Offer and Amendment to the 2028 Note Indenture

On December 27, 2024, the Company announced the initiation of a change of control offer pertaining to its outstanding 2028 Notes. The offer concluded on February 19, 2025. A total of US$5,000 of aggregate principal amount of the Notes were validly tendered and redeemed.

Furthermore, effective March 1, 2025, the Company completed an amendment to the 2028 Note Indenture, which had received requisite approval of the holders of the 2028 Notes, to increase the permitted capital expenditures from $100 million to US$150 million in any twelve-month period.

Recent Developments

Acceleration of Expiry Dates of Performance Warrants

In connection with the WEF Acquisition, the Board has determined that such consituted a change of control under the Performance Warrant Plan and approved the acceleration of vesting dates of outstanding Performance Warrants to April 30, 2025, all in accordance with such plan. See "Description of Capital Structure – Warrants" in this Annual Information Form.

Change in Leadership

On February 11, 2025, the Company announced the appointment of Adam Waterous as Executive Chairman and Colin Germaniuk as President of the Company. As part of this leadership transition, Robert Logan (President and Chief Executive Officer), Kevin Millar (Senior Vice President, Operations & Steam Chief), Albert Ma (Senior Vice President, Engineering), and Crystal Park (Senior Vice President, Commercial) departed the Corporation on the same day.

Reporting of Sulphur Dioxide Exceedances

Following the changes in Greenfire's board of directors as a result of the WEF Acquisition, it was brought to the Company's attention that Greenfire's sulphur dioxide emissions may have been underreported. Prior management have been terminated. Greenfire takes its regulatory obligations very seriously and immediately reported the potential exceedance to the Alberta Energy Regulator ("**AER**"). Greenfire is currently in discussions with the AER and is exploring remedies, including potentially adding sulphur recovery units to the Expansion Asset. The extent of any potential exceedance and any remedies, penalties or orders imposed by the AER are unknown at this time.

PROJECTS OVERVIEW

Greenfire is an oil sands producer focused on the development of its long-life and low decline thermal oil assets in the Athabasca region of Alberta, Canada. The Company is actively developing its Hangingstone Facilities using SAGD, an enhanced oil recovery extraction method.

Hangingstone Expansion Asset

The Company owns a 75% working interest in the Expansion Asset, with the remaining 25% being owned by CNOOC Limited. The Company operates the Expansion Asset pursuant to the joint operating and ownership agreement dated effective October 16, 2012 between JACOS, as predecessor to the Company, and Nexen Inc., as predecessor to CNOOC Limited (the "**JV Agreement**"). The Expansion Asset is located in the southern Athabasca region of Northeastern Alberta, approximately 50 kilometers southwest of Fort McMurray.

The Expansion Asset was originally constructed by Japan Canada Oil Sands Limited (" **JACOS**"), with Phase I construction commenced in 2013. The Expansion Asset's first steam occurred in April 2017 and first production occurred in July 2017. Since the commencement of production in 2017, 32 well pairs have been developed at the Expansion Asset. In 2024, the annual average gross production from the Expansion Asset was 21,780 bbls/d (approximately 16,340 bbls/d net to Greenfire's working interest) of bitumen. The Expansion Asset produces bitumen that is blended with condensate to create Western Dilbit Blend, or WDB, which is a diluted bitumen that is widely accepted by refiners in Canada and the United States.



Greenfire has an interest in 17,730 gross hectares (13,298 net hectares) of land at the Expansion Asset. McDaniel, an independent qualified reserves and resources evaluator, estimated that the Expansion Asset contained approximately 387 million barrels of gross proved plus probable ("**2P**") bitumen reserves, as at December 31, 2024. The Expansion Asset has a 2P reserve life index of approximately 65 years based on 2024 average daily production volumes.

Greenfire is conducting a thorough evaluation of the Company's development plan, capital expenditures, and operational strategies for the Expansion Asset. The Company expects that future development plans will emphasize operational stability and safety, and will likely include drilling new well pairs on undeveloped reservoir at the Expansion Asset, potentially starting as early as the second half of 2025.

Hangingstone Demo Asset

The Company owns a 100% working interest in the Demo Asset, which is located approximately five kilometers from the Expansion Asset.

The Demo Asset, initially commissioned in 1999 by JACOS, was established as a demonstration project to validate the economic feasibility of enhanced thermal oil recovery. Since production began in 1999, a total of 24 well pairs have been developed at the facility. In 2024, the annual average bitumen production from the Demo Asset was 2,954 bbls/d.

Greenfire holds an interest in 974 hectares of land at the Demo Asset. McDaniel, an independent qualified reserves and resources evaluator, assessed the Demo Asset's 2P bitumen reserves at approximately 22 million barrels as of December 31, 2024. The Demo Asset's 2P reserve life index is estimated at approximately 20 years based on 2024 average daily production volumes.

Unlike other thermal oil assets in western Canada, bitumen production from the Demo Asset is distinctive because it is currently extracted without the addition of diluent or synthetic oils, which enhances flexibility in marketing and sales options. The primary destination for the Demo Asset's bitumen is the truck offloading facility at the Expansion Asset, where trucked volumes are blended with condensate and transported via pipeline through the WDB stream. Additionally, the diluent-free bitumen from the Demo Asset can be trucked to alternative sales points, such as other terminals or refineries in Alberta, and transported by rail to the United States for WTI-indexed pricing, when economically advantageous.

Greenfire is currently conducting a thorough evaluation of the Company's development plan, capital expenditures, and operational strategies for the Demo Asset. The Company expects that future development plans will prioritize optimizing base production at the Demo Asset.



INFRASTRUCTURE AND MARKETING OVERVIEW

Infrastructure at the Hangingstone Facilities

There is significant infrastructure in place at the Hangingstone Facilities to support reliable operations and long-term production growth.

The Expansion Asset is equipped with pipeline connections for both diluted bitumen and diluent transportation. Consequently, all production from the Expansion Asset, along with the majority of production from the Demo Asset—after being transported by truck from the Demo Asset to the truck offloading facility at the Expansion Asset—is moved to market via pipeline.

For the SAGD process, natural gas is utilized to generate steam. The Company purchases natural gas from the AECO hub which is then supplied through a pipeline on the Nova Gas Transmission Limited system. All electricity required for the Company's operations is purchased from the Alberta electricity grid.

Marketing Strategy at the Hangingstone Facilities

The Company transports its production to market through long-term transportation service agreements. The Expansion Asset is connected by pipeline for diluted bitumen transportation via an Enbridge owned lateral pipeline to the Enbridge Cheecham Terminal. The Cheecham terminal is a 3.1 million barrel facility, which provides access to key hubs in Edmonton, Alberta, via the Waupisoo Pipeline, and Hardisty, Alberta, via the Athabasca and Wood Buffalo pipelines. Greenfire maintains both committed and interruptible long-term transportation agreements on these dilbit egress pipelines, ensuring access to the Edmonton and Hardisty transfer points. At these transfer points, the Company realizes its pricing based on the WDB pooled benchmark price.

For its blending operations, the Expansion Asset sources condensate through a pipeline connection from major diluent supplies in Edmonton, Alberta, via the Polaris Pipeline. The Company has secured long-term transportation commitments on the Polaris Pipeline to ensure a consistent and reliable access to diluent supply.

Marketing Agreements

The Company maintains three distinct marketing agreements with Trafigura Canada Limited (successor to Trafigura Canada General Partnership), hereinafter referred to as the "**Petroleum Marketer**." Under these agreements, the Petroleum Marketer acquires all of the Company's bitumen and blend products and arranges transportation via pipelines and trucks for the Company's products and condensate, in return for a marketing fee. The agreements are outlined as follows:

1. **Demo Marketing Agreement**: Pursuant to a marketing agreement dated April 1, 2021, between the Company and the Petroleum Marketer, as amended periodically (the "**Demo Marketing Agreement**"), the Petroleum Marketer is obligated to purchase 100% of the monthly bitumen production from the Demo Asset. The purchase price is determined by the weighted average of all third-party sales of the product acquired by the Petroleum Marketer, subject to adjustments based on various factors. Additional fees and payments are also payable by the Company, subject to production rates, revenues and commodity pricing at the Demo Asset. Portions of this agreement are set to expire on April 1, 2026, with certain fees payable until the Demo Asset reaches agreed upon production and revenue thresholds.

2. **Expansion Marketing Agreement**: Under a marketing agreement dated September 17, 2021, between the Company and the Petroleum Marketer, as amended periodically (the "**Expansion Marketing Agreement**"), the Petroleum Marketer is committed to purchasing 100% of the monthly diluted bitumen volumes from the Expansion Asset. The purchase price is calculated as the weighted average of all third-party sales of the product acquired by the Petroleum Marketer, with adjustments based on various factors. This agreement is scheduled to terminate on October 1, 2028.



3. **Expansion Diluent Condensate Agreement**: Pursuant to a marketing agreement dated September 17, 2021, between the Company and the Petroleum Marketer, as amended periodically (the "**Expansion Diluent Condensate Agreement**"), the Petroleum Marketer agrees to supply 100% of the condensate required by the Company for blending with its bitumen production to meet pipeline specifications. The purchase price is based on the weighted average market price for condensate at the time of sale, subject to adjustments based on various factors. This agreement is set to expire on October 1, 2028.

Infrastructure Connectivity to North American Heavy Oil Markets

The Company realizes pricing for its production at transfer points in Edmonton and Hardisty, Alberta, which are key hubs for heavy oil in western Canada. These locations are interconnected via pipelines to major refining regions in Canada, as well as the United States, including the Midwest and Gulf Coast, representing substantial markets for Canadian heavy oil. Recent improvements in western Canadian heavy oil pricing stem from the completion of the Transmountain Expansion pipeline, which connects from Edmonton, Alberta to Burnaby, British Columbia. Operational since the second quarter of 2024, this pipeline has enhanced egress capacity by 590,000 barrels per day to Canada's west coast, adding tidewater access for Canadian oil production.

McKay Central Processing Facility

The Company holds a 95% working interest in the McKay Asset, located approximately 45 kilometers north of Fort McMurray. Greenfire acquired the 95% interest in and operatorship of the McKay Asset in the second quarter of 2024 and is currently taking steps to acquire the remaining 5% interest. Operations at the McKay Asset have been suspended since March 2023, and the Company was granted approval from the Alberta Energy Regulator in November 2024 to begin decommissioning and reclamation activities. Greenfire considers the McKay Asset to possess high-quality SAGD facilities and infrastructure, which could potentially be relocated to a more productive reservoir in the future. Although no significant capital investment is planned for the McKay Asset in the near term, the Company is actively evaluating options to optimize and maximize the facility's value.

ADDITIONAL DETAILS OF THE BUSINESS

Production History

The following table sets forth Greenfire's share of average gross daily production volumes by product type for each fiscal quarter in 2024 and for the entire year.

	Year Ended December 31, 2024				
Product Type	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Annual**
Bitumen (bbl/d)	19,667	18,993	19,125	19,384	19,292

The following table sets forth the average daily production volumes for the year ended December 31, 2024 for Greenfire's two producing assets at the Hangingstone Facilities.

Area	**Bitumen (bbl/d)**
Demo Asset	2,954

Expansion Asset	16,338
Total	**19,292**



Quarterly Netback History

The following tables set forth Greenfire's average netbacks received on a gross basis for each quarter in the year ended December 31, 2024 and for the entire year. Netbacks are calculated on the basis of prices received but before the effects of commodity derivative instruments, less related royalties, production costs and transportation costs.

	Year Ended December 31, 2024				
Bitumen ($ per bbl)	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**Annual**
Oil Sales[(1)]	75.41	89.93	83.01	79.00	81.63
Diluent expense	14.97	11.23	9.08	11.77	11.75
Royalties	3.49	5.78	5.11	3.80	4.51
Operating expenses	20.10	20.42	23.90	21.83	21.54
Transportation and marketing expense	7.30	7.77	7.34	7.34	7.43
Operating netback, excluding realized gain (loss) on risk management contracts	29.55	44.73	37.58	34.26	36.40
Realized gain (loss) on risk management contracts	(4.86)	(8.05)	(3.58)	0.55	(3.91)
Operating netback	24.69	36.68	34.00	34.81	32.49

Notes:

(1) Before the effects of commodity derivative instruments.
(2) Production and operating costs are costs incurred to operate and maintain wells and related equipment and facilities, including operating costs of support equipment used in oil and gas activities and other costs of operating and maintaining those wells and related equipment and facilities.

Costs Incurred

In the financial year ended December 31, 2024, Greenfire made the following expenditures in the categories noted, as prescribed by NI 51-101:

	Costs Incurred ($ millions)
Property acquisition costs	
Proved properties	0.0
Unproved properties	4.4
Exploration costs	0.0
Development costs	94.0
Total	**98.4**



Exploration and Development Activities

The following table summarizes the number and type of wells that Greenfire drilled or participated in the drilling of for the year ended December

31, 2024. Wells have been classified in accordance with the definitions of such terms in NI 51--101.

	Exploratory Wells		Development Wells	
Category of Well	**Gross**	**Net**	**Gross**	**Net**
Oil wells	-	-	16.0	13.0
Natural gas wells	-	-	-	-
Service wells	-	-	3.0	2.3
Dry wells	-	-	-	-
Stratigraphic wells	-	-	2.0	1.5
Water disposal wells	-	-	1.0	1.0
Total wells[1]	**-**	**-**	**22.0**	**17.8**

Notes: (1) *Greenfire has 100% working interest at Demo & 75% working interest at Expansion*

For a description of the Company's current and likely exploration and development activities see "Projects Overview".

Oil and Gas Properties and Wells

The following table sets forth Greenfire's producing and non-producing bitumen production wells as of December 31, 2024, all of which are in Alberta, Canada:

	Producing Wells[1]		Non-Producing Wells[1]	
Expansion Asset	**Gross**	**Net**	**Gross**	**Net**
SAGD Well Pairs[2]	32	24	0	0
Infill Wells	0	0	0	0
Demo Asset				
SAGD Well Pairs[3]	16	16	8	8
Infill Wells	0	0	0	0
Total	**48**	**40**	**8**	**8**

Note:

(1) All of Greenfire's wells are located onshore.
(2) These SAGD wells include 11 redevelopment wells at the Expansion Asset in 2024.
(3) These SAGD wells include 5 redevelopment wells drilled at the Demo Asset in 2024.

Greenfire maintained a total of 56 gross (48 net) horizontal wells capable of producing bitumen as of December 31, 2024, and December 31, 2023. By the end of 2024, the Company has drilled 16 redevelopment wells, which are accounted for within its SAGD well pair inventory. Over the past three fiscal years, Greenfire has not drilled any exploratory wells or recorded any dry exploratory or development wells.

As evaluated by McDaniel as of December 31, 2024, Greenfire's proved undeveloped reserves are associated with planned well locations within an AER approved development area. These locations are situated within three miles of existing bitumen-producing wells at the Company's Expansion Asset and Demo Asset. The development of Greenfire's proved undeveloped reserves is planned to proceed systematically. Additional well pairs, , and infill wells will be drilled, as required, to utilize available steam capacity as existing well pairs complete their steam injection phases. The forecasted production lifespan of Greenfire's proved reserves extends approximately 33 years from the evaluation date. As of December 31, 2024, Greenfire has no properties with attributed reserves that are capable of production but are not producing.

Land Acreage

All of Greenfire's acreage is located in the Province of Alberta and is held indefinitely. There are no near-term acreage expirations. The following table shows Greenfire's total gross and net mineral rights acreage by asset location as of December 31, 2024:

Properties with Reserves

Area	Property	Interest (%)	Gross Area (Hectares)	Net Area (Hectares)
Hangingstone	Expansion	75	17,730	13,298
Hangingstone	Demo	100	974	974
Total Acreage			**18,704**	**14,272**

Geology

Greenfire's reserves at the Hangingstone Facilities are located in the McMurray Formation, a geological deposit from the Cretaceous period. This formation consists of sands and shales that were deposited in river and coastal environments. The sands, where thick, comprise the reservoir, which hold a mix of bitumen and water that has migrated into the pore space. Marine mudstones sit atop the reservoir forming a competent caprock that provides containment of fluids and pressure. The bitumen in this formation is notably dense, with an average API gravity of approximately 8 degrees.

The McMurray Formation's loose sand is well-suited for the in-situ recovery method of SAGD **.** The SAGD extraction method heats up the bitumen by injecting steam, reducing its viscosity and allowing it to flow within the reservoir to ultimately be extracted to the surface. The reservoir lies at an average depth of 360 meters (about 1,180 feet) below ground, with thickness ranging from 10 to 48 meters (32 to 157 feet), with an average thickness of approximately 19 meters (62 feet). The sand is saturated with bitumen at levels ranging from 75% to 85%, with an average porosity of 33%, providing significant pore space to hold the bitumen. The permeability of the sand, a measure of how easily fluids can flow through it, ranges from 3,500 to 6,100 millidarcies, indicating strong flow potential. The reservoir's initial pressure is 2,100 kPa (approximately 300 psi), and its temperature is approximately 10°C (50°F). At this temperature, the bitumen is extremely thick, with a viscosity exceeding 1,000,000 centipoise**,** comparable to cold tar at initial reservoir conditions.

Properties with No Attributed Reserves

The following table sets out Greenfire's properties with no attributed reserves as of December 31, 2024:

	Undeveloped Acres	
Region	**Gross Interest**	**Net Interest**
Alberta	63,767	25,524

Greenfire holds significant undeveloped leases at three locations, Chard, Corner, and Liege, all of which are in the Athabasca region of Alberta, Canada. The Company believes that the Chard, and Corner properties are potential prospects for future in-situ bitumen production using SAGD processes

Unproved Properties

Area	**Property**	**Interest (%)**	**Gross Area (Hectares)**	**Net Area (Hectares)**
Corner	Corner North	100	6,516	6,516
Corner	Corner South	12	12,004	1,440
Chard	Chard North	100	7,318	7,318
Chard	Chard West	25	7,800	1,950
Chard	Chard East	25	7,250	1,812
Chard	Chard	25	8,031	2,008
Hangingstone	Gas	100	1,024	1,024
Liege	Liege	25	13,824	3,456
Total Acreage			**63,767**	**25,524**

Greenfire does not anticipate any material expirations of its rights to explore, develop, or produce on its unproved properties before December 31, 2025. Additionally, the company has no significant work commitments associated with these properties. For any properties with no reserves or on unproved lands, Greenfire does not have unusually high expected development costs or operating costs, or contractual obligations to produce and sell a significant portion of production at prices substantially below those which could be realized but for those contractual obligations. Operating expenditures and abandonment and reclamation costs for all properties with no reserves or on unproved lands are included in the Company's asset retirement disclosures in the financial statements of the Company.

Competition

The petroleum industry is competitive in all of its phases. Greenfire competes with numerous other entities in the exploration, development, production and marketing of oil. Greenfire's competitors include oil and natural gas companies that have substantially greater financial resources, workforce and facilities than those of Greenfire. Some of these companies not only explore for, develop and produce oil, but also carry on refining operations and market oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than Greenfire. Greenfire's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil include price, process, and reliability of delivery and storage.

Greenfire also faces competition from companies that supply alternative resources of energy, such as wind or solar power. Other factors that could affect competition in the marketplace include additional discoveries of Hydrocarbon reserves by Greenfire's competitors, changes in the cost of production, and political and economic factors and other factors outside of Greenfire's control.

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services

utilizing new technologies that may increase the viability of reserves or reduce production costs. Other companies may have greater financial, technical and personnel resources that allow them to implement and benefit from such technological advantages. Greenfire may not be able to respond to such competitive pressures and implement such technologies on a timely basis, or at an acceptable cost. If Greenfire does implement such technologies, Greenfire may not do so successfully. One or more of the technologies currently used or implemented in the future by Greenfire may become obsolete or uneconomic. If Greenfire is unable to employ the most advanced commercially available technology, or is unsuccessful in implementing certain technologies, its business, financial condition and results of operations could also be adversely affected in a material way.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. A mild winter or wet spring may result in limited access and, as a result, reduced operations or a cessation of operations. Greenfire operates in an area of extreme weather conditions. Cold temperatures affect the properties of diluent and bitumen and may contribute to production difficulties, delivery problems and increased operating costs. Winter driving conditions in Northern Alberta can affect truck transportation of Greenfire's bitumen, and cold weather can lead to equipment failure and slowdown. Warmer temperatures can lead to equipment failures and slowdowns not only at the Expansion Asset and Demo Asset but can also affect delivery of operating inputs such as natural gas and cause power price surges.

Municipalities and provincial transportation departments enforce road bans that restrict the movement of drilling rigs and other heavy equipment during periods of wet weather, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to increases or declines in exploration and production activity as well as increases or declines in the demand for the goods Greenfire produces.

Specialized Skill and Knowledge

Greenfire employs individuals with various professional skills in the course of pursuing its business plan. These professional skills include, but are not limited to, experience in geology, geophysics, engineering, data analytics, financial and business skills. In addition, various consultants are engaged in specialized skills as required. Greenfire believes it has adequate personnel with the specialized skills and knowledge to successfully carry out its business and operations.

Employees

As at December 31, 2024, Greenfire had 49 full-time employees and 5 consultants located at its Calgary office, and 144 full-time employees and 17 contracted operators in various field locations.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Summary of Oil and Gas Reserves Data

As at December 31, 2024, all of Greenfire's reserves were located in Canada and, specifically, in the Province of Alberta. The Company's reserves have been evaluated, and all of Greenfire's reserves and other oil and gas information has been prepared and presented, in accordance with NI 51-101. McDaniel and Associates Consultants Ltd. ("**McDaniel**"), an independent petroleum consulting firm based in Calgary, Alberta, has evaluated the petroleum reserves associated with all of Greenfire's properties. McDaniel used the average of the commodity price forecasts and inflation rates of Sproule Associates Limited ("**Sproule**"), McDaniel and GLJ Ltd. ("**GLJ**") as of January 1, 2025 to prepare the McDaniel Report. The reserves data presented in the McDaniel Report, which include reserves volumes and net present values, were prepared in accordance with the COGE Handbook.

The McDaniel Report adheres in all material aspects to the principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers regarding annual reserves reports that are being released in the public domain. The standards in the COGE Handbook require McDaniel to plan and perform an assessment of the Company's reserves data in order to obtain reasonable assurance as to whether such reserves data is free of material misstatement.

The following sections and tables summarize, as at December 31, 2024, Greenfire's reserves and the estimated net present values of future net revenues associated with such reserves, together with certain information, estimates and assumptions associated with such reserves estimates. The data contained in the tables is a summary of the evaluations and, as a result, the tables may contain slightly different numbers than the evaluations themselves due to rounding. Additionally, the columns and rows in the tables may not add due to rounding. For information relating to the changes in the volumes of the Company's reserves from December 31, 2023 to December 31, 2024, see "*—Reconciliation of Changes in Reserves*" below.

All evaluations of future revenue are stated after the deduction of royalties, operating costs, development costs and abandonment, decommission and reclamation costs.

All estimates of future net revenues are stated prior to provision for interest and after deduction of royalties and estimated future capital expenditures and are presented both before and after deducting income taxes. For additional information, see "*—Tax Horizon*", "*Industry Conditions*" and "*Risk Factors*" in this Annual Information Form.

With respect to pricing information in the following reserves information, the wellhead oil prices were adjusted for quality and transportation based on historical actual prices.

It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of bitumen reserves and the future cash flows attributed to such reserves. The reserves and associated cash flow information set forth herein are estimates only. There is no guarantee that the estimated reserves will be recovered. Actual bitumen reserves may be greater than or less than the estimates provided herein.



The following table sets forth the estimated gross and net volumes attributable to Greenfire's reserves as at December 31, 2024, using forecast prices and costs:

Summary of Oil and Gas Reserves (Forecast Prices and Costs)
As of December 31, 2024

	Bitumen	
Reserves Category	**Gross (Mbbl)**	**Net (Mbbl)**
Proved		
Developed Producing	26,819	24,386
Developed Non- Producing	-	-
Undeveloped	207,907	160,815
Total Proved	**234,726**	**185,201**
Total Probable	173,861	129,588
Total Proved Plus Probable	**408,587**	**314,788**

The following table sets forth the net present value of future net revenue attributable to Greenfire's reserves as at December 31, 2024 on a before- and after-tax basis using forecast prices and costs:

Summary of Net Present Value of Future Net Revenue (Forecast Prices and Costs)
As of December 31, 2024

	Before Deducting Income Taxes					After Deducting Income Taxes					Unit
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	Value[2]
Reserves Category	(in $ millions)[1]					(in $ millions)[1]					$/bbl
Proved											
Developed Producing	758	739	693	644	599	758	739	693	644	599	28.40
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Undeveloped	5,929	3,075	1,761	1,102	737	4,327	2,313	1,355	864	587	10.95
Total Proved[3]	**6,687**	**3,813**	**2,454**	**1,746**	**1,336**	**5,085**	**3,052**	**2,047**	**1,508**	**1,186**	**13.25**
Total Probable	7,449	1,687	582	303	208	5,022	1,163	422	233	168	4.49
Total Proved plus Probable	**14,136**	**5,500**	**3,035**	**2,049**	**1,544**	**10,107**	**4,214**	**2,469**	**1,741**	**1,354**	**9.64**

Notes:

(1) Net present value of future net revenue includes all resource income, including the sale of oil, gas, by-product reserves, processing third party reserves and other income.
(2) Calculated using net present value of future net revenue before deducting income taxes, discounted at 10% per year, and net reserves. The unit values are based on net reserves volumes.



Forecast Prices and Costs

The forecast prices and costs assume no legislative or regulatory amendments and include the effects of inflation. The estimated future net revenue to be derived from the production of the reserves is based on the average forecast price and costs of Sproule, McDaniel and GLJ, each qualified reserves evaluators or auditors who are independent of Greenfire within the meaning of NI 51-101, as of January 1, 2025 for the future crude oil, natural gas and natural gas product prices, and the following inflation and exchange rate assumptions:

	Crude Oil									
Year	WTI Crude Oil ($US/bbl)	Brent Crude Oil ($US/bbl)	Edmonton Light Crude Oil ($/bbl)	Alberta Bow River Hardisty Crude Oil ($/bbl)	Western Canadian Select Crude Oil ($/bbl)	Alberta Heavy Crude Oil ($/bbl)	Sask. Cromer Medium Crude Oil ($/bbl)	Natural Gas at AECO (C$/MMBtu)	Inflation(1) %	Exchange Rate(2) $US/$CAN
2025	71.58	75.58	94.79	83.89	82.69	75.85	91.15	2.36	0.0	0.712
2026	74.48	78.51	97.04	86.45	84.27	77.56	93.35	3.33	2.0	0.728
2027	75.81	79.89	97.37	85.50	83.81	77.12	93.62	3.48	2.0	0.743
2028	77.66	81.82	99.80	87.21	85.70	78.81	95.96	3.69	2.0	0.743
2029	79.22	83.46	101.79	88.95	87.45	80.45	97.88	3.76	2.0	0.743
2030	80.80	85.13	103.83	90.73	89.25	82.12	99.83	3.83	2.0	0.743
2031	82.42	86.84	105.91	92.55	91.04	83.77	101.83	3.91	2.0	0.743
2032	84.06	88.57	108.03	94.40	92.85	85.45	103.87	3.99	2.0	0.743
2033	85.74	90.31	110.19	96.29	94.71	87.17	105.95	4.07	2.0	0.743
2034	87.46	92.09	112.39	98.21	96.61	88.92	108.06	4.15	2.0	0.743
2035	89.21	93.93	114.64	100.18	98.54	90.69	110.22	4.23	2.0	0.743
2036	90.99	95.81	116.93	102.18	100.51	92.51	112.43	4.32	2.0	0.743
2037	92.81	97.72	119.27	104.22	102.52	94.36	114.68	4.40	2.0	0.743
2038	94.67	99.68	121.65	106.31	104.57	96.25	116.97	4.49	2.0	0.743
2039	96.56	101.67	124.09	108.43	106.66	98.17	119.31	4.58	2.0	0.743

Escalation of 2% per year thereafter

Notes:

(1) Inflation rates for forecasting costs only.
(2) The exchange rate is used to generate the benchmark reference prices in this table.

Greenfire received a weighted average price for the year ended December 31, 2024 of $81.63/bbl for bitumen.

Reconciliation of Changes in Reserves

The following table provides a reconciliation of the changes in Greenfire's gross reserves as at December 31, 2024 against its gross reserves as at December 31, 2023, based on forecast prices and costs assumptions:

	Bitumen (Mbbl)		
	Proved	Probable	Proved Plus Probable
December 31, 2023	**183,282**	**54,396**	**237,679**
Extensions and improved recovery	60,225	120,423	180,649
Technical revisions(1)	(1,576)	(959)	(2,534)
Discoveries	-	-	-
Acquisitions	-	-	-
Dispositions	-	-	-
Economic factors	-	-	-
Production	(7,206)	-	(7,206)
December 31, 2024	**234,726**	**173,861**	**408,587**

Note:

(1) Technical revisions are associated with the decommissioning of production from existing well-bores that are to be re-drilled as part of the upcoming drilling program, as well as changes to the future development plan.



Undiscounted Future Net Revenue by Reserves Category

The undiscounted total future net revenue by reserves category as of December 31, 2024, using forecast prices and costs, is set forth below:

Reserves Category ($ millions)	Revenue[1]	Royalties[2]	Operating Costs	Development Costs	Abandonment and Reclamation Costs[3]	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Total Proved	17,959,653	3,922,667	4,961,661	2,117,638	270,265	6,687,422	1,602,263	5,085,160
Total Proved plus Probable	37,851,599	8,921,496	9,869,600	4,563,565	360,844	14,136,095	4,029,151	10,106,944

Notes:

(1) Includes all product revenues and other revenues as forecast.
(2) Royalties include any net profits interests paid.
(3) Abandonment and reclamation costs include but are not limited to items such as: producing wells, suspended wells, service wells, gathering systems, facilities, and surface land development.

Net Present Value of Future Net Revenue by Product Type

The net present value of future net revenue before income taxes by reserves category as of December 31, 2024, using forecast prices and costs and discounted at 10% per year, is set forth below:

Reserves Category	Product Type	Future Net Revenue Before Income Taxes (Discounted at 10% / Year) (in $ millions)	Unit Value Before Income Taxes (Discounted at 10% / Year)[1] ($/bbl)
Proved	Bitumen	2,454	13.25
Proved plus Probable	Bitumen	3,035	9.64

Note:

(1) Unit values are based on net reserves volumes.

Estimated Production for Gross Reserves Estimates

The volume of total production for Greenfire estimated for 2025 in preparing the estimates of gross proved reserves and gross probable reserves of bitumen is set forth below. Actual 2025 production of bitumen may vary from the estimates provided as Greenfire's actual development programs, timing and priorities may differ from the forecast of development.

	Gross Proved Reserves		Gross Probable Reserves	
Bitumen	Estimated 2025 Aggregate Production (Mbbl)	Estimated 2025 Average Daily Production (bbl/d)	Estimated 2025 Aggregate Production (Mbbl)	Estimated 2025 Average Daily Production (bbl/d)
Alberta				
Expansion Asset	6,118	16,763	582	1,593
Demo Asset	1,741	4,770	175	480

Future Development Costs

The amount of development costs deducted in the estimation of net present value of future net revenue is set forth below. Greenfire intends to fund its development activities through cash, internally generated cash flow and/or debt. Greenfire does not anticipate that the cost of obtaining the funds required for these development activities will have a material effect on Greenfire's disclosed oil and gas reserves or future net revenue attributable to those reserves. For additional information, see "*Description of the Business –Costs Incurred*" in this Annual Information Form.

Year	Proved Reserves ($ millions)	Proved Plus Probable Reserves ($ millions)
2025	81,793	78,793

2026	284,547	238,073
2027	164,896	171,252
2028	36,312	35,118
2029	63,422	103,794
Remainder	1,486,668	3,936,535
Total (Undiscounted)	**2,117,638**	**4,563,565**

Undeveloped Reserves

The following tables disclose the volumes of proved undeveloped bitumen reserves and probable undeveloped bitumen reserves of Greenfire that were first attributed in the years indicated.

Proved Undeveloped Reserves

	Bitumen (Mbbl)	
Year	**Attributed in year**	**Total at year-end**
2022	-	148,007
2023	6,797	152,396
2024	60,225	207,907

Proved undeveloped reserves are assigned to lands inside the approved development areas. These areas also contain sufficient stratigraphic drilling to demonstrate with a high degree of certainty the presence of bitumen in commercially recoverable volumes. McDaniel's standard for sufficient drilling in a fluvial SAGD formation is a minimum of eight stratigraphic wells per section with 3D seismic or 16 stratigraphic wells per section with no seismic. Greenfire has approximately 207.9 MMbbls of proved undeveloped reserves.

Development of the proved undeveloped reserves is expected to occur over the next 33 years. Timing of the investment and the desired pace of development will depend to a large extent on economic conditions, including, in particular, world commodity prices.

Probable Undeveloped Reserves

	Bitumen (Mbbl)	
Year	**Attributed in year**	**Total at year-end**
2022	-	48,229
2023	2,173	48,364
2024	120,423	167,567

Probable undeveloped reserves are assigned to lands outside the development areas where the Company has firm development intent with sufficient levels of delineation. The lands assigned probable reserves are in close proximity to the initial developments and contain sufficient drilling of stratigraphic wells to establish reservoir suitability for SAGD. McDaniel's standard for probable reserves is a minimum of four stratigraphic wells per section. Greenfire has 167.6 MMboe of probable undeveloped reserves.

Development of the probable undeveloped reserves is expected to occur over the next 50 years. Timing of the investment and the desired pace of development will depend to a large extent on performance of new and existing wells and economic conditions, including, in particular, world commodity prices.

See "*Statement of Reserves Data and Other Oil and Gas—Future Development Costs* " for a description of Greenfire's exploration and development plans and expenditures.

Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserves estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserves estimates and the present worth of the future net revenue therefrom. These factors and assumptions include, among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves. Although every reasonable effort is made to ensure that reserves estimates are accurate, reserves estimation is an inferential science. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates.

Greenfire has a significant amount of proved undeveloped and probable undeveloped reserves assigned to its properties. As circumstances change and additional data becomes available, reserves estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by new information. Revisions are often required due to changes in well performance, prices, economic conditions and government restrictions. Revisions to reserves estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative. Degradation in future commodity price forecasts relative to the forecast in the McDaniel Report can also have a negative impact on the economics and timing of development of undeveloped reserves, unless significant reduction in the future costs of development are realized.

Other than the foregoing, Greenfire does not anticipate any significant economic factors or significant uncertainties that may affect any particular components of this statement of reserves data and other oil and gas information. However, reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond Greenfire's control.

Abandonment and Reclamation Costs

The Company follows IFRS to account for and report the estimated cost of future site abandonment and reclamation. This standard requires liability recognition for retirement obligations associated with long-lived assets, which would include abandonment of wells and related facilities, natural gas wells and related facilities, removal of equipment from leased acreage and returning such land to a condition equivalent to its original condition. Under the standard, the estimated cost of each decommissioning obligation is recorded in the period a well or related asset is drilled, constructed or acquired. The obligation is estimated using the present value of the estimated future cash outflows to abandon the asset at the Company's credit-adjusted risk-free rate. The obligation is reviewed regularly by management based upon current regulations, costs, technologies and industry standards. The discounted obligation is recognized as a liability and is accreted against income until it is settled, or the property is sold and is included as a component of net finance expense. Actual restoration expenditures are charged to the accumulated obligation as incurred.

The Company's decommissioning obligation is the estimated cost of future abandonment and reclamation of the Company's existing long-lived assets. As of December 31, 2024, the estimated total undiscounted amount required to settle the decommissioning obligations in respect of all the Company's facilities and wells, net of estimated salvage recoveries, was $337.7 million. This obligation is estimated to be settled in periods up to 2074. The discounted present value of this amount is $16.2 million as reported in the financial statements of the Company for the year ended December 31, 2024.

The McDaniel Report estimate of abandonment and reclamation costs is an estimate of the amount required to abandon and reclaim the entire development (including well sites, gathering systems and processing facilities) over the life of the reserves. In the McDaniel Report, abandonment and reclamation costs for total proved plus probable reserves were estimated to be $361 million, undiscounted, and $18 million, discounted at 10%. These costs include the abandonment, decommissioning and reclamation of the entire Hangingstone Facilities, infrastructure, currently drilled SAGD and observation wells plus the future well pairs, infills and observation wells anticipated to be required to develop the assigned reserves over the life of the Hangingstone Facilities. These estimates do not include abandonment and reclamation costs or other liabilities outside of the Hangingstone Facilities, which the Company has included in determining its total decommissioning provision.

Tax Horizon

In 2024, Greenfire was not required to pay any Canadian income related taxes. It is expected, based upon current legislation, the projections contained in the McDaniel Report, proved plus probable analysis and various other assumptions, that no income taxes will be required to be paid by Greenfire until 2029. A higher level of capital expenditures than those contained in the McDaniel Report, or further additional acquisitions, could further extend the estimated tax horizon.

Forward Contracts

Greenfire may use financial derivatives to manage its exposure to fluctuations in commodity prices, foreign exchange and interest rates. These include contracts for management of price exposures associated with crude oil, crude oil differentials, condensate, natural gas liquids, natural gas, electricity, carbon and renewable power contracts and may include contracts for exposure management unrelated to crude oil sales price risk management. Refer to the Company's annual consolidated financial statements for the year ended December 31, 2024 for additional details on outstanding risk management contracts.

The 2028 Note Indenture has a minimum WTI hedging requirement of 50% of the forward 12 calendar month proved developed producing forecasted production, as prepared in accordance with the Canadian standards under NI 51-101, until principal debt under the senior secured notes is less than US$100.0 million.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

Greenfire's authorized share capital is comprised of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series (the "**Preferred Shares**"). As at the date of this Annual Information Form, there were 69,922,429 Common Shares and no Preferred Shares issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and the Preferred Shares.

Common Shares

Greenfire has an unlimited number of Common Shares authorized. The holders of Common Shares are entitled to: dividends if, as and when declared by the Board; to vote at any meetings of the Greenfire's shareholders; and upon liquidation, dissolution or winding up of Greenfire, receive the remaining property and assets of Greenfire. All of the Common Shares issued and outstanding are fully paid and non-assessable.

Voting Rights

The holders of the Common Shares are entitled to receive notice of, to attend and to one vote per Common Share held at any meeting of Greenfire's shareholders, but not at meetings at which only holders of a different class or series of shares of Greenfire are entitled to vote.

Dividend Rights

Subject to the prior satisfaction of all preferential rights and privileges attached to any other class or series of shares of Greenfire ranking in priority to the Common Shares in respect of dividends, the holders of the Common Shares are entitled to receive dividends at such times and in such amounts as the Board may determine from time to time.

Liquidation

Subject to the prior satisfaction of all preferential rights and privileges attached to any other class or series of shares of Greenfire ranking in priority to the Common Shares in respect of return of capital on dissolution, upon the voluntary or involuntary liquidation, dissolution or winding-up of Greenfire or any other distribution of its assets among the shareholders of Greenfire for the purpose of winding up its affairs (such event, a "**Distribution**"), holders of the Common Shares shall be entitled to receive all declared but unpaid dividends thereon and thereafter to share ratably in such assets of Greenfire as are available with respect to such Distribution.

Preferred Shares

Issuance in Series

The Board may: (a) at any time and from time to time issue Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board; and (b) from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of the Preferred Shares including, without limiting the generality of the foregoing: the amount, if any, specified as being payable preferentially to such series on a Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

Dividend Rights

The holders of each series of the Preferred Shares will be entitled, in priority to holders of the Common Shares and any other shares of Greenfire ranking junior to the Preferred Shares from time to time with respect to the payment of dividends, to be paid ratably with holders of each other series of the Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

Liquidation

In the event of a Distribution, the holders of each series of the Preferred Shares will be entitled, in priority to holders of the Common Shares and any other shares of Greenfire ranking junior to the Preferred Shares from time to time with respect to payment on a Distribution, to be paid ratably with holders of each other series of the Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a Distribution.

Warrants

As at the date of this Annual Information Form, there were 7,526,667 Warrants outstanding, which entitle the holders thereof to purchase one Common Share at an exercise price of US$11.50 per Common Share and expire on September 20, 2028. The Warrants are governed by the Warrant Agreements.

Performance Warrants

As of the date of this Annual Information Form, there were 2,178,021 Performance Warrants outstanding, which entitle the holders thereof to purchase one Common Share at exercise prices ranging from CA$2.14 to CA$11.09 per Common Share. Pursuant to the Board's determination following and in connection with the WEF Acquisition, the expiry date for the outstanding Performance Warrants was set at April 30, 2025. The Performance Warrants are governed by the Performance Warrant Plan and all Performance Warrants are considered to be fully vested and exercisable. No additional Performance Warrants will be granted pursuant to the Performance Warrant Plan.

Senior Credit Facility

Greenfire's Senior Credit Facility comprised of a $20 million operating facility and a $30 million revolving facility. The Senior Credit Facility is extendable annually, subject to lender consent, and has an availability limit based on the lenders' assessment of the borrowing base reserves of the Company and future commodity prices, which are to be reviewed semi-annually on November 30 and May 31, commencing on May 31, 2024. The Senior Credit Facility is available on a fully revolving basis until May 31, 2025 (the "**Term Out Date**"), and if the Term Out Date is not extended, on a non-revolving basis for a further one-year period. The Senior Credit Facility has a maturity date of May 31, 2026 and has no financial covenants or scheduled amortization payments.

As at December 31, 2024, Greenfire had approximately $50 million of remaining availability under the Senior Credit Facility.

Advances under the Senior Credit Facility are available by way of: (a) Canadian prime rate and U.S. base rate loans with interest rates between 1.75% and 5.25% over the bank's prime Canadian or U.S. lending rate, as applicable; (b) SOFR and CDOR loans with interest rates between 2.75% and 6.25% over the adjusted SOFR and CDOR rates, as applicable; and (c) letters of credit with issuance fees between 2.75% and 6.25%, in each case dependent upon the Company's trailing twelve-month senior funded debt to EBITDA ratio calculated quarterly. The Company pays standby fees on the undrawn portion of the Senior Credit Facility.

The Senior Credit Agreement includes a minimum hedging covenant and covenants limiting the ability of the Company and its subsidiaries to: incur additional indebtedness; provide financial assistance; pay dividends, redeem stock or make other distributions; make investments; create liens on assets; transfer or sell assets; engage in mergers, amalgamations or consolidations; engage in certain transactions with affiliates; amend the 2028 Note Indenture; and redeem the 2028 Notes.

The Senior Credit Facility is guaranteed by all of the subsidiaries of the Company and are secured by a lien over substantially all of the assets of the Company and the guarantors. The Senior Credit Facility ranks senior to the 2028 Notes.

Letter of Credit Facility

The Letter of Credit Facility is a $55 million letter of credit facility with a financial institution that is supported by a performance security guarantee from Export Development Canada. Greenfire and its subsidiaries have indemnified Export Development Canada for the amount of any payment made by Export Development Canada to the financial institution pursuant to those guarantees; however, the obligations under such indemnity are unsecured. The Letter of Credit Facility is uncommitted and made available at the sole discretion of the financial institution. The financial institution can demand repayment and/or cancel the availability of the Letter of Credit Facility at any time.

2028 Notes

As of the date of this Annual Information Form, Greenfire has approximately US$239 million aggregate principal amount of the 2028 Notes outstanding, which are 12.00% senior secured notes due on October 1, 2028, governed by the 2028 Note Indenture. Interest on the 2028 Notes is paid semi-annually in arrears on April 1 and October 1 of each year, commencing on April 1, 2024. At any time on or after October 1, 2025, the Company may redeem all or part of the 2028 Notes at the redemption prices set forth in the table below plus any accrued and unpaid interest:

Year	Percentage
On or after October 1, 2025 to October 1, 2026	106.000%
On or after October 1, 2026 to October 1, 2027	103.000%
On or after October 1, 2027	100.000%

At any time prior to October 1, 2025, the Company may redeem up to 40% of the 2028 Notes using the proceeds of certain equity offerings. In addition, the Company may redeem some or all of the 2028 Notes prior to October 1, 2025 at a price equal to 100% of the aggregate principal amount thereof, plus a make-whole premium and accrued and unpaid interest to the redemption date. If a change of control event occurs, the Company must make an offer to purchase the 2028 Notes at 101% of the principal amount of the 2028 Notes, plus accrued and unpaid interest, if any. The Company is required to periodically mandatorily redeem the 2028 Notes at 105% of the principal amount thereof, plus accrued and unpaid interest to but excluding the date of redemption, with at least 75% of Excess Cash Flow (as defined in the 2028 Note Indenture), provided that with respect to any six-month period following June 30, 2024, if the Company's Consolidated Net Indebtedness (as defined in the 2028 Note Indenture) at the end of such period is less than US$150.0 million, the Company will be required to make an Excess Cash Flow Redemption (as defined in the 2028 Note Indenture) with 25% of such Excess Cash Flow; provided further that for any six-month period commencing from June 30, 2024, the Company will not be required to make any Excess Cash Flow Redemption for such period if less than US$100.0 million of the 2028 Notes remain outstanding. The 2028 Note Indenture includes covenants requiring minimum hedging and limiting capital expenditures, and includes covenants limiting the ability of the Company and its restricted subsidiaries to: incur additional indebtedness or issue certain preferred

securities; pay dividends, redeem stock or make other distributions; make other restricted payments or investments; create liens on assets; transfer or sell assets; engage in mergers, amalgamations or consolidations; engage in certain transactions with affiliates; and designate our subsidiaries as unrestricted subsidiaries.

The 2028 Notes are secured by a lien on substantially all the assets of the Company and the guarantors.

The Senior Credit Facility ranks senior to the 2028 Notes.

Effective March 1, 2025, the Company completed an amendment to the 2028 Note Indenture, which had received requisite approval of the holders of the 2028 Notes, to increase the permitted capital expenditures from $100 million to US$150 million in any twelve-month period.

CREDIT RATINGS

The following table outlines the credit ratings assigned to the Company and its 2028 Notes as of the date hereof:

Rating Agency	Issuer Credit Rating	2028 Note Credit Rating
S&P Global Ratings ("**S&P**")	B+ (Stable)	B-
Moody's Investors Service ("**Moody's**")	B3 (Stable)	B3

The corporate credit ratings address the overall credit strength of Greenfire, without consideration for security or ranking of security or ranking of any particular indebtedness. Credit ratings on long-term debt securities are intended to provide investors with an independent measure of credit quality of any issue of debt securities. The credit ratings assigned by the rating agencies are not recommendations to buy, sell or hold the 2028 Notes or other securities of Greenfire and may be subject to revision or withdrawal at any time by the applicable credit rating organization.

S&P's issuer credit ratings range from AAA to D, representing the range from highest to lowest quality of creditworthiness. Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. A rating of B by S&P is within the sixth highest of eleven categories. Issuers rated BB, B, CCC and CC are regarded as having significant speculative characteristics, with BB indicating the least degree of speculation and CC the highest. While such issuers will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. A B rating indicates that the issuer is more vulnerable than the issuers rated BB, but the issuer currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the issuer's capacity or willingness to meet its financial commitments. An S&P ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). A stable outlook means that a rating is not likely to change.

S&P's credit ratings on long-term debt securities range from AAA to D, representing the range of such securities rated from highest to lowest quality of creditworthiness. Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. A rating of B by S&P is within the sixth highest of ten categories. Obligations rated BB, B, CCC, CC, and C are regarded as having significant speculative characteristics, with BB indicating the least degree of speculation and C indicating the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. A B rating indicates that the obligation is more vulnerable to nonpayment than obligations rated BB, but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.

Moody's issuer and long-term debt securities credit ratings range from Aaa to C, representing the range from highest to lowest quality of creditworthiness. For rating categories Aa through Caa, Moody's appends the numerical modifiers 1, 2 or 3 to each generic rating classification. Modifier 1 indicates that the obligation ranks at the higher end of its generic rating category, modifier 2 indicates a mid-range ranking, and modifier 3 indicates a ranking at the lower end of that generic rating category. A rating of B by Moody's is within the sixth highest of nine categories. A B rating indicates that the issuer or obligation is considered speculative and subject to a high degree of credit risk. A Moody's rating outlook is an opinion regarding the likely rating direction over the medium term. A stable outlook indicates a that the rating is not likely to change over the medium term.

Greenfire has paid customary fees to S&P and Moody's in connection with the above-mentioned credit ratings. Greenfire did not make any payments to S&P or Moody's in respect of any service unrelated to the provision of such credit ratings during the last two years.

DIVIDENDS

There is no dividend or distribution policy in place for the Company. Historically, except in connection with the Business Combination, neither the Company nor its predecessors, has paid any dividends. The Company currently intends to retain future earnings, if any, for future operations, expansion and debt repayment. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant.

In addition to the foregoing, the Company's ability to pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Company has incurred or may incur in the future, including the terms of the 2028 Note Indenture and the Senior Credit Agreement.

Further, the Company's ability to pay dividends will be subject to applicable laws, the covenants and restrictions under the Senior Credit Agreement and the 2028 Note Indenture and to any prior right to dividend, interest or other distribution payments in favour of any other securityholders. The Senior Credit Agreement and 2028 Note Indenture each contain certain restrictions on the Company's ability to pay dividends. See "*Description of Capital Structure—Senior Credit Facility*" and "*Description of Capital Structure—2028 Notes*" in this Annual Information Form.



MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX and the NYSE under the trading symbol "GFR". The following table sets forth the monthly market price ranges and the trading volumes of the Common Shares on the TSX and the NYSE for 2024.

	TSX			NYSE		
Month	**High ($/Common Share)**	**Low ($/Common Share)**	**Volume (Common Shares)**	**High ($/Common Share)**	**Low ($/Common Share)**	**Volume (Common Shares)**
January	-	-	-	6.24	5.1	23,260
February[(1)]	7.34	6.47	12,633	5.76	4.68	67,256
March	9.00	6.51	149,750	6.11	4.92	183,479
April	8.90	7.51	247,210	6.57	5.51	174,200
May	8.34	7.80	259,764	6.21	5.73	151,320
June	9.30	7.72	478,493	6.75	5.65	208,477
July	11.21	9.38	1,527,547	8.03	6.76	294,760
August	10.15	8.41	224,617	7.49	6.16	227,797
September	10.61	8.24	875,669	7.85	6.04	635,096
October	11.04	9.58	622,421	8.12	6.93	780,310
November	11.07	9.57	725,272	7.86	6.8	647,783
December	10.35	8.69	460,768	7.36	6.04	621,162

Note:

(1) The Common Shares commenced trading on the TSX on February 8, 2024.

INDUSTRY CONDITIONS

Companies operating in the Canadian oil and gas industry are subject to extensive regulation and control of operations (including with respect to land tenure, exploration, development, production, refining and upgrading, transportation, and marketing) as a result of legislation enacted by various levels of government as well as with respect to the pricing and taxation of petroleum and natural gas through legislation enacted by, and agreements among, the federal and provincial governments of Canada, all of which should be carefully considered by investors in the Company. All current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments governments may enact in the future.

The Company's assets and operations are regulated by administrative agencies that derive their authority from legislation enacted by the applicable level of government. Regulated aspects of the Company's upstream oil and natural gas business include all manner of activities associated with the exploration for and production of oil and natural gas, including, among other matters: (i) permits for the drilling of wells and construction of related infrastructure; (ii) technical drilling and well requirements; (iii) permitted locations and access to operation sites; (iv) operating standards regarding conservation of produced substances and avoidance of waste, such as restricting flaring and venting; (v) minimizing environmental impacts, including by reducing emissions; (vi) storage, injection and disposal of substances associated with production operations; and (vii) the abandonment and reclamation of impacted sites. To conduct oil and natural gas operations and remain in good standing with the applicable federal or provincial regulatory scheme, producers must comply with applicable legislation, regulations, orders, directives and other directions (all of which are subject to governmental oversight, review and revision, from time to time). Compliance in this regard can be costly and a breach of the same may result in fines or other sanctions.



The discussion below outlines some of the principal aspects of the legislation, regulations, approvals, agreements, orders, and directives, and a

summary of other pertinent conditions that impact the oil and gas industry in Western Canada, specifically in the province of Alberta where the Company's assets are located. While these matters do not affect the Company's operations in any manner that is materially different than the manner in which they affect other similarly sized industry participants with similar assets and operations, investors should consider such matters carefully.

Pricing and Marketing in Canada

The price of crude oil, natural gas, and NGLs is negotiated by buyers and sellers. A number of factors may influence prices, including (global, in some instances) supply and demand, quality of product, distance to market, availability of transportation, value of refined products, prices of competing products, price of competing stock, contract terms, weather conditions, supply/demand balance and contractual terms of sale.

Exports from Canada

The CER regulates the export of oil, natural gas and NGLs from Canada through the issuance of short-term orders and long-term export licenses pursuant to its authority under the Canadian Energy Regulator Act (the "**CERA**"). Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts continue to meet certain criteria prescribed by the CER and the federal government. The Company does not directly enter into contracts to export its production outside of Canada.

Draft federal regulations related to the issuance of export orders by the CER were released for comment on December 14, 2024, with the comment period closing on January 28, 2025. If enacted, the draft federal regulations, including the proposed *Export Applications (Licences and Permits) Regulations* and the *Export and Import (Orders, Licences and Permits) Regulations* , are intended to simplify and streamline regulatory requirements for businesses involved in the export and import of oil and natural gas in accordance with the provisions of the CERA.

Under Canadian constitutional law, the development and operation of interprovincial and international pipelines fall within the federal government's jurisdiction and, under the CERA, new interprovincial and international pipelines require a federal regulatory review and Cabinet approval before they can proceed. However, recent years have seen a perceived lack of policy and regulatory certainty in this regard such that, even when projects are approved, they may face delays due to, for example, actions taken by provincial and municipal governments and opposition related to issues such as Indigenous rights and title, the government's duty to consult and accommodate Indigenous peoples and the sufficiency of all relevant environmental review processes. Export pipelines from Canada to the United States face additional unpredictability as such pipelines also require approvals from various levels of government in the United States.

The federal government's jurisdiction over interprovincial and international pipelines is not exclusive. For example, provincial environmental laws set requirements for pipeline construction, operation, and abandonment, and set standards for pipeline safety and environmental incidents. Such provincial laws may apply to an interprovincial or international pipeline to the extent that the law does not interfere with the "core" of the federal government's jurisdiction, pursuant to the constitutional doctrine of interjurisdictional immunity. However, pursuant to the constitutional doctrine of federal paramountcy, where federal and provincial enactments are inconsistent with one another, the federal law will prevail.

Producers negotiate with pipeline operators to transport their products to market on a firm or interruptible basis depending on the specific pipeline and the specific substance. Transportation availability is highly variable across different jurisdictions and regions. This variability can determine the nature of transportation commitments available, the number of potential customers and the price received.

Transportation Constraints and Market Access

Capacity to transport production from Western Canada to Eastern Canada, the United States and other international markets has been, and continues to be, a major constraint on the exportation of crude oil, natural gas and NGLs. Although certain pipeline and other transportation projects have been announced or are underway, many proposed projects have been cancelled or delayed due to regulatory hurdles, court challenges and economic and socio-political factors. Due in part to growing production and a lack of new and expanded pipeline and rail infrastructure capacity, producers in Western Canada have experienced low commodity pricing relative to other markets in the last several years.

Oil Pipelines

The Edmonton and Fort Saskatchewan area of Alberta is the largest crude oil refining centre in Western Canada. The primary crude oil export pipelines originating in the Edmonton and Fort Saskatchewan area are the Trans Mountain Pipeline (discussed below) and the Enbridge Mainline. The Company's ability to sell crude oil depends, in large part, on the accessibility, availability, proximity, and capacity of pipeline systems. Where a company can secure firm access to pipelines to transport oil out of Western Canada, it may be able to access more markets and obtain better pricing. However, limited pipeline capacity, and the resulting pro-rationing of capacity, has affected the ability to export crude oil out of Western Canada. As a result, companies have been prevented from achieving the full economic value of their products.

Select Oil Pipeline Updates

On June 1, 2023, Trans Mountain Pipeline ULC (" **Trans Mountain**") submitted an application to the CER for approval of a final interim toll for service on the expanded Trans Mountain Pipeline System ("**TMPL**"), which continues to be underway. Final toll approval will follow on a subsequent application by Trans Mountain to the CER. On November 30, 2023, the CER approved the preliminary interim tolls which currently apply to transportation service on the expanded TMPL system. The Trans Mountain Expansion Project was declared by TMPL to be in-service on May 1, 2024. The federal government currently owns the TMPL (through subsidiaries) and has been in discussions with Indigenous groups and

businesses regarding selling significant equity stakes in the pipeline, however no agreements have yet been reached.

On January 7, 2025, the Government of Alberta announced that it had signed a Letter of Intent with Enbridge Inc. (" **Enbridge**") to evaluate future egress, transport, storage, terminalling and market access opportunities across Enbridge's North American network. The Government of Alberta plans to guarantee oil volumes that will be shipped on Enbridge's network with the goal of encouraging pipeline expansion, thereby providing access to additional markets.

Natural Gas Pipelines and LNG

Natural gas prices in Western Canada have been constrained in recent years due to increasing North American supply, limited access to markets and limited storage capacity. Companies that secure firm access to infrastructure to transport their natural gas production out of Western Canada may be able to access more markets and obtain better pricing. Companies without firm access may be forced to accept spot pricing in Western Canada for their natural gas, which is generally lower than the prices received in other North American regions. The Company consumes natural gas for its SAGD operations and has entered into firm transportation delivery contracts to mitigate its risk of not receiving sufficient amounts of natural gas for its operations.

Select Natural Gas Pipeline and Proposed LNG Export Terminal Updates

While a number of LNG export plants have been proposed in Canada, regulatory and legal uncertainty, social and political opposition and changing market conditions have resulted in the cancellation or delay of many of these projects. Nonetheless, there are currently multiple LNG export projects in various stages of development. For example, LNG Canada Development Inc. ("**LNG Canada**"), a joint venture of global LNG companies, has developed Canada's first large-scale LNG export facility ("**LNG Canada Facility**"). The LNG Canada Facility, located in Kitimat, British Columbia, will receive natural gas from producers in northeastern British Columbia via the Coastal GasLink pipeline ("**CGL Pipeline**"). With more Alberta and northeastern British Columbia gas moving through the CGL Pipeline, it is expected that the NGTL System will have more capacity which is, in turn, expected to result in a narrower price relationship between the AECO and New York Mercantile Exchange gas prices. The Company anticipates it will see higher AECO pricing, more in line with the United States market, and generally, higher gas prices overall. It is currently expected that the LNG Canada Facility will commence exports of LNG in mid-2025.

Woodfibre LNG Limited ("**Woodfibre LNG**") is currently constructing the Woodfibre LNG Facility in Squamish, British Columbia. Upon completion, the Woodfibre LNG Facility will produce approximately 2.1 million tonnes of LNG per year. Completion of the project is currently expected to occur in late 2027.

In addition to the LNG Canada Facility, the CGL Pipeline and the Woodfibre LNG Facility, a number of other LNG projects are underway at varying stages of progress, though none have reached a positive final investment decision.

International Trade Agreements

Canada is party to a number of international trade agreements with other countries around the world that generally provide for, among other things, preferential access to various international markets for certain Canadian export products. Examples of such trade agreements include the *Comprehensive Economic and Trade Agreement* , the United Kingdom and Canada entered into the *Canada-United Kingdom Trade Continuity Agreement*, the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* and, most prominently, the *Canada-United States-Mexico Agreement* ("**CUSMA**"). However, despite these trade agreements, the lack of available infrastructure for the offshore export of crude oil and natural gas may limit the ability of Canadian crude oil and natural gas producers to benefit from such trade agreements.

On March 4, 2025, a 25% tariff on all goods originating in Canada and imported into the U.S. and a 10% tariff on "energy and energy resources" from Canada, became effective. In response, the Government of Canada imposed 25% tariffs on an aggregate of $155 billion in goods imported from the U.S., coming into effect in two phases starting on March 4, 2025. The Government of Canada indicated that these measures would remain in place until the U.S. trade action is withdrawn and, in the event that the U.S. tariffs do not cease, further consideration would be given to non-tariff measures against the U.S. A number of provincial governments have also indicated they are actively exploring their own countermeasures to the U.S. tariffs. On March 6, 2025, the U.S. agreed to exempt from tariffs imports of Canadian goods subject to CUSMA until April 2, 2025. The implementation of tariffs and/or further retaliatory trade measures, if implemented, could increase the costs for Canadian exporters and may substantially impact the trade relationship between the United States and Canada. See "*Risk Factors – Trade Relations and Tariffs*"

Land Tenure

In Alberta, the rights to crude oil and natural gas are predominantly owned by the provincial government. The provincial government grants rights to explore for and produce crude oil and natural gas pursuant to leases, licenses, and permits for varying terms, and on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. Private ownership of crude oil and natural gas also exists in Western Canada.

Government and private leases are generally granted for an initial fixed term but may generally be continued provided certain minimum levels of drilling operations or production have been achieved and all lease rentals have been timely paid, subject to certain exceptions. To develop minerals, including crude oil and natural gas, it is necessary for the mineral estate owner(s) to have access to the surface estate. Under common

law in Canada, the mineral estate is considered the “dominant” estate with the right to extract minerals subject to reasonable use of the surface. Alberta has developed and adopted its own statutes that operators must follow both prior to drilling and following drilling, including notification requirements and the provision of compensation for lost land use and surface damages. The surface rights required for pipelines and facilities are generally governed by leases, easements, rights-of-way, permits or licenses granted by landowners or governmental authorities.



Royalties and Incentives

Royalties

In addition to federal regulation, each province has legislation and regulations which govern royalties, production rates and other matters. The royalty regime in a given province is a significant factor in the profitability of thermal oil production. Royalties from production on Crown lands are determined by governmental regulation and are generally calculated as a percentage of the value of gross production. The royalties that Greenfire may pay on production from lands other than Crown lands are determined by negotiation between the mineral freehold owner and Greenfire, although production from such lands is subject to certain provincial taxes and royalties.

Greenfire’s Hangingstone Facilities are subject to the Alberta oil sands royalty framework. Prior to the payout of an oil sands project, the royalty is calculated based on the gross revenues of the project. The gross revenue royalty rates vary between 1% and 9%, depending on the market price of crude oil. These rates are determined by the average monthly price of Western Texas Intermediate crude oil at Cushing, Oklahoma, expressed in Canadian dollars. When the market price of crude oil is less than or equal to $55 per barrel, the royalty rate is 1%. However, for every dollar increase in the market price of crude oil above $55, the royalty rate increases up to a maximum of 9%. After the payout of an oil sands project, the royalty payable is determined by comparing the gross revenue royalty and the net revenue royalty. The gross revenue royalty is calculated based on the gross revenue royalty rate of 1% to 9%, while the net revenue royalty is calculated based on the net revenue royalty rate, which starts at 25% and increases for every dollar increase in the market price of crude oil above $55, up to a maximum of 40% when the crude oil price is $120 or higher. The Expansion Asset is currently assessed as pre-payout and the Demo Asset is post payout under the Alberta oil sands royalty framework. At the Demo Asset, recent capital expenditures have resulted in total project costs being greater than total revenues, which has enabled the site to receive lower pre-payout royalty rates, despite the oil sands project being at post payout status.

Incentives

The Government of Alberta has from time-to-time implemented drilling credits, incentives or transitional royalty programs to encourage crude oil and natural gas development and new drilling. In addition, the Government of Alberta has implemented certain initiatives intended to accelerate technological development and facilitate the development of unconventional resources, including coalbed methane wells, shale gas wells and horizontal crude oil and natural gas wells.

Regulatory Authorities and Environmental Regulation

General

The Canadian oil and gas industry is subject to environmental regulation under a variety of Canadian federal, provincial, territorial, and municipal laws and regulations, all of which are subject to governmental review and revision from time-to-time. Such regulations provide for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain oil and gas industry operations, such as sulphur dioxide and nitrous oxide. The regulatory regimes set out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well, facility and pipeline sites. Compliance with such regulations can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability, and the imposition of material fines and penalties. In addition, future changes to environmental legislation, including legislation related to air pollution and GHG emissions (typically measured in terms of their global warming potential and expressed in terms of carbon dioxide equivalent (“**CO2e**”)), may impose further requirements on operators and other companies in the oil and gas industry.



Federal

Canadian environmental regulation is the responsibility of both the federal and provincial governments. While provincial governments and their delegates are responsible for most environmental regulation, the federal government can regulate environmental matters where they impact matters of federal jurisdiction or when they arise from projects that are subject to federal jurisdiction, such as interprovincial transportation undertakings, including pipelines and railways, and activities carried out on federal lands. Where there is a direct conflict between federal and

provincial environmental legislation in relation to the same matter, the federal law prevails.

The CERA provides a number of important elements to the regulation of federally regulated major projects and their associated environmental assessments. The CERA separates the CER's administrative and adjudicative functions. The CER has jurisdiction over matters such as the environmental and economic regulation of pipelines, transmission infrastructure and certain offshore renewable energy projects. In its adjudicative role, the CERA tasks the CER with reviewing applications for the development, construction and operation of many of these projects, culminating in their eventual abandonment.

The *Impact Assessment Act* (the "**IAA**") sets out the scheme for federal environmental assessments in Canada. In 2023, after various court challenges, the Supreme Court of Canada found that certain aspects of the IAA were unconstitutional largely on the basis that they represented federal overreach into provincial affairs. The federal government amended the IAA via the *Budget Implementation Act, 2024, No. 1*, which received royal assent on June 20, 2024. The amendments, among other things, limit the range of project effects that could require an assessment under the IAA. On November 20, 2024, the Province of Alberta filed a reference application with the Alberta Court of Appeal asking again whether the amended IAA is constitutional. A federal election will occur in Canada no later than October 2025. A new government may further amend or repeal and replace this legislation.

Alberta

The AER is the principal regulator responsible for all energy resource development in Alberta. It derives its authority from the *Responsible Energy Development Act* and a number of related statutes including the *Oil and Gas Conservation Act*, *Oil Sands Conservation Act*, *Pipeline Act*, and *Environmental Protection and Enhancement Act*. The AER is responsible for ensuring the safe, efficient, orderly and environmentally responsible development of Hydrocarbon and mineral resources, including allocating and conserving water resources, managing public lands, and protecting the environment. The AER's responsibilities exclude the functions of the Alberta Utilities Commission and the Land and Property Rights Tribunal, as well as the Alberta Ministry of Energy and Minerals' responsibility for mineral tenure.

The Government of Alberta relies on regional planning to accomplish its resource development goals. Its approach to natural resource management provides for engagement and consultation with stakeholders and the public and examines the cumulative impacts of development on the environment and communities. While the AER is the primary regulator for energy development, several other governmental departments and agencies may be involved in land use issues, including the Alberta Ministry of Environment and Protected Areas, the Alberta Ministry of Energy and Minerals, the Aboriginal Consultation Office and the Land Use Secretariat.

The Government of Alberta's land-use policy sets out an approach to managing public and private land use and natural resource development in a manner that is consistent with the long-term economic, environmental and social goals of the province. It calls for the development of seven region-specific land use plans in order to manage the combined impacts of existing and future land use within a specific region and the incorporation of a cumulative effects management approach into such plans.

The AER monitors seismic activity across Alberta to assess the risks associated with, and instances of, earthquakes induced by hydraulic fracturing. Hydraulic fracturing involves the injection of water, sand or other proppants and additives under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate oil and natural gas production. In recent years, hydraulic fracturing has been linked to increased seismicity in the areas in which hydraulic fracturing takes place, prompting regulatory authorities to investigate the practice further.

Liability Management

Alberta has implemented a liability management program with respect to most conventional upstream oil and gas wells, facilities and pipelines designed to prevent or minimize the occurrence of orphaned wells and facilities and to manage the financial risk of its orphan well fund. These programs can require a licensee to provide a security deposit, including when deemed liabilities exceed deemed assets within Alberta. Alberta has made its liability management programs more stringent in recent years, shifting, to a licensee capability assessment that considers, among other things, the general financial health of the licensee, the remaining lifespan of a licensee's mineral resources and infrastructure, and the rate at which the licensee has abandoned, remediated, and reclaimed their inactive oil and gas sites.

In Alberta, the shift from the Liability Management Rating Program (the " **AB LMR Program**") to the Liability Management Framework is being implemented in phases, and started with the release of Directive 088: Licensee Life-Cycle Management in December 2021 ("**Directive 088**"), followed by the release of Manual 023: Licensee Life Cycle Management in May 2022. Directive 088 has been and will continue to be subject to periodic updates at the discretion of the AER, the most recent of which was in April 2024. Directive 088 institutes a holistic assessment regime with several different regulatory tools not limited to the use of security deposits as has historically been the case. This holistic regime currently applies to licence transfers. This holistic regime also implements the Inventory Reduction Program, which became effective on January 1, 2022. Under that program, all licensees that have liability associated with inactive infrastructure are required to spend a specified amount each year on reclamation activities or post equivalent security with the AER.

The capability assessment model generally results in licensees being held to a higher standard when accepting the transfer of licenses from a third party, which has resulted in limiting the number of parties who can reasonably acquire assets. See "*Risk Factors – Risks Related to Climate Change and Related Regulation— The Company may have to pay certain costs associated with abandonment and reclamation in excess of amounts currently estimated in its consolidated financial statements*" in this Annual Information Form.

Climate Change Regulation

Climate change regulation at each of the international, federal and provincial levels has the potential to significantly affect the future of the oil and gas industry in Canada. These impacts are uncertain, and it is not possible to predict what future policies, laws and regulations will entail. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material impact on the Company's operations and cash flow.

Federal

Canada has been a signatory to the United Nations Framework Convention on Climate Change (the " **UNFCCC**") since 1992. Since its inception, the UNFCCC has instigated numerous policy changes with respect to climate governance. On April 22, 2016, 197 countries, including Canada, signed the Paris Agreement, committing to prevent global temperatures from rising more than 2° Celsius above pre-industrial levels and to pursue efforts to limit this rise to no more than 1.5° Celsius. To date, 189 of the 197 parties to the UNFCCC have ratified the Paris Agreement, including Canada. In 2016, Canada committed to reducing its emissions by 30% below 2005 levels by 2030. In 2021, Canada updated its original commitment by pledging to reduce emissions by 40 – 45% below 2005 levels by 2030, and to net-zero by 2050.



During the course of the 2021 United Nations Climate Change Conference, Canada pledged to: (i) reduce methane emissions in the oil and gas sector to 75% of 2012 levels by 2030; (ii) cease to export thermal coal by 2030; (iii) impose a cap on emissions from the oil and gas sector; (iv) halt direct public funding to the global fossil fuel sector by the end of 2022; and (v) commit that all new vehicles sold in the country will be zero-emission on or before 2040. During the 2023 United Nations Climate Change Conference, which concluded on December 12, 2023, Canada signed an agreement with nearly 200 other parties, which includes renewed commitments to transitioning away from fossil fuels and further cutting GHG emissions.

The Government of Canada released the Pan-Canadian Framework on Clean Growth and Climate Change in 2016, setting out a plan to meet the federal government's 2030 emissions reduction targets. On June 21, 2018, the federal government enacted the *Greenhouse Gas Pollution Pricing Act* (the "**GGPPA**"), which came into force on January 1, 2019. This regime has two parts: an output-based pricing system (" **OBPS**") for large industry (enabled by the Output-Based Pricing System Regulations) and a fuel charge (enabled by the *Fuel Charge Regulations*), both of which impose a price on CO_2e emissions. This system applies in provinces and territories that request it and in those that do not have their own equivalent emissions pricing systems in place that meet the federal standards and ensure that there is a uniform price on emissions across the country. Originally under the federal plans, the price was set to escalate by $10 per year until it reached a maximum price of $50/tonne of CO_2e in 2022. However, on December 11, 2020, the federal government announced its intention to continue the annual price increases beyond 2022. Commencing in 2023, the benchmark price per tonne of CO_2e will increase by $15 per year until it reaches $170/tonne of CO_2e in 2030. In 2025, the minimum price permissible under the GGPPA will increase to $95/tonne of CO_2e.

While several provinces challenged the constitutionality of the GGPPA following its enactment, the Supreme Court of Canada confirmed its constitutional validity in a judgment released on March 25, 2021.

The federal government has also enacted the *Multi-Sector Air Pollutants Regulation* under the authority of the *Canadian Environmental Protection Act, 1999*, which regulates certain industrial facilities and equipment types, including boilers and heaters used in the upstream oil and gas industry, to limit the emission of air pollutants such as nitrogen oxides and sulphur dioxide.

On June 29, 2021, the *Canadian Net-Zero Emissions Accountability Act* ("**Net-Zero Act**") received royal assent. The Net-Zero Act legislates the federal government's commitment to achieving net-zero GHG emissions by 2050, with a shorter-term target of a 40-50 percent GHG emissions reduction by 2030.

The Canadian Net-Zero Emissions Accountability Act (the " **CNEAA**") received royal assent on June 29, 2021 and came into force on the same day. The CNEAA binds the Government of Canada to a process intended to help Canada achieve net-zero emissions by 2050. It establishes rolling five-year emissions-reduction targets and requires the government to develop plans to reach each target and support these efforts by creating a Net-Zero Advisory Body. The CNEAA also requires the federal government to publish an Emissions Reduction Plan and annual reports that describe how departments and crown corporations are considering the financial risks and opportunities of climate change in their decision-making. A comprehensive review of the CNEAA is required every five years from the date the CNEAA came into force.

The Government of Canada introduced its 2030 Emissions Reduction Plan (the "**2030 ERP**") on March 29, 2022. In the 2030 ERP, the Government of Canada proposes a roadmap for Canada to reduce its GHG emissions to 40-45% below 2005 levels by 2030. As the first emissions reduction plan issued under the CNEAA, the 2030 ERP aims to reduce emissions by incentivizing electric vehicles and renewable electricity, and capping emissions from the oil and gas sector, among other measures. On December 7, 2023, the federal government released the "2023 Progress Report on the 2030 Emissions Reduction Plan," and mentioned that Canada's ability to meet its long-term climate goals depends on key regulatory initiatives, such as an oil and gas emissions cap and methane reduction requirements.

The *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* came into force on January 1, 2020 ("**Methane Regulations**"). The Methane Regulations are intended to achieve a 40 percent to 45 percent reduction in methane levels from 2012 levels by 2025. The Methane Regulations originally included requirements for reducing fugitive equipment leaks and venting from well completion and compressors and have since expanded to include restrictions on facility production and pneumatic equipment venting. On December 16, 2023, the federal government released draft amendments to the Methane Regulations which include further reduction targets, a mandatory third-party annual inspection and a performance-based compliance option. The amendments are schedule to take effect in 2027 and apply across the oil and gas sector by 2030. On June 8, 2022, the *Canadian Greenhouse Gas Offset Credit System Regulations* were published in the Canada Gazette. The regulations established a regulatory framework to allow certain kinds of projects to generate and sell offset credits for use in the federal OBPS through Canada's Greenhouse Gas Offset Credit System. The system enables project proponents to generate federal offset credits through projects that reduce GHG emissions under a published federal GHG offset protocol. Offset credits can then be sold to those seeking to meet limits imposed under the OBPS or those seeking to meet voluntary targets.

On June 20, 2022, the *Clean Fuel Regulations* came into force and in July 2023 they took effect. The *Clean Fuel Regulations* aim to discourage the use of fossil fuels by increasing the price of those fuels when compared to lower-carbon alternatives, imposing obligations on primary suppliers of transportation fuels in Canada, and requiring fuels to contain a minimum percentage of renewable fuel content and meet emissions caps calculated over the life cycle of the fuel. The *Clean Fuel Regulations* also established a market for compliance credits. Compliance credits can be generated by primary suppliers, among others, through carbon capture and storage ("**CCUS**"), producing or importing low-emission fuel, or through end-use fuel switching (for example, operating an electric vehicle charging network).

Additionally, on December 7, 2023, the Minister of Environment and Climate Change and the Minister of Energy and Natural Resources, introduced Canada's draft cap-and-trade framework to limit emissions from the oil and gas sector. On November 4, 2024, the federal government published its proposed regulations which will implement a cap on GHG emissions from the upstream oil and gas sector and the LNG sector. The proposed regulations proposes capping 2030 emissions at 35 percent below 2019 levels between 2030 and 2032. The proposed regulations introduce a cap-and-trade system that covers specific activities, such as onshore and offshore oil and gas production, oil sands extraction and upgrading, natural gas production and processing, and LNG production. GHG emissions from certain activities will be capped while GHG emissions from other activities will be prohibited unless the operator registers in accordance with the regulations.

On September 27, 2023, the federal government released Canada's Carbon Management Strategy, which articulates how carbon management, such as CCUS, will contribute to Canada's net-zero goals. The strategy provides the following priority areas for the Government of Canada regarding carbon management: accelerating innovation and research, development and demonstration; advancing predictable policies and regulations, including Canada's economy-wide carbon pricing system; attracting investment and trade opportunities; scaling up projects and infrastructure to meet the evolving capacity needs of the carbon management sector; and building partnerships and growing inclusive workforces. The federal government has also introduced the Carbon Capture, Utilization, and Storage (CCUS) Investment Tax Credit, which is a tax credit that applies to eligible expenditures incurred for qualified CCUS projects.

In June 2023, the International Sustainability Standards Board issued two international reporting standards on sustainability: IFRS S1, which addresses sustainability-related disclosure, and IFRS S2, which addresses climate-related disclosure. Further, on December 18, 2024, the Canadian Sustainability Standards Board issued Canadian reporting standards CSDS 1 and CSDS 2, which align with IFRS S1 and IFRS S2, but with transition relief modifications reflecting the Canadian public interest. These standards require issuers, among other things, to include quantitative data regarding their climate change considerations, to use scenario analysis in developing their disclosure, and to disclose Scope 3 GHG emissions. While Canadian companies are not required to follow these standards at this time, the CSA is considering amending Canadian reporting requirements to include such standards, however to what extent they will be adopted remains unclear.

Alberta

In December 2016, the *Oil Sands Emissions Limit Act* came into force, establishing an annual 100 megatonne limit for GHG emissions from all oil sands sites, but the regulations necessary to enforce the limit have not yet been developed. The delay in drafting these regulations has been inconsequential thus far, as Alberta's oil sands emit roughly 81 megatonnes of GHG emissions per year, well below the 100 megatonne limit.

In December 2019, the federal government approved Alberta's *Technology Innovation and Emissions Reduction Regulation* ("**TIER**"), which applies to large emitters. The TIER regulation came into effect on January 1, 2020 (as amended January 1, 2023) and replaced the previous *Carbon Competitiveness Incentives Regulation*. The TIER regulation meets the federal benchmark stringency requirements for emissions sources covered in the regulation, but the federal backstop continues to apply to emissions sources not covered by the regulation. For example, Alberta is subject to the fuel charge element of the federal *Fuel Charge Regulations*, as discussed above.

The TIER regulation applies to emitters that emit more than 100,000 tonnes of CO_2e per year in 2016 or any subsequent year. The initial target for most TIER-regulated facilities is to reduce emissions intensity by 10% as measured against that facility's individual benchmark, with a further 2% reduction in each subsequent year. The annual reduction rate applied to oil sands mining, in-situ and upgrading is 4% in 2029 and 2030. The facility-specific benchmark does not apply to all facilities, such as those in the electricity sector, which are compared against the good-as-best-gas standard. Similarly, for facilities that have already made substantial headway in reducing their emissions, a different "high-performance"

benchmark is available. Under the TIER regulation, certain facilities in high-emitting or trade exposed sectors can opt-in to the program in specified circumstances if they do not meet the 100,000 tonne threshold. To encourage compliance with the emissions intensity reduction targets, TIER-regulated facilities must provide annual compliance reports. Facilities that are unable to achieve their targets may either purchase credits from other facilities, purchase carbon offsets, or pay a levy to the Government of Alberta.

The Government of Alberta enacted the Methane Emission Reduction Regulation on January 1, 2020, and in November 2020, the Government of Canada and the Government of Alberta announced an equivalency agreement regarding the reduction of methane emissions such that the federal Methane Regulations will not apply in Alberta. It is currently not clear whether the equivalency agreement will continue to apply when the amendments to the federal Methane Regulations take effect.

RISK FACTORS

The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all of the risks associated with Greenfire's business and its industry generally. Any of the following risks could materially and adversely affect Greenfire's business, financial condition or results of operations. Additional risks and uncertainties not currently known to Greenfire or those it currently views to be immaterial may also materially and adversely affect Greenfire's business, financial condition or results of operations.

Risks Related to the Company's Operations and the Oil and Gas Industry

The prices of crude oil, diluted bitumen, non-diluted bitumen and the differentials among various crude oil prices, natural gas and power are volatile and outside of the Company's control and affect its revenues, profitability, cash flows and future rate of growth.

The Company's revenues, profitability, cash flows and future rate of growth are highly dependent on commodity prices, including with respect to crude oil, diluted bitumen, non-diluted bitumen and the differentials among various crude oil prices, natural gas and power. Commodity prices may fluctuate widely in response to relatively minor changes in the supply of, and demand for, crude oil, diluted bitumen and non-diluted bitumen, natural gas, power, market uncertainty and a variety of additional factors that are beyond the Company's control, such as:

- domestic and global supply of, and demand for, crude oil, diluted bitumen, non-diluted bitumen and natural gas, as impacted by economic factors that affect gross domestic product growth rates of countries around the world, including impacts from international trade and tariffs, pandemics and related concerns;



- market expectations with respect to the future supply of, and demand for, crude oil, NGLs and natural gas and price changes;
- global crude oil, diluted bitumen, non-diluted bitumen and natural gas inventory levels;
- volatility and trading patterns in the commodity-futures markets;
- the proximity, capacity, cost and availability of pipelines and other transportation facilities;
- the capacity of refiners to utilize available supplies of crude oil and condensate;
- weather conditions affecting supply and demand;
- overall domestic and global political and economic conditions;
- actions of OPEC, its members and other state-controlled oil companies relating to oil price and production controls;
- fluctuations in the value of the U.S. dollar relative to the Canadian dollar;
- the price and quantity of crude oil, diluent and LNG imports to and exports from the U.S. and other countries;
- the development of new Hydrocarbon exploration, production and transportation methods or technological advancements in existing methods, including hydraulic fracturing and SAGD;
- capital investments by oil and gas companies relating to the exploration, development and production of Hydrocarbons;
- social attitudes or policies affecting energy consumption and energy supply;
- domestic and foreign governmental regulations, including environmental regulations, climate change regulations and applicable tax regulations;
- shareholder activism or activities by organizations to limit certain sources of capital for the energy sector or restrict the exploration, development and production of crude oil and natural gas; and
- the effect of energy conservation efforts and the price, availability and acceptance of alternative energies, including renewable energy.

The Company makes price assumptions regarding commodity prices that are used for planning purposes, and a significant portion of its cash outlays, including capital, operating and transportation commitments, are largely fixed in nature. Accordingly, if commodity prices are below the expectations on which these commitments were based, the Company's financial results are likely to be adversely affected because these cash outlays are not variable in the short term and cannot be quickly reduced to respond to unanticipated decreases in commodity prices. The Company's risk management arrangements will not fully mitigate the effects of unexpected price fluctuations.

Significant or extended price declines could also materially and adversely affect the amount of diluted and non-diluted bitumen that the Company can economically produce, require the Company to make significant downward adjustments to its reserves estimates or result in the deferral or cancellation of the Company's growth projects. A reduction in production could also result in a shortfall in expected cash flows and require the Company to reduce capital spending or borrow funds or access the capital markets to cover any such shortfall. Any of these factors could negatively affect the Company's ability to replace its production and its future rate of growth.

The Company's financial condition is substantially dependent on, and highly sensitive to, the prevailing prices of crude oil and the differentials among various crude oil prices and natural gas. Low prices for crude oil produced by the Company could have a material adverse effect on the Company's operations, financial condition and the value and amount of the Company's reserves.

The Company's financial performance also depends on revenues from the sale of commodities which differ in quality and location from underlying commodity prices quoted on financial exchanges. The market prices for heavy oil (which includes bitumen blends) are lower than the established market prices for light and medium grades of oil, principally due to the cost of diluent and the higher transportation and refining costs associated with heavy oil. In addition, there is limited pipeline egress capacity for Canadian crude oil to access the American refinery complex or tidewater to access world markets, relative to production rates in Western Canada, and the availability of additional transport capacity via rail is more expensive and variable; therefore, the price for Canadian crude oil is very sensitive to pipeline and refinery outages, which contributes to this volatility. The market for heavy oil is also more limited than for light and medium grades of oil making it further susceptible to supply and demand fluctuations. These factors all contribute to price differentials. Future price differentials are uncertain and any widening in heavy oil differentials specifically could have an adverse effect on the Company's results of operations, financial condition and prospects.

Decreases to or prolonged periods of low commodity prices, particularly for oil, may negatively impact the Company's ability to meet guidance targets, maintain our business and meet all of the Company's financial obligations as they come due and could reduce the Company's carrying value of its reserves and borrowing capacity. It could also result in the shut-in of currently producing wells without an equivalent decrease in expenses due to fixed costs, a delay or cancellation of existing or future drilling, development or construction programs, unutilized long-term transportation commitments and a reduction in the value and amount of the Company's reserves.

The Company conducts assessments of the carrying value of the Company's assets in accordance with IFRS. If crude oil and natural gas forecast prices decline, the carrying value of the Company's assets could be subject to downward revisions and the Company's net earnings could be adversely affected.

Risks associated with SAGD operations could adversely affect the Company's operating results.

The Company's operating results and the value of its reserves and resources depend, in part, on the price received for diluted bitumen and non-diluted bitumen, as well as the operating costs of the Demo Asset and the Expansion Asset, all of which may significantly vary from the prices and costs that the Company currently anticipates. If such operating costs increase, or if the Company does not achieve its expected production volumes or revenue, the Company's earnings and cash flow will be reduced, and its business and financial condition may be materially adversely affected. In addition to the other factors and variables discussed herein, principal factors which could adversely affect the Company's operating results or financial condition include (without limitation):

- increases in the price applied to carbon emissions;
- lower than expected reservoir performance, including, but not limited to, lower oil production rates and/or higher steam oil ratio;
- the reliability and maintenance of the Company's facilities, including turnaround activities;
- the safety and reliability of pipelines, tankage, trucks, railways and railcars and barges that transport the Company's products;
- the need to replace significant portions of existing wells, referred to as "workovers", or the need to drill additional wells;
- the cost to transport bitumen, diluent and bitumen blend, and the cost to dispose of certain by-products;
- changes in operations or operation practices, including to address well pressure conditions and / or otherwise optimize operations;
- reliance on the Petroleum Marketer as our sole third-party commodity marketer to market bitumen blend sales, procure diluent supply and perform logistics management for the Demo Asset and Expansion Asset;
- reliance on the Petroleum Marketer as our sole third-party commodity marketer for timely payment of bitumen blend marketed on behalf of the Company;

- inability to retain our existing suppliers;
- labor disputes or disruptions, declines in labor productivity or the unavailability of, or increased cost of, skilled labor;
- increases in the cost of materials, including in the current inflationary environment or as a result of trade disputes or tariffs;
- the availability of water supplies;
- effects of inclement and severe weather events, including fire, drought and flooding;
- inability to comply with applicable regulations, permits and authorizations, including relating to the Company's emissions and water handling, and any associated orders from regulatory authorities, including the AER, aimed at remedying any such non-compliance;
- the ability to comply with existing approvals, or obtain and comply with further approvals and permits for future potential projects;



- engineering and/or procurement performance falling below expected levels of output or efficiency;
- refining markets for the Company's bitumen blend; and
- the cost of chemicals used in the Company's operations, including, but not limited to, in connection with water and/or oil treatment facilities.

The Company relies on approved authorizations and limits in relation to its air emissions as part of its operations.

The Company relies on various approvals and authorizations relating to sulphur dioxide, GHG and other air emissions produced as part of its operations. Such authorizations may be reviewed, withdrawn, rescinded or additional conditions may be added to these authorizations. Further, if the Company is not in compliance with any such authorizations, the AER or any other applicable regulator may levy penalties and / or other orders, such as to shut in production, any of which could be significant and / or have a material adverse effect on the Company's business, operations, reserves estimates, financial condition and prospects. Recently, the Company reported a potential exceedance in its sulphur dioxide emissions to the AER. See "General Development of the Business – Recent Developments – Reporting of Sulphur Dioxide Exceedances" in this Annual Information Form.

The recovery of bitumen using SAGD processes is subject to uncertainty.

Current SAGD technologies for in situ extraction of bitumen or for reservoir injection require significant consumption of natural gas or other inputs to produce steam for use in the recovery process. There can be no assurance that the Company's operations will produce bitumen at the expected levels or on schedule. The quality and performance of a bitumen reservoir can also impact the steam oil ratio and the timing and levels of production. In addition, the geological characteristics and integrity of bitumen reservoirs are inherently uncertain. The injection of steam into reservoirs under significant pressure may cause fluid containment issues and unforeseen damage to reservoirs, resulting in large steam losses in parts of the reservoir where caprock is compromised. Should these adverse reservoir conditions occur, they would have a negative impact on the Company's ability to recover bitumen.

The Company's future performance may be affected by the financial, operational, environmental and safety risks associated with the exploration, development and production of oil and natural gas.

The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil reserves. Without the continual addition of new reserves, the Company's existing reserves, and the production from them, will decline over time as the Company produces from such reserves. A future increase in the Company's reserves will depend on both the ability of the Company to explore and develop its existing properties and its ability to select and acquire suitable producing properties or prospects. The Company may not be able to continue to find satisfactory properties to acquire or participate in. Moreover, management of the Company may determine that current markets, terms of acquisitions, participation or pricing conditions make potential acquisitions or participation uneconomic. The Company may not discover or acquire further commercial quantities of oil and natural gas.

Future oil and natural gas exploration may involve unprofitable efforts from dry wells or wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing, operating and other costs. The completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents and/or failure to comply with any such approvals and consents, shut-ins of wells (including resulting from regulatory non-compliance or extreme weather conditions), insufficient storage or transportation capacity or geological and mechanical conditions. It is difficult to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels to varying degrees.



Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including blowouts, craterings, explosions, uncontrollable flows of natural gas, NGLs or well fluids, fires, pipe, casing or cement failures, abnormal pressure, pipeline leaks, ruptures or spills, vandalism, pollution, releases of toxic gases, adverse weather conditions or natural disasters and other environmental hazards and risks. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment and cause personal injury or threaten wildlife, all of which could result in liability to the Company.

Oil and natural gas production operations are also subject to geological and seismic risks, including encountering unexpected formations, pressures, reservoir thief zones such as bottom water and top gas and/or water, caprock integrity, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Shortages and volatility of pricing on commodity inputs could negatively impact the Company's operating results.

The nature of the Company's operations results in exposure to fluctuations in diluent, natural gas and electricity prices. Natural gas is a significant component of the Company's cost structure, as it is used to generate steam for the SAGD process. Diluent, such as condensate, is also one of the Company's significant commodity inputs and is used to decrease the viscosity of bitumen to allow it to be transported. Electricity is required to power facilities and wells. Historically, the markets for bitumen, diluent, natural gas and electricity have been volatile, and they are likely to continue to be volatile. Shortages of, and increased costs for, these inputs could increase the Company's marketing and operating costs.

Reserves Estimates

There are numerous uncertainties inherent in estimating quantities of proved and probable reserves and future net revenues to be derived therefrom, including many factors beyond Greenfire's control. The reserves and future net cash flow summarized herein have been independently evaluated by McDaniel. These evaluations include a number of factors and assumptions made as of the date on which the evaluation is made such as geological and engineering estimates which have inherent uncertainties, the effects of regulation by governmental agencies, initial production rates, production decline rates, ultimate recovery of reserves timing and amount of capital expenditures, marketability of production, current and forecast prices of crude oil, Greenfire's ability to transport its product to various markets, operating costs, abandonment and salvage values and royalties and other government levies that may be imposed over the producing life of the reserves. Many of these assumptions are subject to change and may not, over time, prove to be accurate. Furthermore, different reserves engineers may make different estimates of reserves based on the same data. Greenfire's actual production, revenues, taxes, and development and operating expenditures with respect to its reserves will vary from estimates and such variations could be material.

Estimates with respect to reserves that may be developed and produced in the future are often based upon volumetric calculations, probabilistic and deterministic methods and analogy to similar types of reserves, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based on production history will result in variations, which may be material, from current estimated reserves.

Reserves estimates may require revision based on actual production experience. Such figures have been determined based on assumed commodity prices and operating costs. Market price fluctuations of bitumen, diluent and natural gas may impact the recovery of certain grades of bitumen. The present value of Greenfire's estimated future net revenue disclosed herein and in the McDaniel Report should not be construed as the fair market value of Greenfire's reserves.



There is uncertainty associated with non-producing or undeveloped reserves.

The Company's reserves may not ultimately be developed or produced in their entirety, either because it may not be commercially viable to do so or for other reasons. Furthermore, not all of the Company's undeveloped or developed non-producing reserves may be ultimately produced on the Company's projected timelines, at the costs the Company has budgeted, or at all. A shortfall in production below could have an adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may require additional financing, from time to time, to fund the acquisition, exploration and development of properties, and its ability to obtain such financing in a timely fashion and on acceptable terms may be negatively impacted by the current economic and global market volatility.

The Company's cash flow from operations may not be sufficient to fund its ongoing activities at all times and, from time to time, the Company may require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain financing on a timely

basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce its operations. Due to the conditions in the oil and natural gas industry and/or global economic and political volatility, the Company may, from time to time, have restricted access to capital and increased borrowing costs. The current conditions in the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies to access, or the cost of, additional financing.

As a result of global economic and political conditions and the domestic lending landscape, the Company may, from time to time, have restricted access to capital and increased borrowing costs. If the Company's cash flow from operations decreases as a result of lower commodity prices or otherwise, it will affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production. To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Company's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely. In addition, the future development of the Company's properties may require additional financing, and such financing may not be available or, if available, may not be available upon acceptable terms. Alternatively, any available financing may be highly dilutive to existing securityholders. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay in development or production on the Company's properties.

The anticipated benefits of acquisitions may not be achieved, and the Company may dispose of non-core assets for less than their carrying value on the financial statements as a result of weak market conditions.

The Company evaluates and, where appropriate, pursues acquisitions of additional mineral leases or oil and gas assets in the ordinary course of business. Acquisitions of mineral leases, as well as the exploration and development of land subject to such leases, may require substantial capital or the incurrence of substantial additional indebtedness. Furthermore, the acquisition of any additional mineral leases may not ultimately increase the Company's reserves or result in any additional production of bitumen. If the Company consummates any future acquisitions of mineral leases, it may need to change its anticipated capital expenditure programs and the use of the Company's capital resources. Management continually assesses the value and contribution of services provided by third parties and the resources required to provide such services. In this regard, non-core assets may be periodically disposed of so the Company can focus its efforts and resources more efficiently. Depending on the market conditions for such non-core assets, certain non-core assets of the Company may realize less on disposition than their carrying value on the financial statements of the Company.

Global political events may adversely affect commodity prices, which in turn affect the Company's cash flow.

Political events throughout the world that cause disruptions in the supply of oil continuously affect the marketability and price of oil and natural gas acquired or discovered by the Company. Conflicts, or conversely peaceful developments, arising outside of Canada, including changes in political regimes or the parties in power, have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and result in a reduction of the Company's net production revenue.

The successful operation of a portion of the Company's properties is dependent on third parties.

The Company's projects will depend on the availability and successful operation of certain infrastructure, equipment and services owned, operated or provided by third parties or joint ventures with third parties, including (without limitation):

- pipelines for the transport of natural gas, diluent and diluted bitumen;
- refinery operators;
- power transmission grids supplying and exporting electricity;
- other third-party transportation infrastructure such as roads, rail, airstrips, terminals and vessels; and
- equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally.

The unavailability or decreased capacity of any or all of the infrastructure, equipment or services described above could negatively impact the operation of the Company's projects and its ability to undertake exploration, development and construction projects, which, in turn, may have a material adverse effect on the Company's results of operations, financial condition and prospects. A failure to secure the services and equipment necessary for the Company's operations for the expected price, on the expected timeline, or at all, may also have an adverse effect on the Company's financial performance and cash flows.

In addition, if any of the Company's various counterparties experience financial difficulty, it could impact their ability to fund and pursue capital expenditures, carry out their operations in a safe and effective manner and satisfy regulatory requirements with respect to abandonment and reclamation obligations. If such companies fail to satisfy regulatory requirements with respect to abandonment and reclamation obligations, the Company may be required to satisfy such obligations and seek reimbursement from such companies. To the extent that any of such companies go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in such assets being shut-in, the Company potentially becoming subject to additional liabilities relating to such assets and the Company having difficulty collecting revenue due from such operators or recovering amounts owing to the Company from such operators for their share of abandonment and reclamation obligations. Any of these factors could have a material adverse effect on the Company's financial and operational results.

Firm transportation and storage agreements require the Company to pay demand charges for firm transportation and storage capacities that it does not use.

The Company pays fixed charges for storage and transportation of operating inputs such as natural gas, diluent and electricity, regardless of whether bitumen and blend are being produced. If the Company fails to use its firm transportation and storage capacities due to production shortfalls or otherwise, margins, results of operations and financial performance could be adversely affected.

The Company is heavily reliant on the Petroleum Marketer as its sole third-party commodity marketer and a failure of the Petroleum Marketer to fulfill its obligations to the Company could have a significant negative impact on the Company's operations, costs and cashflow.

The Company has contracted with the Petroleum Marketer as its sole third-party petroleum marketer and as a result faces concentrated counterparty risk if the Petroleum Marketer cannot, or refuses to, fulfill its contractual obligations. The Petroleum Marketer markets all of the Company's product to buyers and thus is the sole source of all of the Company's revenue. The Petroleum Marketer also sources and pays for diluent for the Company's operations, provides security for key pipeline assignments, schedules and executes delivery of blend and diluent by pipeline and is responsible for transport of the Company's bitumen when product is transported by truck. A failure of the Petroleum Marketer to provide any of those contracted services could have a significant negative impact on the Company's operations, costs and cashflow.

The Company may be unable to retain existing suppliers.

The Company may be unable to retain existing suppliers, contractors or employees, unless it provides letters of credit or other financial assurances, the quantum of which may eventually prove to be higher than the Company's current estimates. The Company may have restricted access to capital and increased borrowing costs. Failure to obtain financing on a timely basis could impair the Company's ability to retain such suppliers, contractors or employees, which could have a material adverse effect on its operations.

The Company relies on groundwater licenses, which, if rescinded or the conditions of which are amended, could disrupt its business and have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company relies on access to groundwater, which is obtained under government licenses, to provide the substantial quantities of water required for certain of its operations. The licenses to withdraw water may be rescinded or additional conditions may be added to these licenses. Further, the Company may have to pay increased fees for the use of water in the future, and any such fees may be uneconomic. Finally, new projects or the expansion of existing projects may be dependent on securing licenses for additional water withdrawal, and these licenses may be granted on terms not favorable to the Company, or at all, and such additional water may not be available to divert under such licenses. Any prolonged droughts in the Fort McMurray area could result in the Company's groundwater licenses being subject to additional conditions or rescission. The Company's inability to secure groundwater licenses in the future and any amendment to or rescission of, its current licenses may disrupt its business and have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may not be able to obtain or comply with the regulatory approvals it needs for general operating activities or compliance for decommissioning.

The construction, operation and eventual decommissioning of the Demo Asset and the Expansion Asset and other potential future projects are and will be conditional upon various environmental and regulatory approvals, permits, leases and licenses issued by governmental authorities, including but not limited to the approval of the Alberta Energy Regulator and the Alberta Ministry of Environment and Protected Areas. There can be no assurance that such approvals, permits, leases and licenses will be granted or, once granted, that they will subsequently be renewed or will not be cancelled or contain terms and conditions which the Company cannot comply with and make the Company's projects uneconomic, or cause the Company to significantly curtail production or alter its projects. Further, the construction, operation and decommissioning of the Demo Asset and Expansion Asset projects and other potential future projects will be subject to regulatory approvals and statutes and regulations relating to environmental protection and operational safety. There can be no assurance that third parties will not object to the development of such projects during applicable regulatory processes.

Due to the geographical concentration of the Company's assets, the Company may be disproportionately impacted by delays or interruptions in the region in which it operates.

The Company's properties and production are focused in the Southern Athabasca region of Northeastern Alberta. As a result, the Company may be disproportionately exposed to the impact of delays or interruptions of production caused by transportation capacity constraints, curtailment of production, availability of equipment, facilities, personnel or services, water shortages, significant governmental regulation, natural disasters, fires, adverse weather conditions, plant closures for scheduled maintenance or interruption of transportation of oil or natural gas produced from the wells in these areas.

In addition, the effect of fluctuations on supply and demand may become more pronounced within the specific geographic oil and gas-producing areas in which the Company's properties are located, which may cause these conditions to occur with greater frequency or magnify the effect of these conditions on the Company. Due to the concentrated nature of the Company's portfolio of properties, a number of the Company's properties could experience one or more of the same conditions at the same time, resulting in a relatively greater impact on the Company's

results of operations than they might have on other companies that have a more diversified portfolio of properties. Such delays or interruptions could have a material adverse effect on the operating results and financial condition of the Company.



Entrance into new industry-related activities or geographical areas could adversely affect the Company's future operational and financial conditions.

In the future, the Company may acquire or move into new industry-related activities or new geographical areas or acquire different energy-related assets, and as a result, may face unexpected risks or alternatively, significantly increase its exposure to one or more existing risk factors, which may in turn result in the Company's future operational and financial conditions being adversely affected.

The Company's operations may be negatively impacted by factors outside of its control, including weather events, resulting in operational delays and cost overruns.

A portion of the Company's production costs are fixed regardless of current operating levels. The Company's operating levels can be subject to factors beyond its control that can delay deliveries or increase the cost of operation at particular sites for varying lengths of time. These factors include weather conditions (e.g., extreme winter weather, tornadoes, floods, and the lack of availability of process water due to drought), fires and other natural and man-made disasters, unanticipated geological conditions, including variations in the amount and type of rock and soil overlying the oil or natural gas deposits, variations in rock and other natural materials and variations in geologic conditions.

Fire in the Athabasca region has been a recurring issue and has, in the past, resulted in the suspension of operations at the Hangingstone Facilities as well as suspension of operations at surrounding SAGD facilities due to safety concerns.

The processes that take place in the Company's facilities and those facilities owned by third parties through which the Company's production is transported and processed depend on critical pieces of equipment. This equipment may, on occasion, be out of service because of unanticipated failures. In addition, some of these facilities have been in operation for several decades, and the equipment is aged. In the future, the Company may experience additional material shutdowns or periods of reduced production because of equipment failures. Further, remediation of any interruption in production capability may require the Company to make large capital expenditures that could have a negative effect on profitability and cash flows. The Company's business interruption insurance may not cover all or any of the lost revenues associated with equipment failures. Longer-term business disruptions could result in a loss of customers, which adversely could affect future sales levels and profitability.

Lack of capacity and/or regulatory constraints on gathering and processing facilities, pipeline systems, trucking and railway lines may have a negative impact on the Company's ability to produce and sell its oil and natural gas.

The Company delivers its products through gathering and processing facilities, pipeline systems and may in certain circumstances, deliver by truck and rail. The amount of bitumen that the Company can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems, trucking and railway lines. The lack of availability of capacity in any of the gathering and processing facilities, pipeline systems, trucking and railway lines could result in the Company's inability to realize the full economic potential of its production or in a reduction of the price offered for the Company's production. The lack of firm pipeline capacity continues to affect the oil and natural gas industry and limit the ability to transport produced oil and gas to market. In addition, the pro-rationing of capacity on inter-provincial pipeline systems continues to affect the ability to export oil and natural gas. Unexpected shutdowns or curtailment of the capacity of pipelines for maintenance or integrity work or because of actions taken by regulators could also affect the Company's production, operations and financial results.



A portion of the Company's production may, from time to time, be processed through facilities owned by third parties and over which the Company does not have control. From time to time, these facilities may discontinue or decrease operations as a result of normal servicing requirements or unexpected events. A discontinuation or decrease of operations could have a material adverse effect on the Company's ability to process its production and deliver the same to market. Midstream and pipeline companies may take actions to maximize their return on investment, which may in turn adversely affect producers and shippers, especially when combined with a regulatory framework that may not always align with the interests of particular shippers.

The Company competes with other oil and natural gas companies, many of which have greater financial and operational resources.

The Canadian and international petroleum industry is highly competitive in all aspects, including the exploration for, and the development of, new sources of supply, the acquisition of oil production leases and the distribution and marketing of petroleum products. The Company competes with producers of bitumen, synthetic crude oil blends and conventional crude oil. Some of the conventional producers have lower operating costs than

the Company, and many of them have greater resources to source, attract and retain the personnel, materials and services that the Company requires to conduct its operations. Other producers may also have substantially greater financial resources, staff and facilities than the Company. Some of these companies not only explore for, develop and produce oil and natural gas, but also carry on refining operations and market oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than the Company. The Company's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling.

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services using new technologies that may increase the viability of reserves or reduce production costs. Other companies may have greater financial, technical and personnel resources that allow them to implement and benefit from such technological advantages. The Company may not be able to respond to such competitive pressures and implement such technologies on a timely basis, or at an acceptable cost. If the Company does implement such technologies, it may not do so successfully. One or more of the technologies currently used by the Company or implemented in the future may become obsolete. If the Company is unable to use the most advanced commercially available technology, or is unsuccessful in implementing certain technologies, its business, financial condition and results of operations could also be adversely affected in a material way.

The Company also faces competition from companies that supply alternative resources of energy, such as wind and solar power.

Other factors that could affect competition in the marketplace include additional discoveries of Hydrocarbon reserves by the Company's competitors, changes in the cost of production, political and economic factors and other factors outside the Company's control.

Changes to royalty regimes could adversely affect the profitability of the Company's operations.

The Province of Alberta receives royalties on the production of natural resources from lands in which it owns the mineral rights that are linked to price and production levels and that apply to both new and existing thermal oil production projects. There can be no assurances that the Government of Alberta will not adopt new royalty regimes or alter existing royalty regimes, which may render the Company's projects uneconomical or otherwise adversely affect its results of operations, financial condition or prospects.

Oil and natural gas operations are subject to seasonal weather conditions, and the Company may experience significant operational delays or costs as a result.

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Extreme cold weather, heavy snowfall and heavy rainfall may restrict the Company's ability to access its properties and cause operational difficulties. In addition, low temperatures increase the viscosity of diluent and bitumen. With higher viscosities, more diluent is required to blend bitumen for pipeline transportation, and bitumen becomes thicker and more difficult to transport by truck, in each case, resulting in increased operating costs. Higher than normal temperatures can negatively affect the operation of equipment used for processing and cooling of product and for inputs, such as natural gas delivery from third parties. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and increased operating costs, which may have an adverse effect on the Company's business, financial condition and results of operations.

Changes to applicable tax laws or government incentive programs may affect the Company's operations, financial condition or prospects.

Income tax laws or government incentive programs relating to the oil and gas industry and in particular, the oil sands sector, may in the future be changed or interpreted in a manner that adversely affects the Company's result of operations, financial condition or prospects. In addition, corporate tax pools may be adjusted due to changes with respect to changes of tax law interpretation or audit.

Defects in the title or rights to produce the Company's properties may result in a financial loss.

The Company's actual title to and interest in its properties, and its right to produce and sell the products therefrom, may vary from the Company's records. In addition, there may be valid legal challenges or legislative changes, or prior unregistered agreements, interests or claims of which the Company is currently unaware, that affect the Company's title to and right to produce petroleum from its properties, which could impair the Company's activities and result in a reduction of the revenue received by the Company.

If a defect exists in the chain of title or in the Company's right to produce, or a legal challenge or legislative change arises, it is possible that the Company may lose all, or a portion of, the properties to which the title defect relates and/or its right to produce from such properties. This may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may be required to surrender lands to the Province of Alberta if annual lease payments are not made.

The Company has two project regions in the Athabasca region of Alberta consisting of oil sands leases, either acquired from the Government of Alberta or from third parties. All of the Company's leases require annual lease payments to the Alberta provincial government. If the Company

does not maintain the annual lease payments, it will lose its ability to explore and develop the properties, and the Company will not retain any kind of interest in the properties.

Risk management activities expose the Company to the risk of financial loss and counter-party risk.

The Company has and continues to use physical and financial instruments to hedge a portion of its exposure to fluctuations in commodity prices (potentially including, but not limited to, hedging the index price that approximates the Company's realized price for its bitumen and benchmark pricing that approximates the price the Company pays for diluent, natural gas and power) and may also use such instruments in respect of exchange and interest rates. If bitumen, diluent, natural gas, power prices, exchange or interest rates increase above or decrease below levels contracted for in any hedging agreements, such hedging arrangements may prevent the Company from realizing the full benefit of such increases or decreases. In addition, the Company's risk management arrangements may expose it to the risk of financial loss or otherwise have a negative impact on the Company's results of operations or prospects in certain circumstances, including instances in which:

- production falls short of the contracted volumes or prices fall significantly lower than projected;

- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the arrangement;
- the Company is required to pay a margin call on a derivative instrument based on a market or reference price that is higher than the hedged price;
- counterparties to the arrangements or other price risk management contracts become insolvent or otherwise fail to perform under those arrangements; or
- a sudden or unexpected event materially impacts market prices for bitumen, diluent, natural gas, power or exchange or interest rates.

It is an obligation under the 2028 Note Indenture to execute a continuously rolling 12-month commodity price hedging program for at least 50% of its proved developed producing reserves forecast, subject to adjustment in certain circumstances, from its most recent reserves report, which is completed by an independent reserves evaluator. Although the Company has been successful in executing its hedging strategy to meet this obligation in the past, there can be no guarantee that it will continue to be successful in meeting this obligation in the future. Should the Company fail to meet its obligations under the 2028 Note Indenture, an event of default may occur and negatively impact the Company's financial and operating performance.

Not all risks of conducting oil and natural gas opportunities are insurable and the occurrence of an uninsurable event may have a material adverse effect on the Company.

The operation of the Company's SAGD production properties and projects have experienced and will continue to be subject to the customary hazards of recovering, transporting and processing Hydrocarbons, such as fires, explosions, gaseous leaks, migration of harmful substances, equipment failures, blowouts, spills and other accidents.

In addition, the geological characteristics and integrity of the bitumen reservoirs are inherently uncertain. The injection of steam into reservoirs under significant pressure may result in unforeseen damage to reservoirs that could result in steam blowouts or oil or gaseous leaks. A casualty occurrence might result in the loss of equipment or life, as well as injury, environmental or property damage or the interruption of the Company's operations.

Although the Company maintains insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, certain risks are not, in all circumstances, insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's insurance policies are generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, policy limits and/or deductibles for certain insurance policies can vary substantially. In some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. Significantly increased costs could lead the Company to decide to reduce or possibly eliminate coverage. In addition, insurance is purchased from a number of third-party insurers, often in layered insurance arrangements, some of whom may discontinue providing insurance coverage for their own policy or strategic reasons. Should any of these insurers refuse to continue to provide insurance coverage, the Company's overall risk exposure could be increased, and the Company could incur significant costs.

The Company relies on its reputation to continue its operations and to attract and retain investors and employees.

Oil sands development receives significant political, media and activist commentary regarding GHG emissions, pipeline transportation, water usage, harm to Indigenous communities and potential for environmental damage. Public concerns regarding such issues may directly or indirectly harm the Company's operations and profitability in a number of ways, including by: (i) creating significant regulatory uncertainty that could challenge the economic modelling of future development; (ii) motivating extraordinary environmental regulation by governmental authorities that could result in changes to facility design and operating requirements, thereby increasing the cost of construction, operation and abandonment; (iii) imposing restrictions on production from oil sands operations that could reduce the amount of bitumen, crude oil and natural gas that the Company is ultimately able to produce from its reserves; and (iv) resulting in proposed pipelines not being able to receive the necessary permits and approvals, which, in turn, may limit the market for the Company's crude oil and natural gas and reduce its price. Concerns over these issues may also harm the Company's corporate reputation and limit its ability to access land and joint venture opportunities.

The Company's business, operations or financial condition may be negatively impacted as a result of any negative public opinion towards the Company or as a result of any negative sentiment toward, or in respect of, the Company's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Company operates as well as their opposition to certain oil sands and other oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses, and increased costs and/or cost overruns. The Company's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the oil and natural gas industry, particularly other producers, over which the Company has no control. Similarly, the Company's reputation could be impacted by negative publicity related to loss of life, injury or damage to property and environmental damage caused by the Company's operations. In addition, if the Company develops a reputation of having an unsafe work site, it may impact the ability of the Company to attract and retain the necessary skilled employees and consultants to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate-related litigation against governments and Hydrocarbon companies may impact the Company's reputation.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Company's reputation. Damage to the Company's reputation could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Company's securities.

Opposition by Indigenous groups to the conduct of the Company's operations, development or exploratory activities may negatively impact the Company.

Opposition by Indigenous groups to the conduct of the Company's operations, development or exploratory activities may negatively impact it in terms of public perception, diversion of management's time and resources, and legal and other advisory expenses, and could adversely impact the Company's progress and ability to explore and develop properties.

Some Indigenous groups have established or asserted treaty, Aboriginal title and Aboriginal rights to a substantial portion of Western Canada. Certain Indigenous peoples have filed a claim against the Government of Canada, the Province of Alberta, certain governmental entities and the Regional Municipality of Wood Buffalo (which includes the City of Fort McMurray, Alberta) claiming, among other things, Aboriginal title to large areas of lands surrounding Fort McMurray, including lands on which the Company's assets are located. Such claims, and other similar claims that may be initiated, if successful, could have a material adverse effect on the Company's assets.

The Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Aboriginal or treaty rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies with the circumstances and is often the subject of ongoing litigation. The fulfillment of the duty to consult Indigenous people and any associated accommodations may adversely affect the Company's ability to, or increase the timeline to, obtain or renew, permits, leases, licenses and other approvals, or to meet the terms and conditions of those approvals.

In addition, the Canadian federal government has introduced legislation to implement UNDRIP. Other Canadian jurisdictions have also introduced or passed similar legislation, or begun considering the principles and objectives of UNDRIP, or may do so in the future. The means and timelines associated with UNDRIP's implementation by the government are uncertain; additional processes may be created, or legislation amended or introduced associated with project development and operations, further increasing uncertainty with respect to project regulatory approval timelines and requirements.

An inability to recruit and retain a skilled workforce and key personnel may negatively impact the Company.

The operations and management of the Company require the recruitment and retention of a skilled workforce, including engineers, technical personnel and other professionals. The loss of key members of such workforce, or a substantial portion of the workforce as a whole, could result in the failure to implement the Company's business plans which could have a material adverse effect on the Company's business, financial

condition, results of operations and prospects. While changes in leadership of the Company announced in February 2025 are intended to remedy any then current or future personnel issues, such changes may not be sufficient to fully mitigate any potential adverse effects described here. See "*General Development of the Business—2025—Changes in Leadership*".

The labor force in Alberta, and in the surrounding area, is limited and there can be no assurance that all the required employees with the necessary expertise will be available. Competition for qualified personnel in the oil and natural gas industry is high and the Company may not be able to continue to attract and retain all personnel necessary for the development and operation of its business. The Company does not have any key personnel insurance in effect. Contributions of the existing management team to the immediate and near-term operations of the Company are likely to be of central importance. In addition, certain of the Company's current employees may have significant institutional knowledge that must be transferred to other employees prior to their departure from the workforce. If the Company is unable to: (i) retain current employees; (ii) successfully complete effective knowledge transfers; and/or (iii) recruit new employees with the requisite knowledge and experience, the Company could be negatively impacted. In addition, the Company could experience increased costs to retain and recruit these professionals.

Restrictions on operational activities intended to protect certain species of wildlife may adversely affect the Company's ability to conduct drilling and other operational activities in some of the areas where it operates.

Operations in the Company's operating areas can be adversely affected by seasonal or permanent restrictions on construction, drilling and well completions activities designed to protect various wildlife. Seasonal restrictions may limit the Company's ability to operate in protected areas and can intensify competition for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages when drilling and completion activities are allowed. These constraints and the resulting shortages or high costs could delay the Company's operations and materially increase the Company's operating and capital costs. Permanent restrictions imposed to protect endangered species could prohibit development in certain areas or require the implementation of expensive mitigation measures. The designation of previously unprotected species as threatened or endangered in areas where the Company operates could cause the Company to incur increased costs arising from species protection measures or could result in limitations on the Company's exploration and production activities that could have an adverse impact on the Company's ability to develop and produce its reserves.

Risks Related to Climate Change and Related Regulation

Physical and Transitional Climate Change Risks

Physical risks associated with climate change may include severe changes to weather patterns or catastrophic events such as fires, lightning, earthquakes, extreme cold weather, storms or floods, changes to seasonal weather patterns and the corresponding effects of seasonal conditions and temperatures, any of which may impact Greenfire's operations.

Transitional risks include risks associated with a global transition to a less carbon-intensive economy, including changes to laws and regulations, increased activism and public opposition to fossil fuels and oil sands, reduced demand for Greenfire's products and services as new energy technologies are developed and gain prominence, and reputational risks. Reputational risks include numerous factors which could negatively affect Greenfire's reputation, including general public perceptions of the energy industry, negative publicity relating to pipeline incidents, unpopular expansion plans or new projects, opposition from organizations and populations opposed to fossil fuels development, specifically oil sands projects and pipeline projects, including expansions thereof. A negative impact from transitional risks could result in loss of customers, revenue loss, delays in obtaining regulatory approvals for pipelines and other projects, increased operating, capital, financing or regulatory costs, diminished shareholder confidence, continuing changes to laws and regulations affecting Greenfire's business or erosion or loss of public support towards the hydrocarbon-based energy sector. Negative public perception of the Alberta oil sands, where Greenfire's thermal oil production operations are located, may impair the profitability of Greenfire's current or future oil sands projects.

Development of the Alberta oil sands has received considerable attention on the subjects of environmental impact, climate change, water usage, GHG emissions and Indigenous engagement. The influence of anti-fossil fuels activists (with a focus on oil sands) targeting equity and debt investors, lenders and insurers may result in policies which reduce support for or investment in the Alberta oil sands sector. Concerns about oil sands, including but not limited to heightened GHG emissions and water and land use practices in oil sands developments may, directly or indirectly, impair the profitability of Greenfire's current thermal oil production projects, and the viability of future thermal oil production projects, by creating significant regulatory uncertainty leading to economic uncertainty in current and future projects and delays relating to the permitting and construction of future projects. In addition, evolving decarbonization policies of institutional investors, lenders and insurers could affect Greenfire's ability to access capital and insurance markets.

In recent years, certain institutional investors have stopped or reduced their investments in the Canadian energy industry or only invested in companies that satisfy their green, renewable energy, sustainability or environment, social and governance criteria. Similarly, certain insurance companies have taken actions or announced policies to limit available coverage for companies which derive some or all of their revenue from the oil sands sector. As a result of these policies, premiums and deductibles for some or all of Greenfire's insurance policies could increase substantially. In some instances, coverage may become unavailable or available only for reduced amounts of coverage. As a result, Greenfire may not be able to extend or renew existing policies, or procure other desirable insurance coverage, either on commercially reasonable terms, or at all.

Other negative consequences which could arise as a result of changes to the current regulatory environment include, but are not limited to, changes in environmental and emissions regulation of current and future projects by governmental authorities, which could result in changes to

facility design and operating requirements, potentially increasing the cost of construction, operation and abandonment. In addition, legislation or policies that limit the purchase of crude oil produced from the oil sands may be adopted in domestic and/or foreign jurisdictions, which, in turn, may limit the demand for this crude oil, reduce its price and may result in stranded assets or an inability to further develop such crude oil resources.

Compliance with environmental regulations requires the dedication of a portion of the Company's financial and operational resources.

Compliance with environmental legislation may require significant expenditures, some of which may be material. Environmental compliance requirements may result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The direct and indirect costs of the various GHG regulations, current and emerging in both Canada and the United States, including any limits on oil sands emissions through the Canadian federal government's implementation of the Paris Agreement through the GGPPA, the *Clean Fuel Regulations*, the Alberta TIER regulation and any other federal or provincial carbon emission pricing system, may adversely affect the Company's business, operations and financial results.

Environmental regulation of GHG emissions in the United States could result in increased costs and/or reduced revenue for oil sands companies such as the Company. At the federal level, the U.S. Environmental Protection Agency (the "**EPA**") is currently responsible for regulating GHG emissions, pursuant to the Clean Air Act. The EPA has issued regulations restricting GHG emissions from automobiles and trucks, and administers the Renewable Fuel Standard, which requires specified "renewable fuels" to be blended into U.S. transportation fuel, with increasing volumes coming from lower GHG-emitting fuels over time. While the future regulatory environment in the United States is uncertain, it is possible that fuel suppliers' GHG emissions will eventually be regulated in the United States. The Company's operations may be impacted by such regulation, which could impose increased costs on direct and indirect users of the Company's products, which could therefore result in reduced demand.

The direct and indirect costs of various GHG regulations, existing and proposed, may adversely affect the Company's business, operations and financial results, including demand for the Company's products.

The Company's exploration and production facilities and other operations and activities emit GHGs, which require the Company to comply with federal and/or provincial GHG emissions legislation in Canada. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company's facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. Although it is not possible at this time to predict how new laws or regulations in the United States and Canada would impact the Company's business, any such future laws, regulations or legal requirements imposing reporting or permitting obligations on, or limiting emissions of GHGs from, the Company's equipment and operations could require the Company to incur costs to reduce emissions of GHGs associated with its operations or to purchase emission credits or offsets as well as delays or restrictions in its ability to permit GHG emissions from new or modified sources. The direct or indirect costs of compliance with these regulations may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. Any such regulations could also increase the cost of consumption, and thereby reduce demand for the bitumen the Company produces. Given the evolving nature of the discourse related to climate change and the control of GHGs and resulting regulatory requirements, it is not possible to predict with certainty the impact on the Company and its operations and financial condition.

Abandonment and Reclamation

The Company will need to comply with the terms and conditions of environmental and regulatory approvals and all legislation regarding the abandonment of its projects and reclamation of the project lands at the end of their economic life, which may result in substantial abandonment and reclamation costs. Any failure to comply with the terms and conditions of the Company's approvals and legislation may result in the imposition of fines and penalties, which may be material. Generally, abandonment and reclamation costs are substantial and, while the Company accrues a reserve in its financial statements for such costs in accordance with IFRS, such accruals may be insufficient.

In the future, the Company may determine it prudent or be required by applicable Laws, regulations or regulatory approvals to establish and fund one or more reclamation funds to provide for payment of future abandonment and reclamation costs. If the Company establishes a reclamation fund, its liquidity and cash flow may be adversely affected.

Alberta has developed a liability management framework designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines if a licensee or permit holder is unable to satisfy its regulatory obligations. The implementation of, or changes to, the requirements of the liability management framework may result in significant increases to the security that must be posted by licensees, increased and more frequent financial disclosure obligations or may result in the denial of license or permit transfers, which could impact the availability of capital to be spent by such licensees which could in turn materially adversely affect the Company's business and financial condition. In addition, this liability management framework may prevent or interfere with a licensee's ability to acquire or dispose of assets, as both the vendor and the purchaser of oil and natural gas assets must be in compliance with the liability management framework for the applicable regulatory agency to allow for the transfer of such assets.

Protection of Wildlife

Crude oil operations in Greenfire's operating areas can be adversely affected by seasonal or permanent restrictions on drilling, well completion or construction activities designed to protect certain species of wildlife. Such restrictions may limit Greenfire's ability to operate in protected areas and can intensify competition for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages when drilling and well completion activities are allowed. These constraints and the resulting shortages or high costs could delay Greenfire's operations and materially increase its operating and capital costs. Permanent restrictions imposed to protect threatened or endangered species could prohibit drilling and completions in certain areas or require the implementation of expensive mitigation measures. The designation of previously unprotected species as threatened or endangered in areas where Greenfire operates could cause it to incur increased costs arising from species protection measures or could result in limitations on Greenfire's exploration and production activities that could have an adverse impact on its ability to develop and produce its reserves.

Proposed Import Restrictions

Some foreign jurisdictions, including the State of California, have attempted to introduce carbon fuel standards that require a reduction in life cycle GHG emissions from vehicle fuels. Some standards propose a system to calculate the life cycle of GHG emissions of fuels to permit the identification and use of lower-emitting fuels.

Any foreign import restrictions or financial penalties imposed on the use of bitumen may restrict the markets in which Greenfire may sell its products and/or result in Greenfire receiving a lower price for such products.

Additional Regulation and Regulatory Compliance

The crude oil industry in Canada operates under Canadian federal, provincial, territorial and municipal legislation and regulations governing such matters as land tenure, lease extensions, Indigenous consultation, prices, royalties, taxes, production rates, environmental protection controls, operating practices, income, the production, transportation, sale and export of crude oil and other products, the use of subsurface water, land use, expropriation and other matters. In addition, there are many international rules, regulations and requirements relating to the shipping of crude oil products, via land or sea.

Government regulations may be changed from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the thermal oil production industry may have a material adverse effect on Greenfire's business, financial condition, results of operations and prospects.

Risks Related to Political and other Legal Matters and Regulations

The Company's business may be adversely affected by political and social events and decisions made in Canada.

The Company's results can be adversely impacted by political, legal, or regulatory developments in Canada that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically, and duration of regulatory reviews could impact the Company's existing operations and planned projects. This includes actions by regulators or political actors to delay or deny necessary licenses and permits for the Company's activities or restrict the operation of third-party infrastructure that the Company relies on. Additionally, changes in environmental regulations, assessment processes or other laws, and increasing and expanding stakeholder consultation (including Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact the Company's results.

Other government and political factors that could adversely affect the Company's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards, and the use of alternative fuels or uncompetitive fuel components could affect the Company's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for the Company's products.

A change in federal, provincial or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry, including the balance between economic development and environmental policy. The oil and natural gas industry has become an increasingly politically polarizing topic in Canada, which has resulted in a rise in civil disobedience

surrounding oil and natural gas development — particularly with respect to infrastructure projects. Protests, blockades and demonstrations have the potential to delay and disrupt the Company's activities.

The handling of secure information for destruction exposes the Company to potential data security risks that could result in monetary damages against the Company and could otherwise damage its reputation, and adversely affect its business, financial condition and results of operations.

The protection of customer, employee, and company data is critical to the Company's business. The regulatory environment in Canada surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and constantly changing requirements. Certain legislation, including the *Personal Information Protection and Electronic Documents Act* in Canada, require documents to be securely destroyed to avoid identity theft and inadvertent disclosure of confidential and sensitive information. A significant breach of customer, employee, or company data could attract a substantial amount of media attention, damage the Company's customer relationships and reputation, and result in lost sales, fines, or lawsuits. In addition, an increasing number of countries have introduced and/or increased enforcement of comprehensive privacy laws or are expected to do so. The continued emphasis on information security as well as increasing concerns about government surveillance may lead customers to request the Company to take additional measures to enhance security and/or assume higher liability under its contracts. As a result of legislative initiatives and customer demands, the Company may have to modify its operations to further improve data security. Any such modifications may result in increased expenses and operational complexity, and adversely affect its reputation, business, financial condition and results of operations.

Failure to comply with anti-corruption, economic sanctions, and anti-money laundering laws could subject the Company to penalties and other adverse consequences.

The Company is subject to governmental export and import control laws and regulations, as well as laws and regulations relating to foreign ownership and economic sanctions. The Company's failure to comply with these laws and regulations and other anti-corruption laws that prohibit companies, their officers, directors, employees and third-party intermediaries from directly or indirectly promising, authorizing, offering, or providing improper payments or benefits to any person or entity, including any government officials, political parties, and private-sector recipients, for the purpose of obtaining or retaining business, directing business to any person, or securing any advantage could have an adverse effect on the Company's business, prospects, financial condition and results of operations. Changes to trade policy, economic sanctions, tariffs, and import/export regulations may have a material adverse effect on the Company's business, financial condition and results of operations. The Company will likely be subject to, and will be required to remain in compliance with, numerous laws and governmental regulations concerning the production, use, and distribution of its products and services. Potential future customers may also require that Greenfire complies with their own unique requirements relating to these matters, including provision of data and related assurance for ESG-related standards or goals. Existing and future environmental, health and safety laws and regulations could result in increased compliance costs or additional operating costs or construction costs and restrictions. Failure to comply with such laws and regulations may result in internal and/or government investigations, substantial fines, or other limitations that may adversely impact the Company's financial results or results of operation. The Company's business may also be adversely affected by changes in the regulation of the global energy industry.

Foreign markets may impose import restrictions and penalties on high carbon fuels which may impact the price the Company receives for its products.

Some foreign jurisdictions, including the State of California, have attempted to introduce carbon fuel standards that require a reduction in life cycle GHG emissions from vehicle fuels. Some standards propose a system to calculate the life cycle of GHG emissions of fuels to permit the identification and use of lower-emitting fuels. Any foreign import restrictions or financial penalties imposed on the use of bitumen or bitumen blend products may restrict the markets in which the Company may sell its bitumen and bitumen blend products and/or result in the Company receiving a lower price for such products.

Trade Relations and Tariffs

On March 4, 2025, a 25% tariff on all goods originating in Canada and imported into the U.S. and a 10% tariff on "energy and energy resources" from Canada, became effective. In response, the Government of Canada imposed 25% tariffs on an aggregate of $155 billion in goods imported from the U.S., coming into effect in two phases starting on March 4, 2025. The Government of Canada indicated that these measures would remain in place until the U.S. trade action is withdrawn and, in the event that the U.S. tariffs do not cease, further consideration would be given to non-tariff measures against the U.S. A number of provincial governments have also indicated they are actively exploring their own countermeasures to the U.S. tariffs. On March 6, 2025, the U.S. agreed to exempt from tariffs imports of Canadian goods subject to CUSMA until April 2, 2025. The implementation of tariffs and/or further retaliatory trade measures, if implemented, could increase the costs for Canadian exporters and may substantially impact the trade relationship between the United States and Canada.

Although discussions regarding a potential end to the U.S. tariffs and retaliatory trade measures from Canada are ongoing, the full impact, and duration of such measures remains uncertain. Furthermore, there is a possibility that the trade dispute could escalate further. Additional measures imposed could include, among others, increased tariffs on Canadian energy exports, restrictions on cross-border supply chains, or additional regulatory barriers that could impact our ability to access international markets and conduct business efficiently.

The implementation of tariffs and/or further retaliatory trade measures could have a significant impact on the market for bitumen and other products required to carry on our operations and could result in, among other things, a high degree of both cost and price volatility, a relative weakening of the Canadian dollar, widening differentials, and decreased demand for our products. Any or all of such effects may have a material adverse impact on our business, results of operations and financial condition.

Failure to comply with laws relating to labor and employment could subject the Company to penalties and other adverse consequences.

The Company is subject to various employment-related laws in the jurisdictions in which its employees are based. It faces risks if it fails to comply with applicable Canadian federal or provincial wage law or applicable Canadian federal or provincial labor and employment laws, or wage, labor or employment laws applicable to any employees outside of Canada. Any violation of applicable wage laws or other labor or employment-related laws could result in complaints by current or former employees, adverse media coverage, investigations, and damages or penalties which could have a materially adverse effect on the Company's reputation, business, operating results, and prospects. In addition, responding to any such proceeding may result in a significant diversion of management's attention and resources, significant defense costs, and other professional fees.

Risks Relating to the Company's Technology, Intellectual Property and Infrastructure

Unauthorized use of intellectual property may cause the Company to engage in, or be the subject of, litigation.

Due to the rapid development of oil and natural gas technology, including with respect to recovering in situ oil sands resources, in the normal course of the Company's operations, the Company may become involved in, named as a party to, or be the subject of, various legal proceedings in which it is alleged that the Company has infringed, misappropriated or otherwise violated the intellectual property or proprietary rights of others. The Company may also initiate similar claims against third parties if it believes that such parties are infringing, misappropriating or otherwise violating its intellectual property or proprietary rights. The Company's involvement in any intellectual property litigation or legal proceedings could (i) result in significant expense, (ii) adversely affect the development of its assets or intellectual property, or (iii) otherwise divert the efforts of its technical and management personnel, whether or not such litigation or proceedings are resolved in the Company's favor. In the event of an adverse outcome in any such litigation or proceeding, the Company may, among other things, be required to:

- pay substantial damages and/or cease the development, use, sale or importation of processes that infringe or violate upon the intellectual property rights of a third party;
- expend significant resources to develop or acquire the non-infringing intellectual property;
- discontinue processes incorporating the infringing technology; or
- obtain licenses to the non-infringing intellectual property.

However, the Company may not be successful in such development or acquisition of the applicable non-infringing intellectual property, or such licenses may not be available on reasonable terms. In the event of a successful claim of infringement, misappropriation or violation of third-party intellectual property rights against the Company and its failure or inability to obtain a license to continue to use such technology on reasonable terms, the Company's business, prospects, operating results and financial condition could be materially adversely affected.

Breaches of the Company's cyber-security and loss of, or unauthorized access to, data may adversely impact the Company's operations and financial position.

The Company is increasingly dependent upon the availability, capacity, reliability and security of the Company's information technology infrastructure, and the Company's ability to expand and continually update this infrastructure, to conduct daily operations. the Company depends on various information technology systems to estimate reserves quantities, process and record financial data, manage the Company's land base, manage financial resources, analyze seismic information, administer contracts with operators and lessees and communicate with employees and third-party partners. The Company currently uses, and may use in the future, outsourced service providers to help provide certain information technology services, and any such service providers may face similar security and system disruption risks. Moreover, some of the Company's employees and service providers may be working from home and connecting to its networks remotely on less secure systems, which may further increase the risk of, and vulnerability to, a cyber security attack or security breach to the Company's network. In addition, the Company's ability to monitor its outsourced service providers' security measures is limited and third parties may be able to circumvent those security measures, resulting in the unauthorized access to, misuse, acquisition, disclosure, loss, alteration, or destruction of the Company's personal, confidential, or other data, including data relating to individuals.

Further, the Company is subject to a variety of information technology and system risks as a part of its operations including potential breakdowns, invasions, viruses, cyber-attacks, cyber-fraud, security breaches, and destruction or interruption of the Company's information technology systems by third parties or employees. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to business activities or the Company's competitive position. In addition, cyber phishing attempts have become more widespread and sophisticated in recent years. If the Company becomes a victim to a cyber phishing attack, it could result in a loss or theft of the Company's financial resources or critical data and information, or could result in a loss of control of the Company's technological infrastructure or financial resources. The Company's employees are often the targets of such cyber phishing attacks by third parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to the Company's computers.

Increasingly, social media is used as a vehicle to carry out cyber phishing attacks by nefarious actors. Information posted on social media sites, for business or personal purposes, may be used by attackers to gain entry into the Company's systems and obtain confidential information. There are significant risks that the Company may not be able to properly regulate social media use by its employees and preserve adequate records of business activities and client communications conducted through the use of social media platforms.

The Company maintains policies and procedures that address and implement employee protocols with respect to electronic communications and electronic devices and conducts annual cyber-security risk assessments. The Company also employs encryption protection of its confidential information, and all computers and other electronic devices. Despite the Company's efforts to mitigate such cyber phishing attacks through employee education and training, cyber phishing activities may result in unauthorized access, data theft and damage to its information technology infrastructure. The Company applies technical and process controls in line with industry-accepted standards to protect its information, assets and systems. However, these controls may not adequately prevent cyber-security breaches or attacks. As such, the Company may need to continuously develop, modify, upgrade or enhance its information technology infrastructure and cyber-security measures to secure its business, which can lead to increased cyber-security protection costs. Such costs may include making organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third party experts and consultants. These efforts may come at the potential cost of revenues and human resources that could be used to continue to enhance the Company's business, and such increased costs and diversion of resources may adversely affect operating margins. Disruption of critical information technology services, or breaches of information security, could have a negative effect on the Company's performance and earnings, as well as its reputation, and any damages sustained may not be adequately covered by the Company's current insurance coverage, or at all. The impact of any such cyber-security event could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is subject to laws, rules, regulations and policies regarding data privacy and security. Many of these laws and regulations are subject to change and reinterpretation, and could result in claims, changes to its business practices, monetary penalties, increased cost of operations or other harm to its business.

The Company is subject to certain laws, regulations, standards, and other actual and potential obligations relating to privacy, data hosting and transparency of data, data protection, and data security. Such laws are evolving rapidly, and the Company expects to potentially be subject to new laws and regulations, or new interpretations of laws and regulations, in the future in various jurisdictions. These laws, regulations, and other obligations, and changes in their interpretation, could require the Company to modify its operations and practices, restrict its activities, and increase its costs. Further, these laws, regulations, and other obligations are complex and evolving rapidly, and despite the Company's reasonable efforts to monitor its potential obligations, the Company may face claims, allegations, or other proceedings related to its obligations under applicable privacy, data protection, or data security laws and regulations. The interpretation and implementation of these laws, regulations, and other obligations are uncertain for the foreseeable future and could be inconsistent with one another, which may complicate and increase the costs for compliance. As a result, the Company anticipates needing to dedicate substantial resources to comply with such laws, regulations, and other obligations relating to privacy and cyber-security. Despite the Company's reasonable efforts to comply, any failure or alleged or perceived failure to comply with any applicable Laws, regulations, or other obligations relating to privacy, data protection, or data security could also result in regulatory investigations and proceedings, and misuse of or failure to secure data relating to individuals could also result in claims and proceedings against the Company by governmental entities or other third parties, penalties, fines and other liabilities, and may potentially damage the Company's reputation and credibility, which could adversely affect the Company's business, operating results, financial condition and prospects.

General Risk Factors Related to the Company

The Company is exposed to exchange and interest rate risks.

The Company is exposed to exchange rate risks from its U.S dollar-denominated debts. The Company's revenues are based on the U.S. dollar, since revenue received from the sale of diluted bitumen and non-diluted bitumen is referenced to a price denominated in U.S. dollars, and the Company incurs most of its operating and other costs in Canadian dollars. As a result, the Company is impacted by exchange rate fluctuations between the U.S. dollar and the Canadian dollar, and any strengthening of the Canadian dollar relative to the U.S. dollar could negatively impact the Company's operating margins and cash flows.

From time to time, the Company may enter into agreements to fix the exchange rate of Canadian to U.S. dollars or other currencies to offset the risk of revenue losses if the Canadian dollar increases in value compared to other currencies. However, if the Canadian dollar declines in value compared to such fixed currencies, the Company would not benefit from the fluctuating exchange rate.

Default under any of the Company's debt instruments could result in the Company being required to repay amounts outstanding

thereunder.

The Company is required to comply with covenants under the 2028 Notes, the Senior Credit Agreement and Letter of Credit Facility and in the event it does not comply with these covenants, the Company's access to capital could be restricted or repayment could be required. Events beyond the Company's control may contribute to its failure to comply with such covenants. The acceleration of indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the 2028 Notes may impose operating and financial restrictions on the Company that could include restrictions on the payment of dividends, repurchase or making of other distributions with respect to the Company's securities, incurring of additional indebtedness, the provision of guarantees, the assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, takeover bids or dispositions of assets, among others.

If repayment of all or a portion of the amounts outstanding under the 2028 Notes, the Senior Credit Agreement or Letter of Credit Facility is required for any reason, including for a default of a covenant, there is no certainty that the Company would be in a position to make such repayment. Even if the Company is able to obtain new financing in order to make any required repayment under the 2028 Notes, the Senior Credit Agreement or Letter of Credit Facility, it may not be on commercially reasonable terms, or terms that are acceptable to the Company. If the Company is unable to repay amounts owing under the 2028 Notes or the Senior Credit Agreement, the noteholders or lenders, as applicable under such facility could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness.

The Company's substantial indebtedness could adversely affect the Company's financial health.

As of December 31, 2024, the Company had approximately $344 million (US$239 million) of debt outstanding, consisting of the US$239 million principal amount of the 2028 Notes and $nil million outstanding under the Senior Credit Facility.

The Company's substantial indebtedness could have important consequences for the Company's securityholders and a significant effect on the Company's business. For example, it could:

- make it more difficult for the Company to satisfy its financial obligations;
- increase the Company's vulnerability to general adverse economic, industry and competitive conditions;
- reduce the availability of the Company's cash flow to fund working capital, capital expenditures and other general corporate purposes because the Company will be required to dedicate a substantial portion of the Company's cash flow from operations to the payment of principal and interest on the Company's indebtedness;
- limit the Company's flexibility in planning for, or reacting to, changes in our business and the industry in which the Company operates;
- result in dilution to the Company's shareholders in the event we issue equity to fund the Company's debt obligations;
- place the Company at a competitive disadvantage compared to the Company's competitors that are less highly leveraged and that, therefore, may be able to take advantage of opportunities that the Company leverage prevents the Company from exploiting; and
- limit the Company's ability to borrow additional funds.

To the extent the Company is unable to repay the Company's debt as it becomes due with cash on hand or from other sources, the Company will need to refinance the Company's debt, sell assets or repay the debt with the proceeds from equity offerings in order to continue in business. Additional indebtedness or equity financing may not be available to the Company in the future for the refinancing or repayment of existing debt, or if available, such additional debt or equity financing may not be available on a timely basis, or on terms acceptable to the Company and within the limitations specified in the Company's then existing debt instruments. If the Company is unable to repay amounts owing under the 2028 Notes or the Senior Credit Agreement, the noteholders or lenders, as applicable under such facility could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness.

In addition, the 2028 Note Indenture and the Senior Credit Agreement include restrictive covenants which restrict the Company's ability to, among other things:

- incur, assume or guarantee additional indebtedness; or
- repurchase capital stock and make other restricted payments, including paying dividends and making investments;
- create liens;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- pay dividends and enter into agreements that restrict dividends from subsidiaries; and
- enter into transactions with affiliates.

Those restrictive covenants could restrict the Company's ability to carry on its business and operations or raise additional capital. Interference with the business and operations of the Company or the Company's ability to raise additional capital could have a material adverse effect on the Company's business, prospects and its financial and operational condition.

Increased debt levels may impair the Company's ability to borrow additional capital on a timely basis to fund opportunities as they arise.



From time to time, the Company may enter into transactions to acquire assets or shares of other entities. These transactions may be financed in whole, or in part, with debt, which may increase the Company's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, the Company may require additional debt financing that may not be available or, if available, may not be available on favorable terms. The Company's constating documents do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Some of Greenfire's directors may become subject to conflicts of interest from time to time.

Some of Greenfire's directors are engaged and will continue to be engaged in, other activities in the oil and gas industry from time to time, including the employment by, or other involvement in or with, WEF and Strathcona Resources Ltd. As a result of these and other activities, certain directors of Greenfire may become subject to conflicts of interest from time to time. Conflicts of interest, if any, are subject to and governed by procedures prescribed by the ABCA, which provide that in the event that an officer or director is a party to, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such officer or director shall disclose such officer's or director's interest and, with respect to a director, to refrain from voting on any matter in respect of such contract or transaction unless otherwise permitted under the ABCA.

Investor confidence and share value may be adversely impacted if the Company concludes that our internal control over financial reporting is not effective.

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under U.S. and Canadian securities laws, the Company cannot be certain that such measures will ensure that it will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company discovers a material weakness, the disclosure of that fact, even if quickly remedied, could reduce investor confidence in its consolidated financial statements and effectiveness of our internal controls, which ultimately could negatively impact the market price of our Common Shares.

The Company is an "emerging growth company" and the reduced disclosure requirements applicable to emerging growth companies may make the Common Shares less attractive to investors.

The Company is an "emerging growth company", as defined in the JOBS Act, and is eligible for certain exemptions from various requirements that are applicable to other public companies that are not "emerging growth companies", including, but not limited to, including: (i) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act; (ii) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements; and (iii) reduced disclosure obligations regarding executive compensation in the Company's periodic reports and proxy statements. As a result, the Greenfire's shareholders may not have access to certain information they deem important. The Company will remain an "emerging growth company" until the earliest of: (a) the last day of the first fiscal year in which the Company's annual gross revenues exceed US$1.235 billion; (b) the date that the Company becomes a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of the Common Shares that are held by non-affiliates exceeds US$700 million as of the last business day of the Company's most recently completed second fiscal quarter; (c) the date on which the Company has issued more than US$1.0 billion in nonconvertible debt during the preceding three-year period; or (d) the last day of the Company's fiscal year containing the fifth anniversary of the date of the Company's first public offering of securities. The Company may choose to rely upon some or all of the available exemptions. When the Company is no longer deemed to be an emerging growth company, the Company will not be entitled to the exemptions provided in the JOBS Act discussed above. The Company cannot predict if investors will find the Common Shares less attractive as a result of the Company's reliance on exemptions under the JOBS Act. If investors find the Common Shares less attractive as a result, there may be a less active trading market for the Common Shares and the Company share price may be more volatile.



Canadian and U.S. investors may find it difficult or impossible to effect service of process and enforce judgments against the

Company, the Company directors and executive officers.

Certain directors of the Company reside outside of Canada. Consequently, it may not be possible for Canadian investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process. Furthermore, it may be difficult to realize upon or enforce in Canada any judgment of a court of Canada against the directors of Greenfire who reside outside of Canada since a substantial portion of the assets of such person may be located outside of Canada.

Similarly, the Company is incorporated under the laws of Alberta, Canada, and most of its officers and directors are not residents of the United States, and substantially all of the assets of the Company are located outside the United States. As a result, it may be difficult for U.S. investors to: (i) effect service of process within the United States upon the Company or those directors and officers who are not residents of the United States; or (ii) realize in the United States upon judgments of courts of the United States predicated upon the civil liability provisions of the United States federal securities laws.

The Company is a "foreign private issuer" under U.S. securities laws and therefore will be exempt from certain requirements applicable to U.S. domestic registrants listed on the NYSE.

Greenfire is a "foreign private issuer" as defined in the Exchange Act, and are exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, Greenfire's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions under Section 16 of the Exchange Act. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Additionally, the NYSE rules allow foreign private issuers to follow home country practices in lieu of certain of the NYSE's corporate governance rules.

Although the Company is subject to the periodic reporting requirement of the Exchange Act, the periodic disclosure required of foreign private issuers under the Exchange Act is different from periodic disclosure required of U.S. domestic registrants. Therefore, there may be less publicly available information about the Company than is regularly published by or about other companies in the United States. The Company is exempt from certain other sections of the Exchange Act to which U.S. domestic issuers are subject, including the requirement to provide its shareholders with information statements or proxy statements that comply with the Exchange Act. In addition, insiders and large shareholders of the Company are not obligated to file reports under Section 16 of the Exchange Act.

Management estimates are subject to uncertainty.

In preparing consolidated financial statements in conformity with IFRS Accounting Standards, estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available, or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine, and the Company must exercise significant judgment. Estimates may be used in management's assessment of items such as fair values, income taxes, stock-based compensation and asset retirement obligations. Actual results for all estimates could differ materially from the estimates and assumptions used by the Company, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and future prospects.

Risks Related to Ownership of the Company's Securities

The market price of the Common Shares may be subject to fluctuations and/or decline.

Fluctuations in the price of the Common Shares could contribute to the loss of all or part of your investment. If an active market for the Common Shares develops and continues, the trading price of the Common Shares could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond the Company's control. Any of the factors listed below could have a material adverse effect on the Common Shares and, as such, Common Shares may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of the Common Shares may not recover and may experience a further decline.

Factors affecting the trading price of the Common Shares may include:

- actual or anticipated fluctuations in its financial results or the financial results of companies perceived to be similar to the Company;
- changes in the market's expectations about the Company's operating results;
- success of competitors;
- the Company's operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning the Company or the market in general;
- operating and stock price performance of other companies that investors deem comparable to the Company;

- changes in laws and regulations affecting the Company's business;
- the Company's ability to meet and maintain compliance requirements;
- commencement of, or involvement in, litigation involving the Company;
- changes in the Company's capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of Common Shares available for public sale;
- any major change in the Board or management of the Company;
- sales of substantial amounts of Common Shares by the WEF, or the perception that such sale could occur; and
- general economic and political conditions such as recessions; fluctuations in interest rates, fuel prices and international currency; and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of the Common Shares irrespective of their operating performance. The stock market in general and the NYSE and the TSX have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of the Common Shares, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Company could depress the Company's share price regardless of its business, prospects, financial conditions or results of operations. A decline in the market price of the Company's securities also could adversely affect the Company's ability to issue additional securities and its ability to obtain additional financing in the future.

The trading price of the securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors unrelated to the Company's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices, and/or current perceptions of the oil and natural gas market. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in the Company's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted.

WEF's significant ownership of Common Shares may adversely impact Greenfire's other shareholders.

WEF holds approximately 56.5% of the Common Shares. As a result, WEF has the ability to control (or veto) certain matters submitted to shareholders for approval, including, without limitation, the election and removal of directors. This may negatively affect the attractiveness of Greenfire or cause the market price of the Common Shares to decline. The interests of WEF may not in all cases be aligned with interests of Greenfire's other shareholders. In addition, WEF may have an interest in pursuing acquisitions, divestitures and other transactions that, in the judgment of its management, could enhance its equity investment, even though such transactions might involve risks to all of Greenfire's shareholders and may ultimately affect the market price of the Common Shares. So long as WEF continues to own, directly or indirectly, a significant amount of the Common Shares, WEF will continue to be able to strongly influence or effectively control Greenfire's decisions.

WEF is in the business of making investments in companies and has and may acquire other interests in businesses that may directly or indirectly compete with certain portions of Greenfire's business or which are suppliers or customers of Greenfire.

The Company's sole material asset is its direct equity interest in GROC, and the Company is accordingly dependent upon distributions from GROC to pay taxes and cover its corporate and other overhead expenses and pay dividends, if any, on Common Shares.

The Company has no material assets other than its direct equity interest in GROC. The Company has no independent means of generating revenue. To the extent GROC has available cash, the Company will cause GROC to make distributions of cash to the Company to pay taxes, cover the Company's corporate and other overhead expenses and pay dividends, if any, on Common Shares. To the extent that the Company needs funds and GROC fails to generate sufficient cash flow to distribute funds to the Company or is restricted from making such distributions or payments under applicable law or regulation or under the terms of its financing arrangements, or is otherwise unable to provide such funds, the Company's liquidity and financial condition could be materially adversely affected.

In the future, the Company may need to raise additional funds which may result in the dilution of shareholders, and such funds may not be available on favorable terms or at all.

The Company may need to raise additional capital in the future and may elect to issue shares or engage in fundraising activities for a variety of reasons, including funding acquisitions or growth initiatives. Shareholders may be diluted as a result of such fundraisings.

Additionally, the Company may raise additional funds through the issuance of debt securities or through obtaining credit from government or financial institutions. The Company cannot be certain that additional funds will be available on favorable terms when required, or at all. If the Company cannot raise additional funds when needed, its financial condition, results of operations, business and prospects could be materially

and adversely affected. If the Company raises funds through the issuance of debt securities or through loan arrangements, the terms of such securities or loans could require significant interest payments, contain covenants that restrict the Company's business, or other unfavorable terms.

The Company may not pay dividends or make other distributions in the future.

Historically, except in connection with the Business Combination, neither the Company nor its predecessors, has paid any dividends. The Company's ability to pay dividends or make other distributions in the future is contingent on profits and certain other factors, including the capital and operational expenditure requirements of the Company's business. In addition, the payment of dividends is subject to the approval of the Board and even if the Company is generating profit it may choose to utilize such profit for other purposes, such as paying down debt, capital expenditures or acquisitions, instead of paying dividends. Under the ABCA, a dividend may not be declared or paid by the Company if there are reasonable grounds for believing that the Company is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes. Therefore, dividends may not be paid.



An active trading market may not develop or be sustained for the Common Shares.

Although the Common Shares are currently listed on the NYSE and the TSX, an active trading market for Common Shares may not develop or the price of Common Shares may not increase. There may be relatively few potential buyers or sellers of Common Shares on the NYSE or the TSX at any time. This may increase the volatility of the market price of Common Shares. It may also affect the prevailing market price at which shareholders are able to sell their Common Shares. This may result in shareholders receiving a market price for their Common Shares that is less than the value of their initial investment.

The NYSE or the TSX may delist Common Shares from trading on its exchange, which could limit investors' ability to make transactions in the Common Shares and subject the Company to additional trading restrictions.

The Common Shares may not continue to be listed on the NYSE or the TSX. If this were to occur, the Company could face significant material adverse consequences, including:

- a limited availability of market quotations for the Common Shares;
- reduced liquidity for the Common Shares;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a United States federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." If the Common Shares are not listed on the NYSE or another United States national securities exchange, the Common Shares would not qualify as covered securities and the Company would be subject to regulation in each state in which the Company offers its Common Shares because states are not preempted from regulating the sale of securities that are not covered securities.

DIRECTORS AND EXECUTIVE OFFICERS

Directors of the Company

The name, jurisdiction of residence, year of appointment and principal occupation for the past five years for each director of the Company are set forth below. All directors serve until the next annual meeting or until a successor is elected or appointed or until the director is removed at a meeting of shareholders.

Name and Jurisdiction of Residence	Director Since	Principal Occupation during the Past Five Years
Adam Waterous[3] Chair of the Board Alberta, Canada	December 2024	Managing Partner & Chief Executive Officer, WEF since 2016. Mr. Waterous is also the Executive Chair of Strathcona Resources Ltd, an oil and gas producer.
Tom Ebbern[1][2] Lead Director Alberta, Canada	December 2024	Executive Strategic Advisor for North West Refining since 2019.
Derek Aylesworth[1] Alberta, Canada	September 2023	Independent businessman since 2021; prior thereto served as Chief Financial Officer of Seven Generations Energy Ltd. between 2018 and 2021.

Name and Jurisdiction of Residence	Director Since	Principal Occupation during the Past Five Years
David Roosth(3) Texas, United States	December 2024	Managing Director, WEF since 2018.
Brian Heald(1)(2) Alberta, Canada	December 2024	Investment Banking/Capital Markets Principal
Henry Hager(2) Connecticut, United States	December 2024	Managing Director, WEF since 2018.
Andrew Kim(3) Ontario, Canada	December 2024	Chief Financial Officer, WEF since 2016.
David Knight Legg Hong Kong, China	December 2024	Elements Global Advisors, Executive Chairman; Board Special Advisor, InvestAlberta Corporation

Notes:

(1) Member of the Audit Committee. Derek Aylesworth is the Chair of the Audit Committee.
(2) Member of the Reserves Committee. Tom Ebbern is the Chair of the Reserves Committee.
(3) Member of the Compensation and Governance Committee. Adam Waterous is the Chair of the Compensation and Governance Committee.

Officers of the Company

The name, jurisdiction of residence, position held and principal occupation for the past five years for each officer of the Company are set forth below.

Name and Jurisdiction of Residence	Position	Principal Occupation during the Five Preceding Years
Adam Waterous[1] Alberta, Canada	Executive Chairman	Managing Partner & Chief Executive Officer, WEF since December 2016; Executive Chairman of Strathcona Resources Ltd. since October 2023; Executive Chairman of Greenfire since February 2025.
Colin Germaniuk[1] Alberta, Canada	President	President of Greenfire since February 2025; prior thereto VP Subsurface, VP Engineering and HSE from 2016 through 2022 at Serafina Energy Ltd.
Tony Kraljic Alberta, Canada	Chief Financial Officer	Chief Financial Officer of Greenfire since 2023; prior thereto Chief Financial Officer of WesternZagros Resources Ltd. from 2017 to 2023.
Jonathan Kanderka Alberta, Canada	Chief Operating Officer	Chief Operating Officer of Greenfire since 2024; prior thereto Director, Facility Optimization at MEG Energy Corp. from 2007 to 2023.
Charles Kraus Texas, United States	Corporate Secretary	Corporate Secretary of Greenfire since 2023. Partner at Scale LLP since 2022; prior thereto was General Counsel of DIRTT Environmental Solutions Ltd. from 2020 to 2022 and of Bellatrix Exploration Ltd. from 2014 to 2020.

Note:

(1) On February 11, 2025, the Company announced certain management changes, including the appointment of Adam Waterous and Colin Germaniuk and the departure of Robert Logan, Kevin Millar, Albert Ma, and Crystal Park. See "*General Development of the Business—2025—Changes in Leadership*".

Common Share Ownership of Directors and Executive Officers

As of March 3, 2025, excluding Common Shares owned by WEF, the current directors and executive officers of Greenfire as a group beneficially own, or control or direct, directly or indirectly, an aggregate of 41,722 Common Shares, representing approximately 0.1% of the issued and outstanding Common Shares as of such date.

Mr. A. Waterous is the Managing Partner and Chief Executive Officer of WEF and, accordingly, may be considered to indirectly exercise some degree of control and direction over Common Shares owned by WEF. WEF beneficially owns, directly or indirectly, or exercises control or direction over, an aggregate of 39,300,278 Common Shares and 2,654,179 Warrants, representing approximately 56.5% of the issued and outstanding Common Shares, and the business and affairs of WEF are managed by Waterous Energy Fund Management Corp., which is owned indirectly and controlled by Mr. A. Waterous.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, no director or executive officer of Greenfire is, as at the date of this Annual Information Form, or has been, within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including Greenfire) that: (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days (an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, no director or executive officer of Greenfire, or, to the knowledge of Greenfire, a shareholder holding a sufficient number of securities of Greenfire to materially affect the control of the Company, is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company (including Greenfire) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Ebbern resigned as a director of Live Out There Inc. on November 6, 2017. Following Mr. Ebbern's resignation, Live Out There Inc. consented to the court appointment of a receiver and manager of its assets, undertakings and properties. The receivership order was granted on November 9, 2017.

Mr. Kraus was an officer of Bellatrix Exploration Ltd., an oil and natural gas company, from September 2014 until March 2020. On October 2, 2019, Bellatrix Exploration Ltd. commenced proceedings in the Court of Queen's Bench of Alberta under the *Companies' Creditors Arrangement Act*.

No director or executive officer of Greenfire, or, to the knowledge of Greenfire, a shareholder holding a sufficient number of securities of Greenfire to materially affect the control of the Company, has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer, or shareholder.

No director or executive officer of Greenfire, or, to the knowledge of Greenfire, a shareholder holding a sufficient number of securities of Greenfire to materially affect the control of the Company, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are no existing material conflicts of interest between Greenfire or any subsidiaries of Greenfire and any directors or officers of Greenfire. However, certain directors and officers of Greenfire are engaged in, and will continue to be engaged in, other activities in the oil and gas industry from time to time, including the employment by, or other involvement in or with, WEF and Strathcona Resources Ltd. As a result of these and other activities, certain directors and officers of Greenfire may become subject to conflicts of interest from time to time. Directors and officers of Greenfire are required to disclose the existence of potential conflicts in accordance with Greenfire's policies and in accordance with the ABCA.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The written mandate for the audit committee of the Board (the " **Audit Committee**") setting out the Audit Committee's responsibilities and composition requirements, is attached as Appendix C to this Annual Information Form.

Composition of the Audit Committee

The Audit Committee is comprised of Messrs. Aylesworth (Chair), Ebbern and Heald, whom are all considered independent and financially literate as such terms are set out in National Instrument 52-110 – *Audit Committees*, the rules of the NYSE and Rule 10A-3 of the Exchange Act.

Name	Relevant Education and Experience
Derek Aylesworth	Derek Aylesworth served as the Chief Financial Officer of Seven Generations Energy Ltd., an oil and gas producer operating in western Canada, between 2018 to 2021. He previously served as the Chief Financial Officer of Baytex Energy Corp. from 2005 to 2014. Mr. Aylesworth holds a Bachelor of Commerce degree and is a chartered accountant with expertise in taxation and has experience as a tax advisor in both the oil and gas industry and public practice in Calgary.
Tom Ebbern	Mr. Ebbern has been with North West Refinancing since 2012, initially serving as Chief Financial Officer until 2019 and now as Executive Strategic Advisor. Mr. Ebbern also served on the board of directors of Athabasca Oil Corporation from 2018 to 2023, Repsol Canada (formerly Talisman Energy Inc.) from 2013 to 2017, and Nexen Inc. from 2011 to 2013. Mr. Ebbern holds a Bachelor of Science degree in Geological Engineering from Queen's University and an MBA from the Ivey Business School at Western University.
Brian Heald	Mr. Heald has a 30-year track record in the Canadian energy and capital markets sector with lengthy experience as a Managing Director, Investment Banking, with CIBC World Markets, HSBC Securities, Nesbitt Thomson, Deloitte and ATB Capital Markets. He has authored numerous valuations and fairness opinions arising from related party and restructuring transactions and has acted as an expert witness before securities regulators. Mr. Heald has a Bachelor of Science, Honours from Queen's University, a Master of Science from the University of Alberta in geotechnical engineering, and an MBA from the Ivey Business School at Western University. Mr. Heald holds Chartered Financial Analyst and ICD.D designations. Mr. Heald previously served as a Director of Kick Energy Corporation, Post Energy Corp. and the Alberta Economic Development Authority.

The Company believes that each of the members of the Audit Committee possesses: (a) an understanding of the accounting principles used by the Company to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting.

Mr. Aylesworth is considered an "audit committee financial expert" as defined in applicable SEC rules and has accounting or related financial management expertise.

Pre-Approval Policies and Procedures

On an annual basis, the Audit Committee reviews the scope and terms of the external auditor's engagement, including engagement terms, its annual audit plan and proposed fees. The Audit Committee is responsible for overseeing and recommending for Board approval the external auditor to be nominated for appointment by the shareholders of Greenfire and the compensation of the external auditor engaged by Greenfire.

The Audit Committee is also responsible for the pre-approval of all non-audit services to be provided by the external auditor to Greenfire or any of its subsidiaries provided that such services are not prohibited under the Rules of Professional Conduct governing the external auditor. If desired, the Audit Committee may adopt specific pre-approval policies and procedures for the engagement of non-audit services. The Audit Committee may delegate this responsibility to one or more members of the Audit Committee to the extent permitted by applicable law, provided that such member or members present any non-audit services so approved to the Audit Committee at its first scheduled meeting following such approval.

External Audit Service Fees

The following table sets out the fees billed to Greenfire by Deloitte LLP in the years ended December 31, 2024 and December 31, 2023.

Item	2024($)	2023($)
Audit Fees[(1)]	593,315	1,078,560
Audit-Related Fees[(2)]	68,266	897,730
Tax Fees[(3)]	120,086	75,235
All Other Fees[(4)]	58,850	58,580
Total	**840,517**	**2,110,375**

Notes:

(1) "Audit Fees" include the aggregate fees billed for the audit of Greenfire's annual financial statements and review of Greenfire's quarterly financial statements in respect of the applicable financial year.
(2) "Audit-Related Fees" are for assurance and related services that are reasonably related to the performance of the audit or review of Greenfire's financial statements and are not reported under "Audit Fees" above
(3) "Tax Fees" include the aggregate fees related to tax compliance, tax advice and tax planning.
(4) "All Other Fees" are fees for products and services provided other than those described as "Audit Fees", "Audit-Related Fees" and "Tax Fees". Costs in this category relate primarily for advisory with respect to the Business Combination.



LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To Greenfire's knowledge, except as set forth in this Annual Information Form, there are no legal proceedings in respect of which Greenfire is or was a party, or in respect of which any of the Company's property is or was the subject during the year ended December 31, 2024, nor are there any such proceedings known by the Company to be contemplated, that involve a claim for damages exceeding 10% of the Company's current assets. In addition, there have not been any: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2024; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements entered into by the Company before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2024.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than WEF's interest in the Investor Agreement (see "*General Development of the Business—2024—Agreement with Waterous Energy Fund*") and as disclosed elsewhere in this Annual Information Form, to the knowledge of the directors and officers of Greenfire, none of the directors or executive officers of Greenfire, nor any person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the voting rights attached to all outstanding Common Shares, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Annual Information Form which has materially affected or is reasonably expected to materially affect Greenfire or a subsidiary thereof.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The independent auditor of Greenfire is Deloitte LLP, Suite 700, 850 – 2nd Street S.W., Calgary, Alberta, T2P 0R8.

The registrar and transfer agent for the Common Shares in Canada is Odyssey Trust Company of Canada at its principal offices in Calgary, Alberta.

The co-transfer agent for the Common Shares in the United States is Odyssey Transfer and Trust Company at its principal office in Woodbury, Minnesota.

The warrant agent for the Warrants is Computershare Trust Company, N.A. at its principal office in Caton, Massachusetts.

The trustee for the 2028 Notes is The Bank of New York Mellon at its principal office in New York, New York. The Canadian co-trustee for the 2028 Notes is BNY Trust Company of Canada at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, that the Company has entered into since January 1, 2023, or has entered into before that time that are still in effect:

- the Investor Rights Agreement (see "*General Development of the Business—2023—Completion of Business Combination* ");
- the Investor Agreement (see "*General Development of the Business—2024— Agreement with Waterous Energy Fund* ");
- the Demo Marketing Agreement (see "*Description of the Business—Marketing Agreements*");
- the Expansion Marketing Agreement (see "*Description of the Business—Marketing Agreements*");
- the Expansion Diluent Agreement (see "*Description of the Business—Marketing Agreements*");
- the Warrant Agreements (see "*General Development of the Business—2023—Completion of Business Combination* " and "*Description of Capital Structure—Warrants*");

- the Letter of Credit Facility (see "*Description of Capital Structure—Letter of Credit Facility*");
- the Senior Credit Agreement (see "*Description of Capital Structure—Senior Credit Facility*"); and
- the 2028 Note Indenture (see "*Description of Capital Structure—2028 Notes*").

Copies of each of the material contracts are available on Greenfire's SEDAR+ profile and under Greenfire's EDGAR profile at www.sec.gov.

INTERESTS OF EXPERTS

McDaniel are the Company's independent engineers and have prepared the McDaniel Report. The principals of McDaniel do not beneficially own, directly or indirectly, securities of the Company.

Deloitte LLP is independent within the meaning of the U.S. Securities Act of 1933, as amended, and the applicable rules and regulations thereunder adopted by the SEC and the PCAOB and within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information regarding Greenfire may be found on the Company's website at www.greenfireres.com, under Greenfire's profile on SEDAR+ at www.sedarplus.ca or on EDGAR at www.sec.gov. Additional information, including directors' and officers' remuneration and indebtedness and the principal holders of Common Shares, will be contained in the Company's information circular with respect to its 2025 annual meeting of shareholders. Additional financial information relating to the Company is provided in the financial statements of the Company for the year ended December 31, 2024 and the accompanying management's discussion and analysis of financial condition and results of operations.

GLOSSARY AND DEFINITIONS

Capitalized terms used throughout this Annual Information Form but not otherwise defined herein have the meanings given to such terms set forth below.

General Terms

"**2028 Note Indenture**" means the indenture dated as of September 20, 2023 by and among GRL, the guarantors party thereto from time to time, The Bank of New York Mellon, as trustee, BNY Trust Company of Canada, as Canadian co-trustee, and Computershare Trust Company of Canada, as collateral agent, and any and all successors thereto, as amended, restated, supplemented or otherwise modified.

"**2028 Notes**" means the US$300 million aggregate principal amount 12.00% senior secured notes due on October 1, 2028, of which US$239 million aggregate principal amount remains outstanding as of the date of this Annual Information Form.

"**Board**" means the board of directors of GRL.

"**Common Shares**" means the common shares in the capital of GRL.

"**Demo Asset**" means the Company's Hangingstone Demonstration Facility.

"**Expansion Asset**" means the Company's Hangingstone Expansion Facility.

"**GHG**" means greenhouse gas.

"**Hangingstone Facilities**" means, together, the Demo Asset and the Expansion Asset.

"**Hydrocarbons**" mean crude oil, natural gas, condensate, drip gas and natural gas liquids, coalbed gas, ethane, propane, iso-butane, nor-butane, gasoline, scrubber liquids and other liquids or gaseous hydrocarbons or other substances (including minerals or gases) or any combination thereof, produced or associated therewith.

"**in situ**" means "in place" and, when referring to oil sands, means a process for recovering bitumen from oil sands by means other than surface mining, such as SAGD.

"**Letter of Credit Facility**" means the unsecured $55.0 million letter of credit facility with a Canadian bank that is supported by a performance security guarantee from Export Development Canada.

"**LNG**" means liquified natural gas.

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

"**McDaniel Report**" means the independent engineering evaluation of Greenfire's bitumen reserves in the Hangingstone Facilities prepared by McDaniel effective December 31, 2024 utilizing the average of the commodity price forecasts and inflation rates of GLJ, McDaniel and Sproule as of January 1, 2025.

"**McKay Asset**" means the Company's McKay Facility.

"**NGL**" means natural gas liquids.

"**OPEC**" means the Organization of the Petroleum Exporting Countries.

"**Performance Warrant Plan**" means the amended and restated performance warrant plan of the Company.

"**Performance Warrants**" means warrants to purchase Common Shares issued pursuant to the Performance Warrant Plan.

"**Petroleum Marketer**" means Trafigura Canada General Partnership and Trafigura Canada Limited, collectively.

"**SAGD**" means steam-assisted gravity drainage.

"**Senior Credit Agreement**" means the credit agreement dated as of September 20, 2023 with Bank of Montreal, as agent, and a syndicate of certain other financial institutions as lenders to provide for the Senior Credit Facility.

"**Senior Credit Facility**" means the up to $50 million of senior secured extendible revolving credit facilities, comprised of a $20 million operating facility and a $30 million revolving facility.

"**WDB**" means Western Dilbit Blend.

"**WEF**" means Waterous Energy Fund.

"**WTI**" means West Texas Intermediate.

Regulatory Terms

"**ABCA**" means the *Business Corporations Act* (Alberta) and the regulations promulgated thereunder, as amended.

"**AER**" means the Alberta Energy Regulator.

"**CER**" means the Canada Energy Regulator.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook.

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

"**IFRS Accounting Standards**" means IFRS Accounting Standards as issued by the International Accounting Standards Board.

"**JOBS Act**" means the U.S. *Jumpstart Our Business Startups Act of 2012* , as amended.

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

"**NYSE**" means the New York Stock Exchange.

"**PCAOB**" means the Public Company Accounting Oversight Board (United States).

"**SEC**" means the United States Securities and Exchange Commission.

"**Sarbanes-Oxley Act**" means the U.S. *Sarbanes-Oxley Act of 2002*, as amended.

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

ABBREVIATIONS AND CONVERSIONS

Abbreviations

In this Annual Information Form, the following abbreviations have the meanings set forth below.

bbl	barrels of oil
bbls/d	barrels of oil or natural gas per day
boe(1)	barrels of oil equivalent
Mbbl	thousand barrels of oil
MMboe(1)	million barrels of oil equivalent
Mcf	thousand cubic feet

Note:

(1) Greenfire has adopted the standard of six thousand cubic feet of gas to one barrel of oil (6 Mcf: 1 bbl) when converting natural gas to boe. For further information, see "*Presentation of Information – Barrels of Oil Equivalent*".

Conversions

The following table sets forth certain Standard Imperial Units and International System of Units conversions:

From	To	Multiply By
Mcf	cubic metres	28.174
Mcf	GJ	1.055
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
acres	hectares	0.405

Note:

(1) Conversion using the above factors on rounded numbers appearing in this Annual Information Form may produce small differences from reported amounts as a result of rounding.

Barrels of Oil Equivalent

Greenfire has adopted the standard of six thousand cubic feet of gas to one barrel of oil (6 Mcf: 1 bbl) when converting natural gas to boe. Boe and MMboe may be misleading, particularly if used in isolation. The foregoing conversion ratio 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 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.

APPENDIX A

REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

To the Board of Directors of Greenfire Resources Ltd. (the " **Company**"):

1. We have evaluated the Company's reserves data as at December 31, 2024. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2024 estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved + probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2024, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator	Price Case	Effective Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue $M (before income taxes, 10% discount rate)			
				Audited	Evaluated	Reviewed	Total
McDaniel	Jan. 2025 Consultant Avg.	December 31, 2024	Canada	-	3,035,354	-	3,035,354

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.

8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

(signed) "*Jared Wynveen*"
Jared Wynveen, P.Eng.
Executive Vice President

Calgary, Alberta, Canada
March 17**,** 2025

APPENDIX B

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of Greenfire Resources Ltd. (the "**Company**") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented as Appendix A to this Annual Information Form.

The Reserves Committee of the Board of Directors of the Company has:

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary, and the variations may be material.

(signed) "*Colin Germaniuk*"
Name: Colin Germaniuk

(signed) "*Tony Kraljic*"
Name: Tony Kraljic

Title: President

(signed) "*Tom Ebbern*"
Name: Tom Ebbern
Title: Director

Title: Chief Financial Officer

(signed) "*Brian Heald*"
Name: Brian Heald
Title: Director

APPENDIX C

AUDIT COMMITTEE MANDATE

EFFECTIVE DATE: MARCH 5, 2025

1. Purpose and Scope

The Audit Committee (the "**Committee**") of Greenfire Resources Ltd. (the "**Corporation**") is a committee of the Board of Directors (the " **Board**"). As delegated by the Board, the Committee shall attend to the responsibilities set out in this mandate of the Committee (this "**Mandate**").

2. MEMBERSHIP

Number of Members

The Committee shall be composed of three or more members of the Board. The Board may fill vacancies in the Committee by appointment, and if and whenever a vacancy shall exist in the Committee, the remaining members may exercise all of its powers so long as a quorum remains in office.

Independence of Members

Each member of the Committee shall be independent within the meaning of (i) National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time ("**NI 52-110**") (unless the Board determines that an individual qualifies under an exception contained in NI 52-110); and if applicable, Rule 10A-3 ("**Rule 10A-3**") under the United States Securities Exchange Act of 1934, as amended (unless the Board determines that an exemption contained in Rule 10A-3 is available and determines to rely thereon).

Term of Members

The members of the Committee shall be appointed by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

Committee Chair

The Board may appoint a chair of the Committee (the " **Committee Chair**"). If a Committee Chair is not appointed by the Board, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership. Notwithstanding any of the foregoing, the Committee Chair must be: (a) a member of the Committee; and (b) independent within the meaning of NI 52-110 and if applicable, Rule 10A-3.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

Financial Literacy of Members

At the time of their appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. MEETINGS

Frequency of Meetings

The Committee shall meet as often as the Committee considers appropriate to fulfill its responsibilities, but in any event at least once per fiscal quarter.

Quorum

No business may be transacted by the Committee at a meeting of the Committee unless a quorum of the Committee is present. A majority of

members of the Committee shall constitute a quorum. Members may participate in a meeting of the Committee by electronic means, and a member participating in such a meeting by electronic means is deemed to be present at the meeting.

Calling of Meetings

The Committee Chair, any member of the Committee, the Corporation's external auditor's (the " **External Auditors**"), the Chair of the Board, the Corporation's Chief Executive Officer, President or Chief Financial Officer may call a meeting of the Committee by notifying the Corporation's Corporate Secretary who will notify the members of the Committee.

Minutes; Reporting to the Board

The Corporation's Corporate Secretary shall act as secretary at any meeting of the Committee, unless an alternative secretary is appointed by the Committee (who need not be a member of the Committee). Minutes and other records of meetings and activities of the Committee shall be recorded and maintained in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee Chair may report orally to the Board on any matter in their view requiring the immediate attention of the Board.

Attendance of Non-Members

The External Auditors are entitled to receive notice of each Committee meeting and, at the expense of the Corporation, to attend and be heard at the meeting, and, if so requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the External Auditor. In addition, the Committee may invite to a meeting of the Committee any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

At least once per year, the Committee or the Committee Chair is entitled to meet with the internal auditor, if any, and management in separate sessions to discuss matters that the Committee, the Committee Chair or such individuals consider appropriate.

Meetings Without Management and Executive Sessions

The independent directors of the Committee may, at their discretion, hold *ad hoc* meetings, either during or outside of a meeting of the Committee that are not attended by management or non-independent directors of the Committee.

The Committee may also meet separately, at unscheduled or regularly scheduled meetings or portions of meetings, in executive session or otherwise with each of the External Auditor and management, as the Committee deems appropriate.

Access to Management and Books and Records

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Corporation's management and employees and the books and records of the Corporation.

4. RESPONSIBILITIES

The Committee shall have the responsibilities outlined below as well as any other responsibilities that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these responsibilities, the Committee shall perform the responsibilities required of an audit committee by the Corporation's governing corporate statute, applicable Canadian and/or United States securities laws, any exchange upon which securities of the Corporation are listed, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

Financial Reports

(A) **GENERAL**

The Committee is responsible for overseeing the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the financial reporting policies used by the Corporation. The External Auditors are responsible for auditing the annual financial statements of the Corporation and for reviewing the unaudited interim financial statements of the Corporation.

(B) **REVIEW OF ANNUAL FINANCIAL REPORTS**

The Committee shall review the annual audited financial statements of the Corporation, the auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and financial performance ("**MD&A**"). After completing its review, if advisable, the Committee shall approve and recommend the annual financial statements and the related MD&A for Board approval.

(C) **REVIEW OF INTERIM FINANCIAL REPORTS**

The Committee shall review the interim financial statements of the Corporation, the auditors' review report thereon, if any, and the related MD&A. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements and the related MD&A for Board approval.

(D) **REVIEW CONSIDERATIONS**

In conducting its review of the annual financial statements or the interim financial statements, the

Committee shall:

(i) meet with management and the External Auditors to discuss the financial statements and related MD&A; review the disclosures in the financial statements and the related MD&A and earnings press release before the Corporation publicly discloses such information;

(ii) review the audit report or interim review report, if any, thereon prepared by the External Auditors;

(iii) discuss with management, the External Auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements unless such matter has been dealt with at the Board level;

(iv) review the Corporation's critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;

(v) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

(vi) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;

(vii) review significant recorded and unrecorded audit adjustments;

(viii) review any material financial outlooks and future-oriented financial information before the Corporation publicly discloses such information;

(ix) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable generally accepted accounting principles ("**GAAP**");

(x) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;

(xi) inquire at least annually of both the Corporation's management, accounting group and the Corporation's auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;

(xii) review with the auditors alternative accounting treatments that have been discussed with management;

(xiii) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects;

(xiv) review with management matters that may have a material effect on the financial statements;

(xv) review management's report on the effectiveness of internal controls over financial reporting;

(xvi) review the factors identified by management as factors that may affect future financial results;

(xvii) review results of the Audit Committee's whistleblower hotline program, if any; and

(xviii) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

External Auditors

(A) **GENERAL**

The Committee shall be directly responsible for oversight of the work of the External Auditors, including the External Auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. When a change of External Auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

(B) **NOMINATION AND COMPENSATION**

The Committee shall review and, if advisable, recommend for Board approval the External Auditors to be nominated for appointment by the shareholders of the Corporation and the compensation of such External Auditors. The Committee shall have ultimate authority to approve all audit engagement terms, including the External Auditors' audit plan.

(C) **RESOLUTION OF DISAGREEMENTS**

The Committee shall assess the effectiveness of the working relationship of the External Auditors with management and resolve any disagreements between management and the External Auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the External Auditors, whether or not there is to be a change of External Auditors, and receive and review all reports prepared by the External Auditors.

(D) **DISCUSSIONS WITH EXTERNAL AUDITORS**

At least annually, the Committee shall discuss with the External Auditors such matters as are required by applicable auditing standards to be discussed by the External Auditors with the Committee.

(E) **AUDIT PLAN**

At least annually, the Committee shall review a summary of the External Auditors' annual audit plan. The Committee shall consider and review with the External Auditors any material changes to the scope of the plan.

(F) **INDEPENDENCE OF EXTERNAL AUDITORS**

At least annually, and before the External Auditors issue their report on the annual financial statements of the Corporation, the Committee shall obtain from the External Auditors a formal written statement describing all relationships between the External Auditors and the Corporation; discuss with the External Auditors any disclosed relationships or services that may affect the objectivity and independence of the External Auditors; and obtain written confirmation from the External Auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the External Auditors belong and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the External Auditors.

(G) **EVALUATION OF LEAD PARTNER**

At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the External Auditors and determine whether it is appropriate to adopt a policy of rotating lead partners of the External Auditors.

(H) **REQUIREMENT FOR PRE-APPROVAL OF NON-AUDIT SERVICES**

The Committee shall approve in advance any and all audit services and permissible non-audit services to be performed by the External Auditors for the Corporation or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the External Auditors. The Committee may delegate pre-approval authority to a member of the Committee, provided that the decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

(I) **APPROVAL OF HIRING POLICIES**

The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former External Auditors of the Corporation.

Internal Auditors and Financial Executives

(A) **INTERNAL AUDITOR**

The Committee shall periodically review, assess, and consider the approval of the creation and the mandate, plan, budget and staffing of an internal audit department. The Committee shall direct management of the Corporation to make changes it deems advisable in respect of the internal audit function. The Committee shall review the appointment, performance and replacement of a senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for such internal audit function.

(B) **FINANCIAL EXECUTIVES**

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the compensation and governance committee of the Board, as appropriate.

Internal Controls

(A) **GENERAL**

The Committee shall review the Corporation's system of internal controls.

(B) **ESTABLISHMENT, REVIEW AND APPROVAL**

The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall periodically consider and review with management and the External Auditors:

(i) the adequacy of the procedures in place for the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements;

(ii) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

(iii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;

(iv) any material issues raised by any inquiry or investigation by the Corporation's regulators;

(v) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(vi) any related significant issues and recommendations of the External Auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Risk Management

The Committee shall be responsible for overseeing management's identification and assessment of the principal risks to the operations of the Corporation and the establishment and management of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Corporation and to the long-term viability of the Corporation. In this regard, the Committee shall require management to report at least annually to the Committee, and the Committee shall review such reports provided by management and report to the board at least annually, on the principal risks associated with the Corporation's business and operations (including, but not limited to, risks related to information security, as well as environmental, social and governance matters), the implementation by management of appropriate systems to identify, assess, manage and mitigate these risks, and the operation of, and any material deficiencies in, these systems.

Compliance with Legal and Regulatory Requirements

The Committee shall review reports from the Corporation's Corporate Secretary and other management members on: (a) legal or compliance matters that may have a material impact on the Corporation; (b) the effectiveness of the Corporation's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable laws and guidance, and management's plans to remediate any deficiencies identified.

Whistleblower Procedures

The Committee shall establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Any such complaints or concerns that are received shall be reviewed by the Committee and Lead Director and, if the Committee and Lead Director determines that the matter requires further investigation, it will direct the Lead Director to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the Corporation's legal counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Corporation's disclosure documents.

Delegation

The Committee may, to the extent permissible by Applicable Requirements, designate a sub- committee or any member of the Committee to review any matter within this Mandate as the Committee deems appropriate.

5. CONFLICTS OF INTEREST

The Committee, in consultation with the Lead Director, shall review the Corporation's policies relating to the avoidance of conflicts of interest and review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board or any significant shareholders of the Corporation, as may be necessary or desirable under the Applicable Requirements. The Committee shall consider the results of any review of these policies and procedures by the External Auditors.

6. OUTSIDE ADVISORS

The Committee shall have the authority to seek, retain and terminate external accounting, legal, consulting or other advisors from a source independent of management, at the expense of the Corporation, with notice to either the Chair of the Board, the Lead Director of the Board or the Corporation's Chief Executive Officer, President or Chief Financial Officer, as deemed appropriate by the Committee, to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors. The Corporation shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

7. NO RIGHTS CREATED

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Corporation. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Corporation's constating documents, it is not intended to establish any legally binding obligations.

8. MANDATE REVIEW

The Committee shall periodically review and assess the adequacy of this Mandate and recommend any proposed changes to this Mandate to the Board for consideration.

Exhibit 99.2





CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Greenfire Resources Ltd.



MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Greenfire Resources Ltd. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of our President and our Chief Financial Officer we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management has assessed the effectiveness of Greenfire's internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the US Securities Exchange Act of 1934 and as defined in Canada by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings. Based on our assessment, we have concluded that as of December 31, 2024, our internal control over financial reporting was effective.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even those systems determined to be effective can provide only reasonable assurance with respect to the financial statement preparation and presentation.

This Annual Report does not include an attestation report on the internal controls over financial reporting from the Company's independent registered public accounting firm due to an exemption established by the Jumpstart Our Business Startups Act for "emerging growth companies" (as such term is defined in Rule 12b-2 under the Exchange Act).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board as issued by the International Accounting Standards Board ("IASB"), has prepared the accompanying consolidated financial statements of the Company. Financial and operating information presented throughout this Annual Report is consistent with that shown in the consolidated financial statements.

Management is responsible for the integrity of the financial information. Internal control systems are designed and maintained to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

Deloitte LLP were appointed by the Company's Board of Directors to express an audit opinion on the consolidated financial statements. Their examination included such tests and procedures, as they considered necessary, to provide a reasonable assurance that the consolidated financial statements are presented fairly in accordance with IFRS® Accounting Standards as issued by the IASB.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through the Audit Committee, with assistance from the Reserves Committee regarding the annual review of our bitumen reserves. The Audit Committee meets regularly with management and the Independent Registered Public Accounting Firm to ensure that management's responsibilities are properly discharged, to review the consolidated financial statements and recommend that the

consolidated financial statements be presented to the Board of Directors for approval. The Audit Committee also considers the independence of Deloitte LLP and reviews their fees. The Independent Registered Public Accounting Firm has access to the Audit Committee without the presence of management.

There was no change in the Company's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

/s/ Colin Germaniuk
Colin Germaniuk
President
Greenfire Resources Ltd.

/s/ Tony Kraljic
Tony Kraljic
Chief Financial Officer
Greenfire Resources Ltd.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Greenfire Resources Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Greenfire Resources Ltd. and subsidiaries (the "Company") as at December 31, 2024 and 2023, the related consolidated statements of comprehensive income (loss), changes in shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte LLP

Chartered Professional Accountants
Calgary, Canada
March 17, 2025

We have served as the Company's auditor since 2021.

Greenfire Resources Ltd

Consolidated Balance Sheets

As at December 31

($CAD thousands)	note	2024	2023
Assets			
Current assets			
Cash and cash equivalents		$ 67,419	$ 109,525

Accounts receivable	16	56,417	34,680
Inventories	4	14,946	13,863
Prepaid expenses and deposits		5,456	5,746
		144,238	**163,814**
Non-current assets			
Property, plant and equipment	5	960,059	941,374
Deferred income tax asset	6	153,174	68,295
		1,113,233	**1,009,669**
		1,257,471	**1,173,483**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	19	61,804	59,850
Current portion of long-term debt	7	248,489	44,321
Warrant liability	10	18,304	18,630
Taxes payable	12	-	1,063
Current portion of lease liabilities	8	7,014	6,002
Risk management contracts	16	248	417
		335,859	**130,283**
Non-current liabilities			
Long-term debt	7	80,441	332,029
Lease liabilities	8	2,296	7,722
Decommissioning liabilities	9	17,444	8,449
		100,181	**348,200**
		436,040	**478,483**
Shareholders' equity			
Share capital	11,12	164,402	158,515
Contributed surplus	12	8,921	9,788
Retained earnings		648,108	526,697
		821,431	**695,000**
		$ 1,257,471	**$ 1,173,483**

Subsequent events (note 7 & 15)

Commitments and contingencies (note 17)

See accompanying notes to the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors.

/s/ Derek Aylesworth
Derek Aylesworth, Director

/s/ Brian Heald
Brian Heald, Director

Greenfire Resources Ltd.

Consolidated Statements of Comprehensive Income (Loss)

($CAD thousands, except per share amounts)	note	Year ended December 31, 2024	Year ended December 31, 2023
Revenues			
Oil sales	13	$ 822,972	$ 675,970
Royalties		(32,023)	(23,706)
Oil sales, net of royalties		**790,949**	**652,264**
Gain (loss) on risk management contracts	16	(27,489)	16,405
		763,460	**668,669**
Expenses			
Diluent expense		327,146	304,740
Transportation and marketing		52,744	55,673
Operating expenses		152,864	148,965
General and administrative		22,758	11,536
Stock-based compensation	15	6,344	9,808

Financing and interest	14	61,460	110,214
Depletion and depreciation	5	81,030	68,054
Exploration expenses		1,811	3,852
Other income		(5,032)	(2,905)
Transaction costs	12	-	12,172
Listing expense	12	-	106,542
Gain on revaluation of warrants	10	(326)	(34,973)
Foreign exchange loss (gain)		26,129	(8,724)
Total expenses		**726,928**	**784,954**
Net income (loss) before taxes		**36,532**	**(116,285)**
Income tax recovery (expense)	6	84,879	(19,386)
Net income (loss) and comprehensive income (loss)		**$ 121,411**	**$ (135,671)**
Net income (loss) per share			
Basic	11	$ 1.76	$ (2.49)
Diluted	11	$ 1.70	$ (2.49)

See accompanying notes to the consolidated financial statements

Greenfire Resources Ltd.

Consolidated Statements of Changes in Shareholders' Equity

($CAD thousands, except per share amounts)	note	Year ended December 31, 2024	Year ended December 31, 2023
Share capital			
Balance, beginning of year		$ 158,515	$ 15
Issuance of shares on exercise of share units	11,15	5,887	-
Issuance on exercise of bond warrants	11,12	-	38,911
Issuance to MBSC shareholders	11,12	-	62,959
Issuance of shares for PIPE investment	11,12	-	56,630
Balance, end of year		164,402	158,515
Contributed surplus			
Balance, beginning of year		9,788	44,674
Stock-based compensation	15	6,344	9,808
Issuance of shares on exercise of share units	11,15	(7,211)	(1,203)
Exercise of bond warrants	11,12	-	(43,491)
Balance, end of year		8,921	9,788
Retained earnings			
Balance, beginning of year		526,697	793,082
Common shares repurchased and cancelled	11,12	-	(41,464)
Deemed dividend on De-Spac transaction	11,12	-	(59,388)
Exercise of bond warrants	11,12	-	4,580
Exercise of performance warrants	11,12	-	1,202
Issuance of warrants	10	-	(35,644)
Net income (loss) and comprehensive income (loss)		121,411	(135,671)
Balance, end of year		648,108	526,697
Total shareholders' equity		**$ 821,431**	**$ 695,000**

See accompanying notes to the consolidated financial statements

Greenfire Resources Ltd.

Consolidated Statements of Cash Flows

	Year ended	Year ended

($CAD thousands)	note	December 31, 2024	December 31, 2023
Operating activities			
Net income (loss)		$ 121,411	$ (135,671)
Items not affecting cash:			
Income tax (recovery) expense	6	(84,879)	19,386
Unrealized gain on risk management contracts	16	(169)	(26,587)
Depletion and depreciation	5	80,725	67,893
Stock-based compensation	15	6,344	9,808
Accretion	14	14,554	63,604
Foreign exchange loss (gain)		26,529	(8,967)
Gain on revaluation of warrants	10	(326)	(34,973)
Listing expense	12	-	106,542
Change in non-cash working capital	20	(19,642)	25,513
Cash provided by operating activities		**144,547**	**86,548**
Financing activities			
Issuance of long-term debt, net of issuance costs	7	-	382,454
Repayment of long-term debt	7	(84,278)	(294,647)
Debt redemption premium	7,14	(4,214)	(19,152)
Issuance of common shares	11	-	67,115
Common shares repurchased	11,12	-	(41,464)
Deemed dividend on De-Spac transaction	11,12	-	(59,388)
De-Spac transaction costs	12	-	(34,817)
Payment of lease liabilities	8	(6,934)	(99)
Cash provided by (used in) financing activities		**(95,426)**	**2**
Investing activities			
Property, plant and equipment expenditures	5	(87,404)	(33,428)
Acquisitions	5	(4,390)	-
Release of restricted cash		-	35,313
Change in non-cash working capital (accrued additions to PP&E)	20	(2,611)	(13,988)
Cash used in investing activities		**(94,405)**	**(12,103)**
Exchange rate impact on cash and cash equivalents held in foreign currency		**3,178**	**(285)**
Change in cash and cash equivalents		(42,106)	74,162
Cash and cash equivalents, beginning of year		109,525	35,363
Cash and cash equivalents, end of year		**$ 67,419**	**$ 109,525**

See accompanying notes to the consolidated financial statements



Notes to the Consolidated Financial Statements

1. CORPORATE INFORMATION

Greenfire Resources Ltd. (the "Company" or "Greenfire") was incorporated under the laws of Alberta on December 9, 2022. On September 20, 2023, the Company participated in a De-Spac transaction involving a number of entities, including Greenfire Resources Inc. ("GRI") and M3-Brigade Acquisition III Corp ("MBSC") (the "De-Spac Transaction"). Refer to Note 12 De-Spac Transaction for additional information. On January 1, 2024, GRI was amalgamated with Greenfire Resources Operation Corporation ("GROC") and on April 4, 2024, MBSC was dissolved. These audited consolidated financial statements are comprised of the accounts of Greenfire and its wholly owned subsidiaries.

At December 31, 2024, approximately 56.5% of the Company's common shares were owned by certain limited partnerships comprising of Waterous Energy Fund and its affiliates (collectively "WEF") (Note 22).

The Company and its subsidiaries are engaged in the exploration, development and operation of oil and gas properties in the Athabasca oil sands region of Alberta. The Company's corporate head office is located at 1900, 205 5th Avenue SW, Calgary, AB T2P 2V7.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Preparation

These consolidated financial statements have been prepared in accordance with IFRS ® Accounting Standards as issued by the International Accounting Standards Board ("IASB"). In these consolidated financial statements, all dollars are expressed in Canadian dollars, which is the Company's functional currency, unless otherwise indicated. These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The consolidated financial statements were approved by the Board of Directors on March 17, 2025.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimated. 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. Information about certain areas of estimation uncertainty and critical judgements in applying accounting policies that affect amounts recognized in these financial statements is as follows:

Business combinations

Management is required to exercise judgment in determining whether assets acquired and liabilities assumed constitute a business. A business consists of an integrated set of assets and activities, comprised of inputs and processes, that is capable of being conducted and managed as a business by a market participant.

Business combinations are accounted for using the acquisition method of accounting, whereby the net identifiable assets acquired are recorded at fair value. The fair value of individual assets is often required to be estimated, which may involve estimating the fair values of proved plus probable reserves, tangible assets, undeveloped land, intangible assets and other assets. These estimates incorporate assumptions using indicators of fair value, as determined by management. Changes in any of the estimates or assumptions used in determining the fair value of the net identifiable assets acquired may impact the carrying values assigned to assets acquired and liabilities assumed and could have a material impact on earnings.

Bitumen reserves

The estimation of reserves involves the exercise of judgment. Forecasts are based on engineering data, estimated future prices, expected future rates of production and the cost and timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. The Company expects that over time its reserves estimates will be revised either upward or downward based on updated information such as the results of future drilling and production. Reserves estimates can have a significant impact on net earnings, as they are a key input into the unit of production rates used for the calculation of depletion, timing of decommissioning liabilities and for determining potential asset or CGU impairment. The Company's reserves are evaluated annually but its independent external qualified reserves evaluator.

Property, plant and equipment ("PP&E")

Developed and producing assets within PP&E are depleted using the unit-of-production method based on estimated total recoverable proved plus probable reserves and future costs required to develop those reserves. There are several inherent uncertainties associated with estimating reserves. By their nature, these estimates of reserves, including the estimates of future prices and costs, and related future cash flows are subject to measurement uncertainty, and the impact on the consolidated financial statements of future periods could be material.

Identification of cash-generating units ("CGUs") and Impairments

CGUs are defined as the lowest grouping of assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures, and the way in which management monitors the Company's operations. The recoverable amounts of CGUs and individual assets have been determined as the higher of the CGUs or the asset's fair value less costs of disposal and its value in use. These calculations require the use of estimates and significant assumptions and are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of proved and probable reserves and discount rates as well as future development and operating expenses. Changes in assumptions used in determining the recoverable amount could affect the carrying value of the related assets and CGUs.

Income tax

The provision for income taxes is based on judgements in applying income tax law and estimates on the timing and likelihood of reversal of temporary differences between the accounting and tax bases of assets and liabilities. The provision for income taxes is based on the Company's interpretation of the tax legislation and regulations which are also subject to change. The Company recognizes a tax provision when a payment to tax authorities is considered more likely than not. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Income tax filings are subject to audits and reassessments and changes in facts, circumstances and interpretations of the standards which may result in a material increase or decrease in the Company's provision for income taxes.

Decommissioning liabilities

The provision for decommissioning liabilities is based upon numerous assumptions including settlement amounts, inflation factors, credit-adjusted discount rates, timing of settlement and changes in the legal, regulatory, environmental and political environments. Actual costs and cash outflows could differ from the estimates as a result of changes in any of the above noted assumptions.

Risk management contracts

The Company utilizes commodity risk management contracts to manage commodity price risk related to its oil sales and operating expenses. The Company may also utilize foreign exchange risk management contracts to reduce its exposure to foreign exchange risk. The calculated fair value of the risk management contracts relies on external observable market data including quoted forward commodity prices and foreign exchange rates. The resulting fair value estimates may not be indicative of the amounts realized at settlement and as such are subject to measurement uncertainty.

Long-term debt

The measurement of the current portion of long-term debt relies on management's estimates of expected excess cash flows, as defined by the indenture governing the senior secured notes. This estimate incorporates assumptions about production levels, commodity prices, working capital changes, forecasted expenses and capital expenditures.

Warrant liability

To estimate the fair value of its warrant liability, the Company uses the Black-Scholes option pricing model which requires that management make assumptions related to dividend yields, the expected life of the warrant, the anticipated volatility of the share price over the life of the warrant and the risk-free interest rate for the life of the warrant. Assumptions related to the warrant liability are subject to judgment and estimation uncertainty due to both internal and external market factors. Changes in assumptions can impact the fair value of the warrants.

3. MATERIAL ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements consist of financial records of the Company and its wholly-owned subsidiaries. Subsidiaries are entities controlled by the Company. Subsidiaries are consolidated from the date that control commences until the date that control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing these consolidated financial statements.

Joint arrangements

The Company undertakes certain business activities through joint arrangements. Interests in joint arrangements have been classified as joint operations. Joint control exists for contractual arrangements governing the Company's assets whereby Greenfire has less than 100 per cent working interest, all of the partners have control of the arrangement collectively, and spending on the project requires unanimous consent of all parties that collectively control the arrangement and share the associated risks. A joint operation is established when the Company has rights to the assets and obligations for the liabilities of the arrangement. The Company only recognizes its proportionate share in assets, liabilities, revenues and expenses associated with its joint operations.

Foreign currency translation

Foreign currency transactions are translated into Canadian Dollars at exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange on the balance sheet date. Any resulting exchange differences are included in the recognized in net income (loss). Nonmonetary assets and liabilities denominated in a foreign currency are measured at historical cost and are translated into the functional currency using the rates of exchange as at the dates of the initial transactions.

Operating segments

The Company identified its operating segments based on internal reporting provided to the chief operating decision maker, identified as the Company's, President and Chief Financial Officer, to make decisions about resources to be allocated and assess performance. The Company has one reportable operating segment which is made up of its oil sands operations based on geographic location (Athabasca oil sands region of Alberta, Canada), nature of the products sold and integration of facilities and operations. The Company determines its operating segments based on the differences in the nature of operations, products sold, economic characteristics and regulatory environments and management. All of the Company's non-current assets are located in and revenue is earned in Canada.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or when the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported on the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

The following table summarizes the method by which the Company measures its financial instruments on the consolidated balance sheets:

Financial Instrument	Classification
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Risk management contracts	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Warrant liability	FVTPL
Long-term debt	Amortized cost

Financial assets and liabilities measured at amortized cost

A financial asset is classified in this category if the asset is held within a business entity whose objective is to collect contractual cash flows on specified dates that are solely payments of principal and interest. At initial recognition, financial assets at amortized cost are recognized at fair value plus transaction costs, except for trade receivables that do not have a significant financing component which are measured at transaction price. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment losses. At each reporting period an assessment is made whether there is objective evidence that a financial asset is impaired based on expected credit loss information. For the Company's financial assets measured at amortized cost, loss allowances are determined based on the expected credit loss over the asset's lifetime. Expected credit losses are a probability-weighted estimate of credit losses, considering possible default events over the expected life of a financial asset.

If a financial liability is not measured at fair value through profit or loss ("FVTPL"), it is measured at amortized cost. For interest bearing debt, this is the fair value of the proceeds received net of transaction costs associated with the borrowing. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any transaction costs and any discount or premium on settlement.

Risk management contracts

Risk management contracts executed by the Company to manage market risk are classified as FVTPL. The Company has not designated any of its financial derivative contracts as hedging instruments. The estimated fair value of these instruments is determined by reference to observable market data including commodity price curves, and foreign currency curves. Transaction costs are charged to the statements of income and comprehensive income as incurred. Realized gains and losses on risk management contracts are recorded as gains and losses in the statements of net income and comprehensive income in the period they occur. Changes in fair value of the derivative contracts are recorded as unrealized gains and losses on derivative contracts in the statements of net income and comprehensive income.

Warrant liability

The warrants issued are classified as a financial liability due to their exercise features and are measured at fair value upon issuance and at each subsequent reporting period. The changes in fair value are recognized in net income (loss). The fair value of these warrants is determined using the Black-Scholes option valuation model. Transaction costs are charged to the statements of income and comprehensive income as incurred.

Fair value measurement

All fair value measurements used or disclosed in these consolidated financial statements are categorized using a three-level hierarchy based upon the inputs used to measure the fair value:

Level 1: Unadjusted, quoted prices for identical assets or liabilities in active markets;

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability; and

Level 3: Significant, unobservable inputs for use when little or no market data exists, requiring a significant degree of judgment.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

At each reporting date, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the level of classification for each asset or liability measured or disclosed at fair value. Fair values in these financial statements have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- The value in use or fair value less costs of disposal is calculated to determine the recoverable amount of non-financial assets that are tested for impairment.

- The fair value of risk management contracts is based on listed market prices.

- The fair value of long-term debt is measured using period-end prices from the secondary market.

- The fair value of the warrant liability is determined using the Black-Scholes option pricing model, incorporating observable market data inputs.

Revenue

Revenue is measured based on consideration to which the Company expects to be entitled to in a contract with a customer. The Company recognizes revenue primarily from the sale of diluted and non-diluted bitumen. Revenue is recognized when its single performance obligation is satisfied. This occurs when the product is delivered, control of the product and title or risk of loss transfers to the customer at contractually specified transfer points. This transfer coincides with title passing to the customer and the customer taking physical possession of the commodity. The Company principally satisfies its single performance obligations at a point in time. Transaction prices are determined at inception of the contract and allocated to the performance obligations identified. Payment is generally received in the following month after the sale has occurred.

The Company sells its production pursuant to fixed and variable-priced 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. Revenue is recognized when a unit of production is delivered to the contract counterparty. The amount of revenue recognized is based on the agreed upon transaction. Royalty expenses are recognized as production occurs.

The Company has long-term marketing agreements with a single counterparty ("Sole Petroleum Marketer"), granting exclusive marketing rights over its current assets' production and diluent purchases until April 2026 and until October 2028 for specific assets' production. Fees paid to the Sole Petroleum Marketer as part of these agreements are expensed as incurred as transportation and marketing expenses. In addition, the Sole Petroleum Marketer provided letters of credit in support of the Company's long-term transportation commitment until November 2023. As a result of these marketing agreements, the Company is exposed to concentration and credit risk.



Inventories

Inventories consist of crude oil products and warehouse materials and supplies. The carrying value of inventory includes direct and indirect expenditures incurred in the normal course of business in bringing an item or product to its existing condition and location. The Company values crude oil inventories at the lower of cost and net realizable value on a weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. If the carrying value exceeds net realizable value, a write-down is recognized. A change in circumstances could result in a reversal of the write-down for the inventory that remains on hand in a subsequent period.

Property, plant and equipment ("PP&E")

PP&E is measured at the cost to acquire, less accumulated depletion and depreciation, and net of any impairment losses. The Company begins capitalizing oil exploration costs after the right to explore has been obtained and includes land acquisition costs, geological and geophysical activities, drilling expenditures and costs incurred for the completion and testing of exploration wells. The Company capitalizes all subsequent investments attributable to the development of its oil assets if the expenditures are considered a betterment and provide a future benefit beyond one year. Costs of planned major inspections, overhaul and turnaround activities that maintain PP&E and benefit future years of operations are capitalized and depreciated on a straight-line basis over the period to the next turnaround. Recurring planned maintenance activities performed on shorter intervals are expensed. Replacements of equipment are capitalized when it is probable that future economic benefits will flow to the Company. The Company's capitalized costs primarily consist of pad construction, drilling activities, completion activities, well equipment, processing facilities, gathering systems and pipelines. Borrowing costs attributable to long-term development projects are also capitalized.

Capitalized costs are classified as exploration and evaluation ("E&E") assets if technical feasibility and commercial viability have not yet been established. Technical feasibility and commercial viability are generally deemed to exist when proved reserves are present and the Company has sanctioned the project for commercial development. Capitalized costs are classified as PP&E assets if they are attributable to the development of oil reserves after technical feasibility and commercial viability have been achieved. Once the technical feasibility and commercial viability of E&E assets have been established, the E&E assets are tested for impairment and reclassified to PP&E. The majority of the Company's PP&E is depleted using the unit-of-production method relative to the Company's estimated total recoverable proved plus probable (2P) reserves. The depletion base consists of the historical net book value of capitalized costs, plus the estimated future costs required to develop the Company's estimated recoverable proved plus probable reserves. The depletion base excludes E&E and the cost of assets that are not yet available for use in the manner intended by Management.

There were no E&E assets as at December 31, 2024 and 2023.

Impairment of non-financial assets

For the purpose of estimating the asset's recoverable amount, PP&E assets are grouped into Cash Generating Units ("CGU"). A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or

groups of assets. The Company's PP&E assets are currently grouped into a single CGU—Hangingstone. In 2023, the Company classified its assets into two CGUs, distinguishing between the Expansion and Demo assets. In the current year, this classification was revised to a single CGU due to the underlying interdependencies of the Expansion and Demo assets.

PP&E assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators of impairment exist, the recoverable amount of the asset or CGU is estimated as the greater of value-in-use ("VIU") and fair value less costs of disposal ("FVLCOD"). VIU is estimated as the discounted present value of the expected future cash flows from continuing use of the asset or CGU. FVLCOD is the amount that would be realized from the disposition of an asset or CGU in an arm's length transaction between knowledgeable and willing parties. An impairment loss is recognized in earnings or loss if the carrying amount of the asset or CGU exceeds its estimated recoverable amount.

At each reporting period, PP&E, E&E and right-of-use ("ROU") assets are tested for impairment reversal at the CGU level when facts and circumstances suggest that the recoverable amount of the CGU may exceed the carrying value. Impairment reversal is limited to the carrying amount which would have been recorded had no historical impairment been recorded.

Business combinations

Business combinations are accounted for using the acquisition method of accounting in which identifiable assets acquired and liabilities assumed in a business combination are recognized and measured at their fair value at the date of the acquisition. If the cost of the acquisition is less than the fair value of the net asset acquired, the difference is recognized in net income (loss). If the cost of the acquisition is greater than the fair value of the net assets acquired, the difference is recognized as goodwill.

Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The Company's provisions primarily consist of decommissioning liabilities associated with dismantling, decommissioning, and site disturbance remediation activities related to its oil assets.

At initial recognition, the Company recognizes a decommissioning asset and corresponding liability on the balance sheet. Decommissioning liabilities are measured at the present value of expected future cash outflows required to settle the obligations at the balance sheet date, using managements' best estimate of expenditures required to settle the liability. Decommissioning liabilities are measured based on the estimated future inflation rate and then discounted to net present value using a credit adjusted risk-free discount rate. Any change in the present value, as a result of a change in discount rate or expected future costs, of the estimated obligation is reflected as an adjustment to the provision and the corresponding item of property, plant and equipment. The liability for decommissioning costs is increased each period through the unwinding of the discount, which is included in finance and interest costs in the consolidated statements of comprehensive income (loss). Decommissioning liabilities are remeasured at each reporting period primarily to account for any changes in estimates or discount rates. Actual expenditures incurred to settle the obligations reduce the liability.

Contingent liabilities reflect a possible obligation that may arise from past events and the existence of which can only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company. Contingent liabilities are not recognized on the balance sheet unless they can be measured reliably and the possibility of an outflow of economic benefits in respect of the contingent obligation is considered probable. Disclosure of contingent liabilities is provided when there is a less than probable, but more than remote, possibility of material loss to the Company.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease obligation and corresponding ROU asset are recognized at the commencement of the lease. Lease liabilities are initially measured at the present value of the unavoidable lease payments and discounted using the Company's incremental borrowing rate when an implicit rate in the lease is not readily available. Interest expense is recognized on the lease obligations using the effective interest rate method. The ROU assets are recognized at the amount of the lease liabilities, adjusted for lease incentives received and initial direct costs, on commencement of the leases. ROU assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Depreciation on the ROU assets is recognized in the consolidated statement of comprehensive income (loss). Where appropriate, depreciation charges to the ROU assets may be capitalized as additions to PP&E. The Company is required to make judgements and assumptions on incremental borrowing rates and lease terms. The carrying balance of the leased assets and lease liabilities, and related interest and depreciation expense, may differ due to changes in market conditions and expected lease terms. Short-term and low value leases have not been included in the measurement of lease liabilities.

Income taxes

Income tax is comprised of current and deferred tax. Income tax recovery (expense) is recognized in the consolidated statement of comprehensive income (loss) except to the extent that it relates to share capital, in which case it is recognized in equity. Current tax is the expected tax payable (receivable) on the taxable income (loss) for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and does not affect profit, other than temporary differences that arise in shareholder's equity. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset on the consolidated balance sheet if there is a legally enforceable right to offset and they relate to income taxes levied by the same tax authority. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are not recognized until such time that it is more likely than not that the related tax benefit will be realized.

Stock-based compensation

The Company has a stock-based incentive plan in the form of the performance warrants ("PWs"), restricted share units ("RSUs"), performance share units ("PSUs"), and deferred share units ("DSUs"). RSUs, PSUs and DSUs can be settled in either cash or shares issued from treasury and is at the sole discretion of the Board of Directors. It is the Board of Director's intention to settle all incentive units with shares issued from treasury, therefore the incentive units have been accounted for as equity-settled compensation.

These equity-settled compensation plans are expensed over the vesting period of the grants, with a corresponding increase to contributed surplus. Forfeitures are estimated based on historical information for each reporting period and adjusted as required to reflect actual forfeitures that have occurred in the period. When exercised, any cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital.

Performance warrants granted to directors, officers, employees and consultants of the Company are measured at the date of issuance using the Black-Scholes model using assumptions related to interest rates, expected lives of the options, volatility of the underlying security, forfeiture rates and expected dividend yields. The Company estimates the fair value of performance warrants granted using assumptions related to interest rates, expected lives of the options, volatility of the underlying security, forfeiture rates and expected dividend yields. No additional grants of performance warrants can be made under this plan.

DSUs granted to directors of the Company are accounted for using the fair value method. Although DSUs vest immediately, they can only be redeemed upon termination or separation of service from the Company. The Company estimates the fair value of DSUs granted using the grant date trading price of the Company's shares.

RSUs granted to officers, employees and consultants of the Company are accounted for using the fair value method. The fair value of each RSU granted is estimated on the date of grant and that value are recorded as stock-based compensation expense over the vesting period of the grants, with a corresponding increase to contributed surplus. The Company estimates the fair value of RSUs granted using the grant date trading price of the Company's shares.

PSUs are granted to officers and employees of the Company. The number of PSUs expected to grant contain both market and non-market vesting conditions. Market conditions are estimated upon issuance using a Monte-Carlo simulation using assumptions related to interest rates, expected lives of the options, volatility of the underlying security, forfeiture rates and expected dividend yields. Non-market vesting conditions, including production targets and service conditions, are adjusted at each reporting period to reflect management's expectations for the number of PSUs that will vest. Production targets are updated based on historic and forecast production at each period end.

Per share information

Basic per share information is calculated using the weighted average number of common shares outstanding during the year. Diluted per share information is calculated using the basic weighted average number of common shares outstanding during the year, adjusted for the number of shares that could have had a dilutive effect on net income during the year had in the-money and outstanding equity compensation units been exercised.

Standards issued but not effective

IFRS 18 'Presentation and Disclosure in Financial Statements' was issued in April 2024 by IASB and replaces IAS 1 'Presentation of Financial Statements'. The standard introduces defined structure to the Statement of Comprehensive Income (Loss) with related specific disclosure requirements. IFRS 18 is effective January 1, 2027 and is required to be adopted retrospectively. Early adoption is permitted. The Company is assessing the impact of IFRS 18 on the Company's consolidated financial statements.

4. INVENTORIES

As at December 31

($ thousands)	2024	2023
Oil inventories	$ 3,650	$ 6,183
Warehouse materials and supplies	11,296	7,680
Inventories	**$ 14,946**	**$ 13,863**

At December 31, 2024 and 2023 all inventory was carried at cost and $nil was carried at net realizable value. During the year December 31, 2024, $603.1 million (2023 - $567.1 million) of oil inventories were recorded within the respective cost components, which are composed of operating expenses, diluent expense, transportation expense and depletion and depreciation in the consolidated statements of comprehensive income (loss). For the years ended December 31, 2024, and 2023, the Company did not recognize any write-down of inventory.

5. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

($ thousands)	Developed and producing	Right-of-use assets	Corporate assets	Total
Cost				
Balance as at December 31, 2022	$ 1,057,316	$ 969	$ 629	**$ 1,058,914**
Expenditures on PP&E	33,439	-	(11)	**33,428**
Right-of-use asset additions	-	12,789	-	**12,789**
Balance as at December 31, 2023	1,090,755	13,758	618	**1,105,131**
Expenditures on PP&E	87,404	-	-	**87,404**
Acquisitions	16,873	-	-	**16,873**
Right-of-use asset additions	-	907	-	**907**
Transfers of right-of-use assets	5,126	(5,126)	-	**-**
Change in decommissioning liabilities	(5,774)	-	-	**(5,774)**
Balance as at December 31, 2024	**1,194,384**	**9,539**	**618**	**1,204,541**
Accumulated Depletion, Depreciation and Amortization				
Balance as at December 31, 2022	95,572	60	232	**95,864**
Depletion and depreciation (1)	67,580	183	130	**67,893**
Balance as at December 31, 2023	163,152	243	362	**163,757**
Depletion and depreciation (1)	80,342	303	80	**80,725**
Balance as at December 31, 2024	**243,494**	**546**	**442**	**244,482**
Net Book Value				
Balance at December 31, 2023	927,603	13,515	256	**941,374**
Balance at December 31, 2024	**$ 950,890**	**$ 8,993**	**$ 176**	**$ 960,059**

(1) As at December 31, 2024 $0.3 million of DD&A was capitalized to inventory (December 31, 2023- $ 0.2 million).

On February 22, 2024, Greenfire acquired natural gas assets in the Hangingstone area for consideration of $ 2.5 million. This acquisition resulted in an increase in PP&E of $12.7 million, including $10.2 million of future decommissioning obligations. On April 19, 2024, Greenfire acquired heavy oil assets in the Athabasca region of Northern Alberta for consideration of $1.9 million. This acquisition resulted in an increase in PP&E of $4.2 million, including $2.3 million of future decommissioning obligations. The Company applied the optional IFRS 3 concentration test to these acquisitions which resulted in the acquired assets being accounted for as asset acquisitions.

6. INCOME TAXES

The following table reconciles the expected income tax (recovery) expense calculated at the Canadian statutory rate of 23% (2023 – 23%) to the actual income tax (recovery) expenses.

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Income (loss) before taxes	$ 36,532	$ (116,285)
Expected statutory income tax rate	23.00%	23.00%
Expected income tax (expense) recovery	(8,402)	26,746
Permanent differences	(2,025)	(24,149)
Effect of change of control (Note 22)	(8,663)	-

Change in unrecognized deferred income tax asset	103,969	(21,983)
Deferred income tax recovery (expense)	**$ 84,879**	**$ (19,386)**

As at ($ thousands)	December 31, 2024	December 31, 2023
Deferred tax asset (liability) related to:		
Property, plant & equipment	$ (146,895)	$ (125,153)
Corporate non-capital tax losses carried forward	293,561	285,325
Corporate capital tax losses carried forward	-	2,609
Risk management contracts	57	96
Share issuance costs	1,913	2,594
Long-term debt	4,538	6,793
Deferred tax asset not recognized	-	(103,969)
Deferred tax asset	**$ 153,174**	**$ 68,295**

As at December 31, 2024 the Company had the following income tax pools, which may be used to reduce taxable income in future years, limited to the applicable rates of utilization:

($ thousands)	Rate of Utilization (%)	Amount
Undepreciated capital cost	7-55	$ 196,095
Canadian oil and gas property expenditures	10	12,910
Canadian development expenditures	30	84,670
Non-capital and other losses carried forward [1]	100	1,414,419
Other	Various	43,255
Total federal income tax pools		**$ 1,751,349**
Adjustment for differences in provincial income tax pools [2]		(137,255)
Combined federal and provincial income tax pools		**$ 1,614,094**

(1) Other losses include restricted interest and finance expenses that are fully deductible against eligible income.
(2) Provincial non-capital losses carried forward are approximately $ 396.9 million less than federal non-capital losses.

The Company's non-capital losses have an expiry profile between 2032 and 2044.

7. LONG-TERM DEBT

Senior Secured Notes

On September 20, 2023, Greenfire issued US$ 300 million of senior secured notes (the "2028 Notes"). The 2028 Notes bear interest at the fixed rate of 12.00% per annum payable semi-annually, have a term of five years maturing on October 1, 2028, and is secured by a second priority lien on the Company's assets, junior to the Senior Credit Facility and financial risk management contracts with the Senior Credit Facility lenders.

As at ($ thousands)	December 31, 2024	December 31, 2023
Senior secured notes ("2028 Notes") $US	$ 238,969	$ 300,000
Foreign exchange rate	1.4389	1.3226
Senior secured notes ("2028 Notes") $CAD	343,852	396,780
Unamortized debt discount and debt issue costs	(14,922)	(20,430)
Total term debt	**$ 328,930**	**$ 376,350**
Current portion of long-term debt	248,489	44,321
Long-term debt	$ 80,441	$ 332,029

The 2028 Notes are not subject to any financial covenants but subject to certain exceptions and qualifications. The indenture governing the 2028 Notes (the "2028 Indenture") contains certain non-financial covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, pay dividends, redeem stock, make certain restricted payments, and sell assets. In addition, the Company is required to maintain financial hedges for a minimum of 50% of the forward twelve calendar month forecasted production [1], and to limit capital expenditures to CAD$100 million annually until the outstanding principal amount of the 2028 Notes is less than US$ 100 million and US$150 million, respectively. As at December 31, 2024 the Company was compliant with all covenants. On March 10, 2025, the Company completed an amendment to the 2028 Note Indenture to increase the annual capital expenditure limitation from CAD$100 million to US$150 million, until the outstanding principal amount of the 2028 Notes is less than US$150 million.

As the result of a change of control transaction occurring on December 23, 2024 (Note 22), Greenfire fulfilled its requirement to make an offer ("the Offer") to repurchase the 2028 Notes, or a portion thereof, at 101% of the outstanding principal plus any accrued and unpaid interest. The Offer expired on February 19, 2025, with US$5,000 principal amount tendered for repurchase. The portion of 2028 Notes eligible to be redeemed under the Offer has been presented as a current liability since participation in the offer was outside of Greenfire's control. On December 23, 2023, M3-Brigade Sponsor III, LP, agreed not to participate in the Offer, resulting in their 2028 Notes being presented as a long-term liability.

The 2028 Indenture requires the Company to redeem the 2028 Notes at 105% of the principal amount plus accrued and unpaid interest with 75% of its Excess Cash Flow (as defined in the 2028 Indenture) every six-months (the "ECF Sweep"). When consolidated indebtedness [(2)] is less than US$150 million, the ECF Sweep is reduced to 25% of Excess Cash Flow until the principal outstanding on the 2028 Notes is US$ 100 million. On July 12, 2024, the Company redeemed $84.3 million (US$61.0 million) of the 2028 Notes under the ECF Sweep. At December 31, 2024, no principal repayment was owing under its ECF Sweep. The next redemption is due by September 3, 2025.

The Company may make additional redemptions of some or all of the 2028 Notes on or after October 1, 2025, inclusive of a "make whole" premium, as set out in the table below. At any time before October 1, 2025, the Company may redeem up to 40% of the aggregate principal amount of the notes using the net proceeds from certain equity issuances as a redemption price equal to 112% of the principal amount plus accrued and unpaid interest. The following table discloses the redemption amount including the "make whole" premium on redemption of the 2028 Notes:

	2028 Notes
On or after October 1, 2025 to October 1, 2026	106%
On or after October 1, 2026 to October 1, 2027	103%
On or after October 1, 2027	100%

(1) Forecasted production is defined by the 2028 Indenture as the Company's proved developed producing ("PDP") forecast in the Company's most recent reserve report, as determined by a qualified and independent reserves evaluator, as prepared to the Canadian standard using National Instrument 51-101.
(2) Consolidated indebtedness under the 2028 Indenture includes amounts outstanding under the 2028 Notes, amounts outstanding under the Senior Credit Facility, and any leases that would be classified as a "*capital lease*" under *IAS® 17 – Leases (superseded).*

As at December 31, 2024, the carrying value of the Company's long-term debt was $ 328.9 million and the fair value was $ 371.2 million (December 31, 2023 carrying value – $376.5 million, fair value - $394.1 million).

Senior Credit Facility

Greenfire has a reserve-based credit facility (the "Senior Credit Facility") comprised of an operating facility and a syndicated facility. Total credit available under the Senior Credit Facility is $50 million comprised of a $ 20 million operating facility and a $ 30 million syndicated facility.

The Senior Credit Facility is a committed facility available on a revolving basis. On May 24, 2024, the Senior Credit Facility was extended until May 31, 2025, and may, subject to the lenders' approval, be extended for a further 364-day period. If the revolving period is not extended, the undrawn portion of the facility will be cancelled and any amounts outstanding would be repayable on May 31, 2026. The Senior Credit Facility is subject to a semi-annual borrowing base review, occurring in May and November of each year. The borrowing base is determined based on the lenders' evaluation of the Company's petroleum and natural gas reserves and their commodity price outlook at the time of each borrowing base review.

The Senior Credit Facility is secured by a first priority security interest on substantially all of the assets of the Company and is senior in priority to the 2028 Notes. The Senior Credit Facility contains certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, pay dividends, redeem stock, and sell assets. The Senior Credit Facility is not subject to any financial covenants.

Amounts borrowed under the Senior Credit Facility bear interest at a floating rate based on the applicable Canadian prime rate, US base rate, adjusted secured overnight financing rate or adjusted Canadian overnight repo rate average, plus a margin of 1.75% to 6.25% based on Debt to EBITDA ratio. A standby fee on the undrawn portion of the Senior Credit Facility ranges from 0.6875% to 1.5625% based on Debt to EBITDA ratio. As at December 31, 2024 and December 31, 2023, the Company had no amounts drawn under the Senior Credit Facility.

Letter of Credit Facility

Greenfire maintains a separate $ 55 million letter of credit facility (the "EDC Facility") with a Canadian bank that is supported by a performance security guarantee from Export Development Canada ("EDC"). The EDC Facility is available on a demand basis. As at December 31, 2024, the Company had $54.0 million (December 31, 2023 - $ 54.3 million) in letters of credit outstanding under the EDC Facility.

8. LEASE LIABILITIES

The Company's lease liabilities primarily relate to a drilling contract, vehicles, and office space:

As at December 31
($ thousands)

	2024	**2023**

Balance, beginning of year	$ 13,724	$ 963
Additions	907	12,789
Interest expense	1,613	71
Payments	(6,934)	(99)
Balance, end of year	**$ 9,310**	**$ 13,724**
Current portion	$ 7,014	$ 6,002
Non-current portion	$ 2,296	$ 7,722



The Company's minimum lease payments are as follows:

As at December 31 ($ thousands)	**2024**	**2023**
Within 1 year	$ 7,669	$ 6,002
Within 2 to 5 years	1,901	9,252
Later than 5 years	825	1,015
Minimum lease payments	10,395	16,269
Amounts representing finance charges	(1,085)	(2,545)
Present value of net minimum lease payments	**$ 9,310**	**$ 13,724**

9. DECOMMISSIONING LIABILITIES

The Company's decommissioning liabilities result from net ownership interests in petroleum assets including well sites, gathering systems and processing facilities. In 2024, the Company acquired certain natural gas and heavy oil assets in the Athabasca region of Northern Alberta and recognized $12.5 million of future decommissioning obligations. The Company estimates the total undiscounted escalated amount of cash flows required to settle its decommissioning liabilities to be approximately $340.8 million (December 31, 2023 - $206.5 million). For the year ended December 31, 2024, a credit-adjusted discount rate of 10.5% (December 31, 2023 - 12.0%) and an inflation rate of 2.0% (December 31, 2023 - 2.0%) were used to calculate the decommissioning liabilities. A 1.0% change in the credit-adjusted discount rate would impact the discounted value of the decommissioning liabilities by approximately $3.1 million with a corresponding adjustment to PP&E. The decommissioning liabilities are estimated to be settled in periods up to year 2077, with the majority being incurred between 2047 and 2077.

A reconciliation of the decommissioning liabilities is provided below:

As at December 31 ($ thousands)	**2024**	**2023**
Balance, beginning of year	$ 8,449	$ 7,543
Acquisitions	12,483	-
Liabilities incurred	27	-
Change in estimates	(5,801)	-
Accretion expense	2,286	906
Balance, end of year	**$ 17,444**	**$ 8,449**

10. WARRANT LIABILITY

In conjunction with the De-Spac transaction (Note 12), the Company issued approximately 7.5 million warrants, entitling each warrant holder to purchase one common share of Greenfire. The outstanding warrants expire on September 19, 2028, and contain a cashless exercise feature, permitting an exercise without the payment of the exercise price by the issuance of a net, lower number of common shares. The warrants are remeasured to their fair value at each reporting period with the change recognized through the statement of comprehensive income (loss). The following table reconciles the warrant liability.

	Year ended December 31, 2024		**Year ended December 31, 2023**	
($ thousands)	**Number of Warrants**	**Amount**	**Number of Warrants**	**Amount**
Balance, beginning of year	7,526,667	$ 18,630	-	$ -
Warrants issued (Note 12)	-	-	5,000,000	35,644
MBSC warrants converted (Note 12)	-	-	2,526,667	17,959
Change in fair value	-	(326)	-	(34,973)
Balance, end of period	**7,526,667**	**$ 18,304**	**7,526,667**	**$ 18,630**
Common shares issuable on exercise	**7,526,667**	**-**	**7,526,667**	**-**

The fair value of each warrant was estimated using the Black Scholes Merton model with the following assumptions:

	December 31, 2024	December 31, 2023
Share price $USD	$ 7.06	$ 4.86
Exercise price $USD	$ 11.50	$ 11.50
Average risk-free interest rate	4.49%	3.17%
Average expected volatility [1]	45%	69%
Average expected life (years)	3.75	4.75

(1) Expected volatility has been based on historical share volatility and that of similar market participants.

11. SHARE CAPITAL AND PER SHARE AMOUNTS

Share capital

As at December 31, 2024 the Company's authorized share capital consists of an unlimited number of common shares without a nominal or par value. The following table summarizes the changes to the Company's common share capital:

	December 31, 2024		December 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding				
Balance, beginning of period	68,642,515	$ 158,515	1	$ 15
Issuance of new common shares per De-Spac Transaction	-	-	43,690,533	-
Issuance for exercise of bond warrants	-	-	15,769,183	38,911
Issuance to MBSC shareholders – Class A and Class B	-	-	5,005,707	62,959
Issuance of new common shares for PIPE investment	-	-	4,177,091	56,630
Issued on exercise of share units[1]	1,075,949	5,887	-	-
Balance, end of period	**69,718,464**	**$ 164,402**	**68,642,515**	**$ 158,515**

(1) Differences in the number of exercised units compared to those disclosed in stock based compensation (Note 15) and the value recognized in contributed surplus relates to withholding taxes on issuances (Note 20).

Per share amounts

Net income (loss) per share was calculated using the historical weighted average shares outstanding, scaled by the applicable exchange ratio following the completion of the De-Spac Transaction in 2023. The following table summarizes the Company's basic and diluted net income (loss) per share:

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Weighted average shares outstanding- basic	69,174,878	54,425,083
Dilutive effect of performance warrants	1,604,339	-
Dilutive effect of share units	836,036	-
Weighted average shares outstanding- diluted	**71,615,253**	**54,425,083**
Basic $ per share	**$ 1.76**	**$ (2.49)**
Diluted $ per share	**$ 1.70**	**$ (2.49)**

In computing the diluted net loss per share for the year ended December 31, 2023, the Company excluded the effect of 7,526,667 Warrants and 3,617,016 PWs as their effect was anti-dilutive.

12. DE-SPAC TRANSACTION

On September 20, 2023, Greenfire, GRI, MBSC, DE Greenfire Merger Sub Inc. ("DE Merger Sub") and 2476276 Alberta ULC ("Canadian Merger Sub"), completed a De-Spac Transaction pursuant to a business combination agreement dated December 14, 2022, as amended (the "Business Combination Agreement") with MBSC. DE Merger Sub and Canadian Merger Sub were incorporated in December 2022 for the purposes of completing the De-Spac Transaction.

Pursuant to the De-Spac Transaction (i) Canadian Merger Sub amalgamated with and into GRI pursuant to a statutory plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (Alberta), with GRI continuing as the surviving corporation and becoming a direct, wholly-owned subsidiary of Greenfire and (ii) DE Merger Sub merged with and into MBSC pursuant to a Delaware statutory merger (the "Merger) with MBSC continuing as the surviving corporation and becoming a direct, wholly-owned subsidiary of Greenfire.

As a result of the De-Spac Transaction, the following occurred:

- Of the GRI 8,937,518 common shares outstanding, 7,996,165 were converted to 43,690,534 common shares of Greenfire and 941,353 were cancelled in exchange for cash consideration of $70.8 million. Cash consideration was comprised of a dividend paid of $ 59.4 million and $11.4 million for shares repurchased and cancelled by the Company. The $ 70.8 million cash consideration was recorded as a reduction to retained earnings.

- 312,500 outstanding GRI bondholder warrants were exchanged for 3,225,810 GRI common shares of which 2,886,048 were converted to 15,769,183 common shares of Greenfire and 339,245 were cancelled in exchange for cash consideration of $ 25.5 million. This $25.5 million was recorded as a reduction to retained earnings. In conjunction with the share conversion and cancellation, $43.5 million was reclassified from contributed surplus to share capital ($38.9 million) and retained earnings ($ 4.6 million).

- Of the 739,912 GRI performance warrants outstanding, 661,971 were converted into 3,617,016 Greenfire performance warrants and 77,941 were cancelled for cash consideration of $4.5 million, which was the fair value of the warrants. The $ 4.5 million was recorded as a reduction to retained earnings. In conjunction with the cancellation, $1.2 million was reclassified from contributed surplus to retained earnings.

- Greenfire issued an additional 5,000,000 Greenfire warrants to former GRI shareholders, GRI bond warrant holders and performance warrant holders that entitle the holder of each warrant to purchase one common share of Greenfire. The warrants were recorded as a warrant liability on the consolidated balance sheet, see Note 10.

- 755,707 MBSC Class A common shares held by MBSC's public shareholders were converted into 755,707 Greenfire common shares.

- 4,250,000 Class B MBSC common shares were converted into 4,250,000 Greenfire common shares.

- 2,526,667 MBSC private placements warrants were converted into 2,526,667 Greenfire warrants, which were recorded as a warrant liability on the consolidated balance sheet, see Note 10.

- Concurrent with the execution of the Business Combination Agreement, the Company and MBSC had entered into subscription agreements with certain investors (the "PIPE Investors") pursuant to which the PIPE Investors agreed to purchase Class A common shares of MBSC at a purchase price of US$10.10 per share. MBSC issued 4,177,091 Class A common shares to the PIPE Investors for proceeds of $ 56.6 million (US$42.2 million) which were converted into Greenfire common shares at the closing of the De-Spac Transaction.

Greenfire was identified as the acquirer for accounting purposes. As MBSC did meet the definition of a business under IFRS 3 Business Combinations, the transaction was accounted for pursuant to IFRS 2, Share Based Payment. On closing of the De-Spac Transaction, the Company accounted for the excess of the fair value of Greenfire common shares issued to MBSC shareholders as consideration, over the fair value of MBSC's identifiable net assets at the date of closing, resulting in $106.5 million (US$79.4 million) being recognized as a listing expense. The fair value of MBSC Class B common shares exchanged for Greenfire common shares was measured at the market price of MBSC's publicly traded Class A common shares on September 20, 2023, which was US$9.37 per share. The fair value of MBSC Class A common shares exchanged for Greenfire common shares was measured at the market price of MBSC's publicly traded Class A common shares on September 20, 2023, which was US$9.37 per share. As part of the De-Spac Transaction, Greenfire acquired marketable securities held in trust, prepaid expenses, accrued liabilities, taxable payable, other liabilities, warrant liability and deferred underwriting fees. The following table reconciles the elements of the listing expense:

($ thousands)	
Total fair value of consideration deemed to have been issued by Greenfire:	
4,250,000 MBSC Class B common shares at US$ 9.37 per common share (US$ 39.8 million)	$ 53,454
755,707 MBSC Class A common shares at US$ 9.37 per common share (US$ 7.1 million)	$ 9,505
Less the following:	
Fair value of identifiable net assets of MBSC	
Marketable securities held in Trust Account	10,485
Prepaid expenses and deposits	8
Accounts payable and accrued liabilities	(16,262)
Warrant liability	(17,960)
Other liability	(5,369)
Deferred underwriting fee	(13,422)
Taxes payable	(1,063)
Fair value of identifiable net assets of MBSC	**(43,583)**
Total listing expense	**$ 106,542**

The listing expense is presented in the Consolidated Statement of Comprehensive Income (Loss). For the year ended December 31, 2023, the Company expensed $12.2 million in transaction costs related to the De-Spac.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's revenue from contracts with customers consists of diluted and non-diluted bitumen sales.

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Diluted bitumen sales	$ 799,093	$ 652,812
Bitumen sales	23,879	23,158
Oil sales	**$ 822,972**	**$ 675,970**

14. FINANCING AND INTEREST

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Interest on senior secured notes	$ 45,270	$ 43,808
Other interest	1,636	2,802
Total finance and interest expense before accretion	46,906	46,610
Amortization of debt issuance costs and redemption premium (Note 7)	10,655	62,627
Accretion of decommissioning obligations (Note 9)	2,286	906
Accretion of lease liabilities (Note 8)	1,613	71
Accretion	14,554	63,604
Financing and interest expense	**$ 61,460**	**$ 110,214**

Total interest and finance expense for the year ended December 31, 2023, included $ 42.1 million of accelerated debt related costs and $ 19.2 million of debt redemption premiums related to the redemption of Senior Secured Notes in September 2023.

15. STOCK-BASED COMPENSATION

Issued and Outstanding Share Units

A summary of the PWs, RSUs, PSUs and DSUs, collectively the share units, issued and outstanding is as follows:

	PWs	RSUs	PSUs	DSUs	Total
Outstanding January 1, 2023	3,895,449	-	-	-	3,895,449
Granted	186,257	-	-	-	186,257
Forfeited	(38,820)	-	-	-	(38,820)
Cancelled	(425,870)	-	-	-	(425,870)
Balance, December 31, 2023	**3,617,016**	**-**	**-**	**-**	**3,617,016**
Exercisable, December 31, 2023	**3,617,016**	**-**	**-**	**-**	**3,617,016**

	PWs	RSUs	PSUs	DSUs	Total
Outstanding January 1, 2024	3,617,016	-	-	-	3,617,016
Granted	-	671,724	919,351	21,325	1,612,400
Exercised[1]	(1,080,521)	(518,500)	-	-	(1,599,021)
Forfeited	(16,992)	(16,612)	(44,748)	-	(78,352)
Balance, December 31, 2024	**2,519,503**	**136,612**	**874,603**	**21,325**	**3,552,043**
Exercisable, December 31, 2024	**2,519,503**	**-**	**-**	**21,325**	**2,540,828**

(1) Differences in exercised awards compared to those disclosed in share capital (Note 11) relate to withholding taxes on share issuance (Note 20).

Performance warrants

The performance warrants expire ten years after their issuance date. On September 20, 2023, with the closing of the De-Spac Transaction (Note 12), all outstanding performance warrants vested and became exercisable. The fair value of Performance Warrants was estimated at the date of grant using the Black Scholes Merton valuation model, including the following assumptions:

	2023 Grants
Average risk-free interest rate	4.2%

Average expected dividend yield	-
Average expected volatility[(1)]	70%
Average expected life	2 – 5 years

(1) Expected volatility has been based on historical share volatility of similar market participants.

A summary of performance warrants outstanding:

Range of Exercise Price	Number of Performance Warrants Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
$ 2.14 - $ 2.84	2,222,941	7.1	$ 2.57
$ 7.34 - $ 11.09	296,562	8.0	$ 8.79

Subsequent to December 31, 2024, and in connection with the change of control transaction occurring on December 23, 2024 (Note 22), the board of directors exercised its discretion to accelerate the expiry date of all PWs to April 30, 2025. The PWs were fully expensed when they vested on September 20, 2023.

Performance share units ("PSUs")

PSUs have been granted with either market-based ("Market PSUs") or non-market operations-based ("Operations PSUs") performance criteria.

Market PSUs are valued using a Monte Carlo simulation incorporating a three-year life and a volatility of 57%.

Operations PSUs are valued based on the share price at the time of grant multiplied by the expected number of shares to be issued. Vesting conditions, including production targets and service conditions, are adjusted at each reporting period to reflect management's expectations for the number of Operations PSUs that will vest. Production targets are updated based on historic and forecast production.

Stock-based compensation expense

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Performance warrants (PWs)	$ -	$ 9,808
Restricted share units (RSUs)	4,692	-
Performance share units (PSUs)	1,468	-
Deferred share units (DSUs)	184	-
	$ 6,344	**$ 9,808**

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value of Financial Instruments

As at December 31 ($ thousands)	2024 Fair Value	2024 Carrying Value	2023 Fair Value	2023 Carrying Value
Financial assets at amortized cost:				
Cash	67,419	67,419	109,475	109,475
Restricted cash	-	-	50	50
Accounts receivable	56,417	56,417	34,680	34,680
Financial liabilities at amortized cost:				
Accounts payable and accrued liabilities	61,804	61,804	59,850	59,850
Long-term debt (Note 7)	371,161	343,852	394,082	396,780
Financial liabilities at fair value through profit or loss				
Risk management contracts	248	248	417	417
Warrant liability	18,304	18,304	18,630	18,630

The 2028 Notes are classified as Level 1 in the fair value hierarchy. For purposes of estimating the fair value of these instruments, the Company used quoted market prices in active markets for identical assets or liabilities. The Company's risk management contracts and warrant liability are classified as Level 2 in the fair value hierarchy. To estimate the fair value of this instrument, the Company used observable market data and/or other sources utilizing assumptions that market participants would use to determine fair value.

Market Risk

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates, will affect the Company's cash flow, income, or the value of its financial instruments.

Commodity Price Risk

The Company's risk management program is designed to reduce the volatility of revenue and cash flow, generate sufficient cash flows to service debt obligations, and fund the Company's operations. The Company's risk management liabilities may consist of hedging instruments such as fixed price swaps and option structures, including costless collars on WTI, WCS differentials, condensate differential, natural gas and electricity swaps. The Company does not use financial derivatives for speculative purposes.

During the year ended December 31, 2024, the Company's obligations under its 2028 Notes (Note 7) includes a requirement to implement a 12-month forward commodity price risk management program encompassing not less than 50% of the hydrocarbon output under the proved developed producing reserves ("PDP") forecast in the Company's most recent reserves report, as determined by a qualified and independent reserves evaluator. This requirement is assessed on a monthly basis for the duration of time that the 2028 Notes remain outstanding.

The Company's commodity price risk management program does not involve margin accounts that require posting of margin with increased volatility in underlying commodity prices. Financial risk management contracts are measured at fair value, with gains and losses on re-measurement included in the consolidated statements of comprehensive income (loss) in the period in which they arise.

The Company's financial risk management contracts are subject to master netting agreements that create the legal right to settle the instruments on a net basis. The following table summarizes the gross asset and liability positions of the Company's individual risk management contracts that are offset in the consolidated balance sheets:

($ thousands)	As at December 31, 2024	As at December 31, 2023
Gross amount	$ (1,395)	$ (417)
Amount offset	1,147	-
Risk management contracts – liability	**$ (248)**	**$ (417)**

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Realized loss on risk management contracts	$ (27,658)	$ (10,182)
Unrealized gain on risk management contracts	169	26,587
Gain (loss) on risk management contracts	**$ (27,489)**	**$ 16,405**

As at December 31, 2024, the following financial commodity risk management contracts were in place:

	WTI- Costless Collar			WTI Fixed Price Swaps	
Term	Volume (bbls/d)	Put Strike Price (US$/bbl)	Call Strike Price ($US/bbl)	Volume (bbls/d)	Swap Price (US$/bbl)
Q1 2025	8,600	US$ 58.23	US$ 84.46	800	US$ 68.70
Q2 2025	8,600	US$ 59.50	US$ 86.34	800	US$ 68.70
Q3 2025	8,600	US$ 56.16	US$ 80.72	800	US$ 68.70
Q4 2025	8,600	US$ 55.13	US$ 78.51	800	US$ 68.70

Subsequent to December 31, 2024, Greenfire terminated the above WTI Costless Collar risk management contracts and entered into the following financial commodity risk management contracts:

	WTI- Costless Collar			WTI Fixed Price Swaps	
Term	Volume (bbls/d)	Put Strike Price ($/bbl)	Call Strike Price ($/bbl)	Volume (bbls/d)	Swap Price ($/bbl)
Q1 2025	-	-	-	9,400	$ 101.19
Q2 2025	-	-	-	9,400	$ 100.87

Q3 2025	-	-	-	9,400	$ 101.03
Q4 2025	-	-	-	9,400	$ 100.88
Q1 2026	3,577	$ 82.00	$ 98.51	2,549	$ 96.95

The following table illustrates the potential impact of changes in commodity prices on the Company's net income, before tax, based on the financial risk management contracts in place at December 31, 2024:

As at December 31, 2024	**$5.00/ bbl Change in WTI**	
($ thousands)	**Increase**	**Decrease**
Increase (decrease) to fair value of the WTI Fixed Price Swaps and Costless Collars	4,695	(5,250)

The Company's commodity risk management contracts are held with two large reputable financial institutions. As a result, the Company concluded that credit risk associated with its commodity risk management contracts is low.

Foreign Currency Risk Management

The Company is exposed to foreign currency risk on the principal and interest components of its US dollar denominated 2028 Notes (Note 7) and US Dollar denominated cash, cash equivalents, accounts receivables and accounts payables, and accrued liabilities. As at December 31, 2024, Greenfire's net foreign exchange risk exposure was a US$218.4 million liability (December 31, 2023 – US$ 267.4 million liability), and a 10% change in the foreign exchange rate would result in a $31.4 million change in the foreign exchange gain or loss (December 31, 2023 - $ 39.7 million).

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 is exposed to interest rate risk related to borrowings drawn under the Senior Credit Facility, as the interest charged on the credit facility fluctuates with floating interest rates. Currently no amounts are drawn on the Senior Credit Facility. The 2028 Notes and letters of credit issued are subject to fixed interest rates and are not exposed to changes in interest rates.

Credit Risk

As at December 31		
($ thousands)	**2024**	**2023**
Trade receivables	$ 47,412	$ 22,452
Joint interest receivables	9,005	12,228
Accounts receivable	**$ 56,417**	**$ 34,680**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company is primarily exposed to credit risk from receivables associated with its oil sales. The Company manages its credit risk exposure by transacting with high-quality credit worthy counterparties and monitoring credit worthiness and/or credit ratings on an ongoing basis. Trade receivables from oil sales are generally collected on the 25th day of the month following production. Joint interest receivables are typically collected within one to three months of the invoice being issued. The Company has not previously experienced any material credit losses on the collection of accounts receivable.

At December 31, 2024, and December 31, 2023 the Company was exposed to concentration risk associated with its outstanding trade receivables and joint interest receivables balances. Of the Company's trade receivables at December 31, 2024, 99% was receivable from a single company (December 31, 2023- 100% receivable from a single company). At December 31, 2024, 100% of the Company's joint interest receivables were held by a single company (December 31, 2023- 100% by a single company). Maximum exposure to credit risk is represented by the carrying amount of accounts receivable on the balance sheet. Subsequent to December 31, 2024, the Company has received $6.6 million from its joint interest partner.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient available reserves to meet its financial obligations at any point in time. The Company expects to achieve this objective through prudent capital spending, an active commodity risk management program and through strategies such as continuously monitoring forecast and actual cash flows from operating, financing and investing activities, and available credit facilities. Management believes that future cash flows generated from these sources will be adequate to settle Greenfire's financial liabilities.

The following table details the Company's contractual maturities of its financial liabilities at December 31, 2024, and December 31, 2023:

As at December 31,	**2024**		**2023**	
($ thousands)	**Less than one year**	**Greater than one year**	**Less than one year**	**Greater than one year**

Accounts payable and accrued liabilities	$ 61,804	$ -	$ 59,850	$ -
Risk management contracts	248	-	417	-
Lease liabilities[(1)]	7,669	2,726	6,002	7,722
Long-term debt[(2)]	260,252	83,600	44,321	332,029
Total financial liabilities	**$ 329,973**	**$ 86,326**	**$ 110,590**	**$ 339,751**

(1) Amounts represent the expected undiscounted cash payments.
(2) Amounts represent undiscounted principal only and exclude interest and transaction costs.

The Company also has provisions and other liabilities as disclosed in Note 9. The Company's future transportation commitments are disclosed in Note 17.

GREENFIRE RESOURCES

17. COMMITMENTS AND CONTINGENCIES

In addition to the commitments disclosed elsewhere in the Financial Statements, Greenfire has assumed commitments through its normal course of operations, primarily through transportation agreements.

($ thousands)	2025	2026	2027	2028	2029	Beyond 2029	Total
Transportation	$ 34,345	$ 32,409	$ 32,561	$ 32,754	$ 32,925	$ 248,808	**$ 413,802**
Other	299	299	299	299	299	1,197	**2,692**
Total commitments	**$ 34,644**	**$ 32,708**	**$ 32,860**	**$ 33,053**	**$ 33,224**	**$ 250,005**	**$ 416,494**

18. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying oilsands assets. The Company considers its capital structure to include equity, long-term debt and working capital. The Corporation is not currently subject to any externally imposed capital requirements, other than those on its long-term debt (Note 7).

19. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities were:

($ thousands)	December 31, 2024	December 31, 2023
Trade payables	$ 6,312	$ 6,303
Accrued payables	45,176	40,429
Accrued interest payable	10,316	13,118
Accounts payable and accrued liabilities	**$ 61,804**	**$ 59,850**

20. SUPPLEMENTAL CASH FLOW INFORMATION

The following table reconciles the net changes in non-cash working capital and other liabilities from the consolidated balance sheet to the consolidated statement of cash flows:

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Change in accounts receivable	$ (21,737)	$ (372)
Change in inventories	(1,083)	705
Change in prepaid expenses and deposits	290	(1,763)
Change in accounts payable and accrued liabilities	1,954	13,048
Change in income tax payable	(1,063)	-
	(21,639)	**11,618**
Other items impacting changes in non-cash working capital:		
Withholding taxes on share units	(1,324)	-
Unrealized foreign exchange gain (loss) related to working capital	710	(93)
	(22,253)	**11,525**
Related to operating activities	(19,642)	25,513
Related to investing activities	(2,611)	(13,988)

Net change in non-cash working capital	**$ (22,253)**	**$ 11,525**
Cash interest paid (included in operating activities)	$ (49,708)	$ (39,955)
Cash interest received (included in operating activities)	$ 4,066	$ 2,976

GREENFIRE RESOURCES

21. RELATED PARTY TRANSACTIONS

The Company's related parties primarily consist of key management personnel. The Company considers directors and officers of Greenfire Resources Ltd. as key management personnel.

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Salaries, benefits, and director fees	$ 5,946	$ 3,808

On April 19, 2024, the Company entered into a consulting agreement with M3-Brigage Sponsor III, LP (the "MBSC Sponsor") for the provision of consulting services to the Company relating to, among other things, the Company's transition to being a public company, maximizing the value of the Company, and educating the market about the Company and its value. Matthew Perkal, was a member of the Company's Board of Directors, who was nominated to the Company's Board of Directors by MBSC Sponsor pursuant to its rights under the Investor Rights Agreement, is Head of SPACs and Special Situations at Brigade Capital Management, LP, an affiliate of MBSC Sponsor and, prior to the Business Combination, served as the Chief Executive Officer of M3-Brigade Acquisition III Corp.

As compensation for the consulting services, the Company issued MBSC Sponsor 500,000 RSUs under the Company's Incentive Plan. The terms of the MBSC Sponsor Consulting agreement were reviewed and approved by the disinterested directors of the Company Board. The fair market value of the RSUs upon issuance to MBSC Sponsor was $4.3 million. During the year ended December 31, 2024, the Company recognized an expense of $4.3 million and issued 500,000 common shares upon vesting of the RSUs.

22. CHANGE OF CONTROL

On December 23, 2024, MBSC Sponsor and its affiliated entities sold 9,311,424 Greenfire common shares and 2,654,179 warrants to WEF pursuant to a securities purchase agreement dated the same date among Brigade Capital Management LP, MBSC Sponsor, WEF and Greenfire (the "SPA"). The shares represented approximately 13.4% of the issued and outstanding common shares of Greenfire.

Immediately prior to the completion of the transaction, WEF owned 29,988,854 common shares, representing approximately 43.2% of the issued and outstanding common shares of Greenfire, which it acquired from certain former shareholders of Greenfire on November 8, 2024. Immediately after completion of the transaction, WEF owned 39,300,278 common shares and 2,654,179 common share purchase warrants, representing approximately 56.5% of the issued and outstanding common shares of Greenfire on an undiluted basis. On December 23, 2024, Greenfire and WEF entered into an investor agreement pursuant to which, among other things, three directors of Greenfire agreed to resign from the Board of Directors and six nominees proposed by WEF were appointed as directors of Greenfire.

As a result of this transaction, WEF acquired control of Greenfire. As a result of the change of control, under the terms of the 2028 Indenture, Greenfire was required to make an offer to repurchase its 2028 Notes (Note 7), the consulting agreement (Note 22) was terminated and certain tax losses expired.

GREENFIRE RESOURCES

Corporate Information

Directors

Adam Waterous(1)(4)
W. Derek Aylesworth(2)
Tom Ebbern(3)
Andrew Kim
David Roosth
Henry Hager
Brian Heald
David Knight-Legg

(1) Executive Chair of the Board of Directors
(2) Chair of the Audit Committee

Auditor

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T2P 0R8

Reserve Engineers

McDaniel & Associates Consultants Ltd.

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Calgary, Alberta, Canada
T2P 3G6

(3) Chair of the Reserves Committee and Lead Director
(4) Chair of the Compensation and Governance Committee

Officers

Colin Germaniuk, P.Eng
President

Tony Kraljic, CPA
Chief Financial Officer

Jonathan Kanderka, P.Eng
Chief Operating Officer

Charles R. Kraus
Corporate Secretary

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Exhibit 99.3

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months and years ended December 31, 2024 and 2023

Greenfire Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis of the financial condition and results of operations of Greenfire Resources Ltd. ("Greenfire" or the "Company") is dated March 17, 2025, which is the date this MD&A was approved by the Board of Directors of the Company (the "Board of Directors"), and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended December 31, 2024 and 2023 (the "financial statements"). The financial statements were prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board herein referred to as "IFRS Accounting Standards". Additional information about Greenfire filed with Canadian securities regulatory authorities and the United States Securities and Exchange Commission (SEC), including Greenfire's Annual Information Form, dated March 17, 2025 (the "2024 AIF"), which is also filed with the SEC under cover of Form 40-F. Information contained in or otherwise accessible through our website, even if referred to in this MD&A, does not constitute part of this MD&A and is not incorporated by reference into this MD&A.

This MD&A contains forward-looking information based on the Company's current expectations and projections. For information on the material factors and assumptions underlying such forward-looking information, refer to the "Forward Looking Statements" section of this MD&A. Refer to the "Abbreviations" section of this MD&A for information regarding abbreviations used in this MD&A.

This MD&A contains non-GAAP financial measures, non-GAAP financial ratios and capital management measures collectively the "Non-GAAP Measures". Non-GAAP measures include adjusted EBITDA, operating netback, operating netback excluding realized gain (loss) on risk management contracts, effective royalty rate, adjusted funds flow, adjusted free cash flow, adjusted working capital surplus (deficit) and net debt. When non-GAAP measures are expressed on a per barrel basis, they are non-GAAP ratios. This MD&A also contains supplementary financial measures and ratios, derived from IFRS Accounting Standards. Supplementary financial measures include gross profit, capital expenditures and depletion. When Supplementary financial measures are expressed on a per barrel basis, they are supplementary financial ratios. For additional information regarding these non-GAAP and supplementary financial measures refer to the "Non-GAAP and Other Financial Measures section".

All financial information included in this MD&A is presented in Canadian dollars ("CAD"), unless otherwise noted. Certain dollar amounts have been rounded to the nearest million dollars or thousand dollars, as noted, and tables may not add due to rounding. Unless indicated otherwise, production volumes and per unit statistics are presented throughout this MD&A on a "gross" basis as determined in accordance with National Instrument 51-101 – *Standards for Disclosure for Oil and Gas Activities* , which is the Company's gross working interest basis before deduction of royalties. Dollar per barrel ($/bbl) figures presented throughout this MD&A are based upon sold bitumen barrels unless otherwise noted. The Company monitors and reviews financial information on a per barrel basis for comparability to prior period results and to analyze the Company's competitiveness relative to its peer group.

DESCRIPTION OF BUSINESS

Greenfire is an oil sands producer focused on the development of its long-life and low decline thermal oil assets in the Athabasca region of Alberta, Canada, with its registered offices in Calgary, Alberta. Greenfire plans to leverage its large resource base and significant infrastructure in

place to drive meaningful, capital-efficient production growth. As part of the Company's commitment to operational excellence, safe and reliable operations remain a top priority for Greenfire.

On December 14, 2022, Greenfire Resources Inc. ("GRI"), M3-Brigade Acquisition III Corp. ("MBSC"), a New York Stock Exchange ("NYSE") listed special purpose acquisition company, and certain other parties, including Greenfire, entered into a definitive agreement for a business combination (the "De-Spac Transaction"). The De-Spac Transaction was consummated on September 20, 2023 and Greenfire's common shares ("Common Shares") commenced trading on the NYSE. On February 2, 2024, Greenfire filed a final non-offering prospectus with the Alberta Securities Commission resulting in the Company becoming a reporting issuer in the Province of Alberta. On February 8, 2024, the Common Shares commenced trading on the Toronto Stock Exchange ("TSX") under the symbol "GFR" and Greenfire became a reporting issuer in the Provinces of Ontario.

At December 31, 2024, approximately 56.5% of the Company's common shares were owned by certain limited partnerships comprised of Waterous Energy Fund and its affiliates (collectively "WEF").

GREENFIRE'S ASSETS AND STRATEGY

Greenfire's principal assets are the Hangingstone Facilities. The Hangingstone Facilities consists of two Steam-Assisted Gravity Drainage ("SAGD") oil production facilities: the Expansion Asset and the Demo Asset. Located approximately 50 kilometers south of Fort McMurray, Alberta, these facilities are operated by Greenfire, with the Company holding a 75% working interest in the Expansion Asset and a 100% working interest in the Demo Asset.

The Company's strategic objective is to manage and enhance its asset portfolio to maximize long-term net asset value per share for Greenfire shareholders. This goal will be achieved by investing in proven, industry-standard SAGD optimization techniques at the Hangingstone Facilities, which are designed to increase production levels to leverage existing spare facility capacities, while maintaining disciplined control over operating cost structures.

RECENT DEVELOPMENTS

Production Overview

The Company's production for 2025 to date is 18,000 bbls/d, reflecting a 7% decrease compared to the previous quarter. This reduction is attributed to the Expansion Asset, where ongoing steam generation equipment repairs, unexpected facility downtime and natural production declines have impacted production output. At present, one of the four steam generation units is offline with an associated impact on production at the Expansion Asset of 1,500 to 2,250 bbls/d. The Company is implementing mitigation strategies to limit production impacts, including developing a comprehensive plan to restore full steam generation capacity and will provide updates in due course.

Comprehensive Review of Future Development Plans

The Company is currently conducting a comprehensive evaluation of its development plans, capital expenditures, and operational strategies for both the Expansion Asset and the Demo Asset. To address declines at the Expansion Asset, the Company anticipates that future development initiatives will involve drilling new well pairs on undeveloped reservoir, subject to approval from Greenfire's Board of Directors. At the Demo Asset, future development plans will prioritize optimizing base production.

Emissions Reporting and Regulatory Engagement

Following the changes in Greenfire's Board of Directors as a result of the WEF Acquisition, it was brought to the Company's attention that Greenfire's sulphur dioxide emissions may have been underreported. Prior management have been terminated. Greenfire takes its regulatory obligations very seriously and immediately reported the potential exceedance to the Alberta Energy Regulator ("AER"). Greenfire is currently in discussions with the AER and is exploring remedies, including potentially adding sulphur recovery units to the Expansion Asset. The extent of any potential exceedance and any remedies, penalties or orders imposed by the AER are unknown at this time.

FINANCIAL & OPERATING HIGHLIGHTS

	Three months ended December 31,		Year ended December 31,	
($ thousands except per share amounts, unless otherwise noted)	2024	2023	2024	2023
Bitumen production (bbls/d)	19,384	17,335	19,292	17,639
Oil sales	208,895	161,730	822,972	675,970
Oil sales ($/bbl)	79.00	71.04	81.63	73.91
Gross profit[(1)]	26,471	29,150	149,756	91,366
Operating netback[(2)]	65,183	27,351	230,537	132,703
Operating netback ($/bbl)[(2)]	34.81	17.19	32.49	20.56
Cash provided by operating activities	60,195	25,530	144,547	86,548
Adjusted funds flow[(2)]	52,950	10,517	171,850	73,206
Cash provided by (used in) investing activities	(24,091)	18,782	(94,405)	(12,103)

Capital expenditures[1]	13,161	19,413	91,794	33,428
Net income (loss) and comprehensive income (loss)	78,562	(4,659)	121,411	(135,671)
Per share - basic	1.13	(0.07)	1.76	(2.49)
Per share - diluted	1.09	(0.07)	1.70	(2.49)
Adjusted EBITDA[1]	62,472	23,434	213,629	117,316
Weighted average common shares outstanding - basic	69,514,599	68,642,515	69,174,878	54,425,083
Weighted average common shares outstanding - diluted	72,237,927	68,642,515	71,615,253	54,425,083

(1) Supplementary financial measure. Refer to the "Supplementary Financial Measures" section of this MD&A.
(2) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.

Liquidity and Balance Sheet

($ thousands)	December 31, 2024	December 31, 2023
Cash and cash equivalents	67,419	109,525
Available credit facilities[1]	50,000	50,000
Face value of long-term debt[2]	343,852	396,780

(1) As at December 31, 2024 the Company had $50.0 million (December 31, 2023 - $50.0 million) of available credit under the Senior Credit Facility, of which $nil was drawn as of December 31, 2024 (December 31, 2023 – $nil).
(2) As at December 31, 2024, the 2028 Notes (as defined below) had a face value of US$239.0 million (December 31, 2023 – US$300.0 million) and were converted into Canadian dollars as at period end exchange rates (see "Capital Resources and Liquidity - Long Term Debt").

PRODUCTION, COMMODITY PRICING AND OUTLOOK

Bitumen Production and Sales

	Three months ended December 31,		Year ended December 31,	
(Average barrels per day, unless otherwise noted)	2024	2023	2024	2023
Bitumen production[1]	**19,384**	**17,335**	**19,292**	**17,639**
Bitumen sales[1]	20,351	17,314	19,387	17,692
Purchased diluent blended in sales volume	8,390	7,432	8,160	7,366
Sales volumes	**28,741**	**24,746**	**27,547**	**25,058**

(1) Bitumen sales differ from bitumen production due to inventory fluctuations.

Bitumen production increased 12% (or 2,049 bbl/d) for the three months ended December 31, 2024, to 19,384 bbl/d compared to 17,335 bbl/d in the same quarter of 2023. This increase relates to the Company's drilling program, which began in the second half of 2023 and continued throughout 2024, partially offset by the annual maintenance shutdown at the Demo Asset, which occurred in the fourth quarter of 2024, compared to the third quarter of 2023.

Bitumen production increased 9% (or 1,653 bbl/d) for the year ended December 31, 2024, to 19,292 bbl/d compared to 17,639 bbl/d for the same period in 2023. This increase relates to the Company's drilling program discussed above.

The Expansion Asset's fourth quarter production remained relatively stable compared to the third quarter of 2024, as the recent activation of three redevelopment infill ("Refill") wells helped offset natural declines. The Demo Asset's production increased compared to the third quarter of 2024, driven by the activation of three additional Refill wells and the startup of a second disposal well following the completion of the scheduled turnaround maintenance in October 2024.

Commodity Prices

	Three months ended December 31,		Year ended December 31,	
Benchmark Pricing	2024	2023	2024	2023
US$/bbl				
WTI[1]	70.27	78.32	75.72	77.62
WCS differential to WTI	(12.56)	(21.89)	(14.76)	(18.71)
WCS Hardisty	57.71	56.43	60.96	58.91
Edmonton Condensate (C5+)	71.01	76.78	73.22	76.79

C$/bbl				
WTI[2]	98.32	106.66	103.74	104.75
WCS differential to WTI	(17.57)	(29.81)	(20.22)	(25.25)
WCS Hardisty[2]	80.75	76.85	83.52	79.50
Edmonton Condensate (C5+)[2]	99.36	104.56	100.31	103.63
Other				
AECO 5A (C$/GJ)	1.40	2.18	1.38	2.50
Alberta power pool (C$/MWh)	51.72	81.73	62.78	133.55
Average FX Rate (C$/US$)[3]	1.3992	1.3618	1.3700	1.3495

(1) As per NYMEX oil futures contract.
(2) Converted from above using the average exchange rate for the specific period.
(3) Average exchange rates for the specified periods.

WCS Hardisty

WCS is a blend of heavy crude oils that serves as the pricing benchmark for Canadian heavy oil at Hardisty, Alberta. Greenfire's bitumen sales revenue is directly correlated to WCS pricing. WCS is priced at a discount to WTI, with this difference referred to as the WCS differential. The WCS differential is subject to variability driven by factors such as production volumes, egress capacity, scheduled infrastructure maintenance, refinery demand, and other market conditions in Western Canada. During 2024, the WCS differential narrowed compared to 2023, primarily due to increased Western Canadian egress capacity resulting from the commissioning of the Trans Mountain Pipeline expansion in May 2024.

Condensate

The Company uses condensate, sourced from the Edmonton area, as a blending diluent to facilitate the transportation of its produced bitumen. The price of condensate has historically been correlated to the price of WTI.

FINANCIAL RESULTS

Oil Sales

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
Oil Sales	208,895	161,730	822,972	675,970
- ($/bbl)[1]	79.00	71.04	81.63	73.91

(1) Based on sales volumes.

Oil sales increased 29% (or $47.2 million) for the three months ended December 31, 2024, to $208.9 million compared to $161.7 million in the same quarter of 2023. The increase was primarily attributable to higher sales volumes and improved Canadian denominated WCS pricing.

Oil sales increased 22% (or $147.0 million) for the year ended December 31, 2024, to $823.0 million compared to $676.0 million for the same period in 2023. The increase was primarily attributable to higher sales volumes and improved Canadian denominated WCS pricing.

Royalties

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
Royalties	7,091	6,024	32,023	23,706
- ($/bbl)	3.79	3.79	4.51	3.67
Effective royalty rate[1]	6.16%	8.13%	7.06%	7.26%

(1) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.

Royalties consist of crown royalties on bitumen production paid to the Province of Alberta, based on government prescribed royalty rates. Royalty rates are based on the Canadian dollar equivalent of the one-month trailing WTI benchmark price.

The effective royalty rate was 6.16% and 7.06% during the three months and year ended December 31, 2024, respectively, compared to 8.13% and 7.26% for the same respective periods in 2023. This decrease aligns with the decline in the Canadian denominated WTI benchmark price.

Realized and Unrealized Gain (Loss) on Risk Management Contracts

($ thousands)	Three months ended December 31, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Realized gain (loss)	1,024	(3,225)	(27,658)	(10,182)
Unrealized gain (loss)	(9,945)	18,035	169	26,587
Risk management contracts gains (losses)	**(8,921)**	**14,810**	**(27,489)**	**16,405**

Greenfire uses risk management to protect its cash flows against volatility in commodity prices. Financial contracts settled in the period result in realized gains or losses based on the market price compared to the contract price and the notional volume outstanding.

For the three months ended December 31, 2024, Greenfire recognized a $1.0 million realized gain, compared to a loss of $3.2 million for the same quarter of 2023. The realized loss for the year ended December 31, 2024, was $27.7 million compared to $10.2 million during the year ended December 31, 2023. Realized gains occur when the average price of the hedged commodity settles below the contract price, while realized losses occur in the opposite scenario. Generally, realized gains and losses on risk management contracts resulting from fluctuations in energy prices are largely offset by an inverse gain or loss on physical sales or purchases.

Changes in the fair value of unsettled financial contracts are reported as unrealized gains or losses in the period as the forward markets for commodities fluctuate and as new contracts are executed. When adjusting the risk management contracts to their fair value at December 31, 2024, Greenfire recognized a non-cash unrealized loss of $9.9 million, compared to an unrealized gain of $18.0 million for the same quarter of 2023. Unrealized gains on risk management contracts for the year ended December 31, 2024, were $0.2 million compared to an unrealized gain of $26.6 million for the same period of 2023.

Diluent Expense

($ thousands, unless otherwise noted)	Three months ended December 31, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Diluent expense	83,030	76,768	327,146	304,740
- ($/bbl)[1]	11.77	17.65	11.75	16.39

(1) Represents the differential cost of diluent to diluted bitumen. Calculation is based on oil sales less diluent expense, over bitumen sales volume (bbls), less oil sales per barrel.

To facilitate the transportation of bitumen, the Company uses condensate as a blending diluent. Greenfire's diluent expense includes the cost of the condensate and the associated transportation costs to the Hangingstone Facilities. Diluent expense per barrel represents the cost difference between Greenfire's condensate purchase price and the recovered value from selling the same volume of diluted bitumen.

Diluent expense per bbl decreased 33% (or $5.88/bbl) for the three months ended December 31, 2024, to $11.77/bbl compared to $17.65/bbl in the same quarter of 2023.

Diluent expense per bbl decreased 28% (or $4.64/bbl) for the year ended December 31, 2024, to $11.75/bbl compared to $16.39/bbl for the year ended December 31, 2023.

The decrease in diluent expense per bbl corresponds to the lower price differential between WCS and Edmonton Condensate (C5+) see "Production, Commodity Pricing and Outlook - Commodity Prices" section of this MD&A.

Transportation and Marketing Expense

($ thousands, unless otherwise noted)	Three months ended December 31, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Marketing fees	3,043	2,419	10,641	10,934
Oil transportation expense	10,708	10,858	42,103	44,739
Transportation and marketing	**13,751**	**13,277**	**52,744**	**55,673**
Marketing fees ($/bbl)	1.62	1.52	1.50	1.69
Oil transportation expense ($/bbl)	5.72	6.82	5.93	6.93
Transportation and marketing ($/bbl)	**7.34**	**8.34**	**7.43**	**8.62**

Transportation expenses include the costs to move bitumen between the Hangingstone assets and to the sales point. Marketing fees relate to exclusive marketing contracts with a reputable international energy marketing company. These exclusive marketing contracts expected to expire between April 2026 and October 2028.

Transportation and marketing expense per bbl decreased 12% (or $1.00/bbl) for the three months ended December 31, 2024, to $7.34/bbl compared to $8.34/bbl in the same quarter of 2023.

Transportation and marketing expense per bbl decreased 14% (or $1.19/bbl) for the year ended December 31, 2024, to $7.43/bbl compared to $8.62/bbl for the year ended December 31, 2023.

The decreases in transportation and marketing expense per bbl relates to higher production volumes, which spread the fixed portion of transportation costs over a greater number of barrels.

Operating Expenses

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
Operating expenses – energy	7,800	12,223	33,104	56,624
Operating expenses – non-energy	33,064	22,861	119,760	92,341
Operating expenses	**40,864**	**35,084**	**152,864**	**148,965**
Operating expenses – energy ($/bbl)	4.17	7.68	4.67	8.77
Operating expenses – non-energy ($/bbl)	17.66	14.37	16.87	14.31
Operating expenses ($/bbl)	**21.83**	**22.05**	**21.54**	**23.08**

Operating expenses include energy operating expenses and non-energy operating expenses.

- Energy operating expenses include the cost of natural gas for steam generation and NCG co-injection, and electricity for facility operations. NCG is used to manage reservoir pressure, enhance oil production and improve recovery.
- Non-energy operating expenses relate to production-related operating activities, including staff, contractors and associated travel and camp costs, chemicals and treating, insurance, equipment rentals, maintenance and site administration, among other costs.

For the three months ended December 31, 2024, operating expenses per bbl decreased 1% (or $0.22/bbl) to $21.83/bbl compared to $22.05/bbl in the same quarter of 2023. Energy costs per bbl decreased 46% (or $3.51/bbl) to $4.17/bbl due to lower natural gas and benchmark power prices. Non-energy costs increased 23% (or $3.29/bbl) due to the annual maintenance shutdown at the Demo Asset, which occurred in the fourth quarter of 2024, compared to the third quarter of 2023.

For the year ended December 31, 2024, operating expenses per bbl decreased 7% (or $1.54/bbl) to $21.54/bbl compared to $23.08/bbl in the same period of 2023. Energy costs per bbl decreased 47% (or $4.10/bbl) to $4.67/bbl primarily due to lower natural gas and benchmark power prices. Non-energy costs increased 18% (or $2.56/bbl) due to well workover costs associated with the replacement of temperature sensors in 2024 and an increased scope of the annual maintenance shutdowns at both the Demo and Expansion assets.

Depletion and Depreciation Expenses

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
Depletion	28,767	16,236	80,950	67,924
Depreciation	17	37	80	130
Depletion and depreciation expense	**28,784**	**16,273**	**81,030**	**68,054**
- ($/bbl)	15.37	10.23	11.42	10.54

The Company's depletion and depreciation increased 77% (or $12.5 million) for the three months ended December 31, 2024, to $28.8 million compared to $16.3 million for the same period of 2023. This increase was attributable to higher production volumes and the addition of future development costs associated with the 72% increase in proved and probable reserves in 2024 compared to 2023.

The Company's depletion and depreciation increased 19% (or $12.9 million) for the year ended December 31, 2024, to $81.0 million compared to $68.1 million for the same period of 2023. This increase was attributable to higher production volumes and the addition of future development costs associated with the 72% increase in proved and probable reserves in 2024 compared to 2023.

Operating Netback[(1)]

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**

Gross profit[2]	**26,471**	**29,150**	**149,756**	**91,366**
Depletion	28,767	16,236	80,950	67,924
Loss (gain) on risk management contracts	8,921	(14,810)	27,489	(16,405)
Operating netback, excluding realized gain (loss) on risk management contracts[1]	64,159	30,576	258,195	142,885
Realized gain (loss) on risk management contracts	1,024	(3,225)	(27,658)	(10,182)
Operating netback[1]	**65,183**	**27,351**	**230,537**	**132,703**
Operating netback, excluding realized gain (loss) on risk management contracts ($/bbl)[1]	**34.26**	**19.21**	**36.40**	**22.14**
Operating netback ($/bbl)[1]	**34.81**	**17.19**	**32.49**	**20.56**

(1) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.
(2) Supplementary financial measure or ratio. Refer to the "Supplementary Financial Measures" section of this MD&A.

Operating netback per bbl increased 103% (or $17.62/bbl) for the three months ended December 31, 2024, to $34.81/bbl compared to $17.19/bbl in the same quarter of 2023. This increase was largely due to an increase in WCS benchmark price and its tightening differential to WTI, this resulted in higher per barrel oil sales and lower per barrel diluent costs.

Operating netback per bbl increased 58% (or $11.93/bbl) for the year ended December 31, 2024, to $32.49/bbl compared to $20.56/bbl in the same period of 2023. This increase was largely due to an increase in WCS benchmark price and its tightening differential to WTI, this resulted in higher per barrel oil sales and lower per barrel diluent costs.

Gross Profit[1]

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
Oil sales, net of royalties	201,804	155,706	790,949	652,264
Gain (loss) on risk management contracts	(8,921)	14,810	(27,489)	16,405
	192,883	170,516	763,460	668,669
Diluent expense	(83,030)	(76,768)	(327,146)	(304,740)
Transportation and marketing	(13,751)	(13,277)	(52,744)	(55,673)
Operating expenses	(40,864)	(35,085)	(152,864)	(148,966)
Depletion	(28,767)	(16,236)	(80,950)	(67,924)
Gross profit[1]	**26,471**	**29,150**	**149,756**	**91,366**
Gross profit ($/bbl)[1]	**14.14**	**18.30**	**21.10**	**14.13**

(1) Supplementary financial measure or ratio. Refer to the "Supplementary Financial Measures" section of this MD&A.

Gross profit per bbl decreased 23% (or $4.16/bbl) for the three months ended December 31, 2024, to $14.14/bbl compared to $18.30/bbl in the same quarter of 2023. This decrease was due to higher depletion expenses and losses on risk management contracts, partially offset by higher oil sales and lower per bbl operating costs.

Gross profit per bbl increased 49% (or $6.97/bbl) for the year ended December 31, 2024, to $21.10/bbl compared to $14.13/bbl in the same period of 2023. This increase was driven by higher oil sales and lower per bbl diluent expenses.

General & Administrative Expenses ("G&A")

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
General and administrative expenses	9,325	3,401	22,758	11,536
- ($/bbl)	4.98	2.14	3.21	1.79

G&A expenses include head office and corporate costs such as salaries and employee benefits, legal fees, engineering services, audit and tax-related fees, and may also include expenses related to corporate strategic initiatives if any, among other costs.

For the three months ended December 31, 2024, G&A expenses increased by 174% (or $5.9 million) to $9.3 million compared to $3.4 million for the same period of 2023. This increase includes $6.7 million of one-time costs incurred in the fourth quarter of 2024 for the evaluation of strategic alternatives and the implementation of a shareholder rights plan which was subsequently terminated.

During the year ended December 31, 2024, G&A expenses increased by 97% (or $11.2 million) to $22.8 million compared to $11.5 million for the

same period of 2023. This increase includes $7.7 million of one-time costs incurred in 2024 for the evaluation of strategic alternatives and the implementation of a shareholder rights plan which was subsequently terminated.

Stock-Based Compensation

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	2024	2023	2024	2023
Stock-based compensation	559	-	6,344	9,808
- ($/bbl)	0.30	-	0.89	1.52

In September 2023, the Company adopted and later amended an omnibus share incentive plan (the "Incentive Plan") in February 2024. The Incentive Plan allows for the issuance of DSUs, PSUs, RSUs, and options, reserving up to 10% of the Company's issued and outstanding Common Shares, minus shares under other compensation arrangements, including performance warrants ("PWs"). The Incentive Plan replaced the performance warrants plan; the PWs granted under the performance warrant plan fully vested in September of 2023 and no additional PWs may be granted.

The Company recorded stock-based compensation of $0.6 million in relation to share awards issued under the Incentive Plan during the three months ended December 31, 2024, compared to $nil for the same period during 2023.

The Company recorded stock-based compensation of $6.3 million in relation to the PSUs, RSUs and DSUs issued during the year ended December 31, 2024, compared to $9.8 million for the same period during 2023, relating to the PWs.

DSUs are issued to members of the Board of Directors and vest immediately upon grant, however the units cannot be settled until the director ceases to be a director of the Company.

PSUs granted under the Incentive Plan vest on the third anniversary date of the grant date and are subject to certain performance criteria as determined by the Board of Directors, which are set and measured to establish a performance multiplier from zero to two. The outstanding PSUs have market-based and non-market operations-based performance criteria.

RSUs granted under the Incentive Plan typically vest annually in thirds over a three-year period, have no exercise price and automatically settle at each vesting date in either cash or shares issued from treasury at the Board of Directors' discretion. On April 19, 2024, the Company granted 500,000 RSUs to M3-Brigade Sponsor III, LP ("MBSC Sponsor") for the provision of consulting services. Refer to the "Related Party Transaction" section in this MD&A for further information.

Interest and Finance Expenses

	Three months ended December 31,		Year ended December 31,	
($ thousands)	2024	2023	2024	2023
Interest on senior secured notes	10,314	11,727	45,270	43,808
Other interest	480	2,061	1,636	2,802
Accretion	2,062	2,582	14,554	63,604
Finance and interest expenses	**12,856**	**16,370**	**61,460**	**110,214**

Interest expense includes cash-settled interest on the 2028 Notes, revolving credit facility, EDC facility, and other related charges. Accretion includes the amortization of debt issuance costs, accrual of redemption premiums on the 2028 Notes, unwinding of lease liability discounts and accretion of decommissioning liabilities.

For the three months ended December 31, 2024, interest and finance expenses decreased by 21% (or $3.5 million) to $12.9 million compared to $16.4 million for the same quarter of 2023. The decrease was primarily due to lower interest expense on the 2028 Notes following the July 2024 repayment.

During the year ended December 31, 2024, interest and finance expenses decreased by 44% (or $48.7 million) to $61.5 million compared to $110.2 million for the same period of 2023. The decrease is primarily due to $42.1 million of refinancing costs related to the redemption of 2025 Senior Secured Notes in September 2023.



Refer to the "Capital Resources and Liquidity" section in this MD&A for more details of Greenfire's long-term debt, revolving credit facility and letter of credit facilities.

Exploration Expenses

The Company's exploration expenses primarily consist of escalating mineral lease rentals on undeveloped lands. In the three and twelve months ended December 31, 2024, exploration expenses were $0.1 million and $1.8 million, respectively, compared to $0.5 million and $3.9 million for the same respective periods in 2023. The decrease during the twelve months ended December 31, 2024, relates to a one-time regulatory expense associated with the implementation of the Oil Sands Tenure Regulation[(1)] incurred during the comparative period in 2023.

Other Income

The Company's other income for the three and twelve months ended December 31, 2024, were $1.6 million and $5.0 million, respectively, compared to other income of $1.3 million and $2.9 million, respectively in 2023. Other income primarily consists of interest earned on the Company's cash and cash equivalent balances held throughout the periods.

Foreign Exchange Loss (Gain)

The Company's foreign exchange loss (gain) is driven by fluctuations in the US dollar to Canadian dollar exchange rate and is primarily related to the principal and interest components of the Company's US dollar denominated debt.

In the three and twelve months ended December 31, 2024, Greenfire recorded foreign exchange losses of $18.6 million and $26.1 million, respectively, compared to gains of $8.1 million and $8.7 million for the comparative periods in 2023, respectively. The variance was primarily driven by the revaluation of Greenfire's US$ denominated senior secured notes, specifically due to the Canadian dollar weakening relative to the US dollar in 2024, compared to its strengthening in 2023.

Transaction Costs

During the three and twelve months ended December 31, 2023, Greenfire recognized transaction costs of $3.8 million and $12.2 million, respectively, associated with the De-Spac Transaction. No transaction costs were recognized in 2024. Refer to the "De-Spac Transaction" section in this MD&A for more information.

Loss (Gain) on Revaluation of Warrants

In conjunction with the De-Spac transaction, the Company issued approximately 7.5 million warrants. Each warrant entitles the holder to purchase one Common Share at a price of US$11.50. The warrants expire in September 2028 and contain a cashless exercise feature, permitting settlement in a net lower number of Common Shares. The cashless exercise feature results in the warrants being treated as a financial liability and necessitates their remeasurement at each reporting period.

When revaluing the warrants to fair value, the Company recognized a non-cash gain of $7.0 million and $0.3 million for the three months and year ended December 31, 2024, respectively, compared to gains of $2.7 million and $35.0 million for the same periods of 2023. The gains in 2024 relate to lower observed volatility and the shorter time to expiry, partially offset by a higher closing price of the Company's Common Shares.

Taxes

Deferred income tax assets were recognized to the extent that the realization of the related tax benefit through future taxable profits is probable based on current tax pools and estimated future income. As at December 31, 2024, a deferred income tax asset in the amount of $153.2 million was recognized, reflecting the expectation that it is probable that future taxable income will be available against which temporary differences can be utilized.

For the three months and year ended December 31, 2024, Greenfire recognized a deferred income tax recovery of $84.9 million as it recognized previously unrecognized tax assets, as discussed above. This compares to a deferred income tax expense of $25.9 million and $19.4 million in the same respective periods of 2023.

(1) This regulation, made under the Mines and Minerals Act, is the primary regulation that deals with tenure of oil sands agreements in Alberta. The regulation provides for the issuance and continuation of primary oil sands leases, and the payment of escalating rental when a continued lease does not meet a minimum level of production.

The table below summarizes the Company's tax pools at December 31, 2024 and 2023:

($ thousands)	Rate of Utilization (%)	2024	2023
Undepreciated capital cost	7-55	$ 196,095	$ 328,682
Canadian oil and gas property expenditures	10	12,910	10,230
Canadian development expenditures	30	84,670	34,632
Non-capital and other losses carried forward (1)	100	1,414,419	1,376,813
Other	Various	43,255	90,103
Total federal income tax pools		**1,751,349**	**1,840,460**
Adjustment for differences in provincial income tax pools (2)		(137,255)	(137,254)
Combined federal and provincial income tax pools		**$ 1,614,094**	**$ 1,703,206**

(1) Other losses include restricted interest and finance expenses that are fully deductible against eligible income.
(2) Provincial non-capital losses carried forward are approximately $396.9 million less than federal non-capital losses.

The Company's non-capital losses have an expiry profile between 2032 and 2044.

Net Income (loss) and Comprehensive Income (Loss) and Adjusted EBITDA [1]

($ thousands)	Three months ended December 31, 2024	Three months ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Net income (loss) and comprehensive income (loss)	**78,562**	**(4,659)**	**121,411**	**(135,671)**
Add (deduct):				
Income tax expense (recovery)	(84,879)	25,881	(84,879)	19,386
Unrealized (gain) loss risk management contracts	9,945	(18,035)	(169)	(26,587)
Stock-based compensation	559	-	6,344	9,808
Financing and interest	12,856	16,370	61,460	110,214
Depletion and depreciation	28,784	16,273	81,030	68,054
Transaction costs	-	3,848	-	12,172
Listing expense	-	(4,162)	-	106,542
Non-recurring transactions[2]	6,661	-	7,661	-
Gain on revaluation of warrants	(6,999)	(2,697)	(326)	(34,973)
Foreign exchange loss (gain)	18,633	(8,072)	26,129	(8,724)
Other income	(1,650)	(1,313)	(5,032)	(2,905)
Adjusted EBITDA[1]	**62,472**	**23,434**	**213,629**	**117,316**
Adjusted EBITDA[1] ($/bbl)	**33.37**	**14.73**	**30.11**	**18.18**

(1) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.
(2) See "Financial Results - General & Administrative Expenses ("G&A") section in this MD&A for further information.

For the three months ended December 31, 2024, Greenfire generated net income of $78.6 million compared to a net loss of $4.7 million in the same quarter of 2023, an increase of $83.3 million. The majority of this increase relates to a $84.9 million income tax recovery in the three months ended December 31, 2024, compared to an income tax expense of $25.9 million in the same period of 2023. This was partially offset by foreign exchange losses and higher depletion expenses.

For the year ended December 31, 2024, Greenfire generated net income of $121.4 million, in contrast to a net loss of $135.7 million in the comparable period of 2023, an increase of $257.1 million. This increase includes a $104.3 million change in income tax expense (recovery) and $118.7 million of listing and transaction costs incurred in 2023 related to the De-Spac transaction.

Net income (loss) and comprehensive income (loss) is a GAAP measure, which is the most directly comparable measure to Adjusted EBITDA.

Adjusted EBITDA increased 167% (or $39.0 million) for the three months ended December 31, 2024, to $62.5 million compared to $23.4 million for the same quarter of 2023. This increase was primarily driven by higher oil sales, partially offset by higher operating expenses, diluent expenses and royalties in 2024 compared to 2023.

Adjusted EBITDA increased 82% (or $96.3 million) for the year ended December 31, 2024, to $213.6 million compared to $117.3 million for the same period of 2023. This increase was primarily driven by higher oil sales, partially offset by higher diluent expenses, royalties and realized losses on risk management contracts in 2024.

RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities. These risks include credit risk, liquidity risk and market risk. Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates, will affect the Company's cash flow, income, or the value of its financial instruments.

Commodity Price Risk

The Company is exposed to commodity price risk on its oil sales and energy operating costs due to fluctuations in market prices. The Company continues to execute a risk management program that is primarily designed to reduce the volatility of revenue and cash flow, generate sufficient cash flows to service debt obligations and fund the Company's operations. The Company's risk management liabilities may consist of hedging instruments such as fixed price swaps and option structures, including costless collars on WTI, WCS differentials, condensate differential, natural gas and electricity swaps. The Company does not use financial derivatives for speculative purposes.

The Company's obligations under its 2028 Notes (as outlined in the "Capital Resources and Liquidity – Long Term Debt" section of this MD&A), includes a requirement to implement and maintain a twelve month forward commodity price risk management program encompassing not less than 50% of the hydrocarbon output under the proved developed producing ("PDP") reserves forecast in the Company's most recent reserves report, as determined by a qualified and independent reserves evaluator.

The Company's risk management program does not involve margin accounts that require posting of margin, including in scenarios of increased

volatility in underlying commodity prices. Financial risk management contracts are measured at fair value, with gains and losses on re-measurement included in the consolidated statements of comprehensive income (loss) in the period in which they arise.

Outstanding Financial Risk Management Contracts at December 31, 2024

	WTI- Costless Collar			WTI Fixed Price Swaps	
Term	Volume (bbls/d)	Put Strike Price (US$/bbl)	Call Strike Price ($US/bbl)	Volume (bbls/d)	Swap Price (US$/bbl)
Q1 2025	8,600	US$ 58.23	US$ 84.46	800	US$ 68.70
Q2 2025	8,600	US$ 59.50	US$ 86.34	800	US$ 68.70
Q3 2025	8,600	US$ 56.16	US$ 80.72	800	US$ 68.70
Q4 2025	8,600	US$ 55.13	US$ 78.51	800	US$ 68.70

Financial Risk Management Contracts Subsequent to December 31, 2024

Subsequent to December 31, 2024, Greenfire terminated the above WTI Costless Collar risk management contracts and entered into the following financial commodity risk management contracts:

	WTI- Costless Collar			WTI Fixed Price Swaps	
Term	Volume (bbls/d)	Put Strike Price ($/bbl)	Call Strike Price ($/bbl)	Volume (bbls/d)	Swap Price ($/bbl)
Q1 2025	-	-	-	9,400	$ 101.19
Q2 2025	-	-	-	9,400	$ 100.87
Q3 2025	-	-	-	9,400	$ 101.03
Q4 2025	-	-	-	9,400	$ 100.88
Q1 2026	3,577	82.00	98.51	2,549	$ 96.95

Foreign Exchange Risk

The Company is exposed to foreign currency risk on the principal and interest components of its US dollar denominated 2028 Notes and US Dollar denominated cash, cash equivalents, accounts receivables and accounts payables, and accrued liabilities. As at December 31, 2024, Greenfire's net foreign exchange risk exposure was US$218.4 million liability and a 10% change in the foreign exchange rate would result in a $31.4 million change in the foreign exchange gain or loss.

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 is exposed to interest rate risk related to borrowings drawn under the Senior Credit Facility, as the interest charged on the credit facility fluctuates with floating interest rates. Currently no amounts are drawn on the Senior Credit Facility. The 2028 Notes and letters of credit issued are subject to fixed interest rates and are not exposed to changes in interest rates.



Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable. The Company is primarily exposed to credit risk from receivables associated with its oil sales and joint interest partners.

The Company manages its credit risk exposure by transacting with high-quality credit worthy counterparties and monitoring credit worthiness and/or credit ratings on an ongoing basis. Trade receivables from oil sales are generally collected on the 25th day of the month following production. Joint interest receivables are typically collected within one to three months of the invoice being issued.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient available reserves to meet its financial obligations at any point in time. The Company expects to achieve this objective through prudent capital spending, an active commodity risk management program and through strategies such as continuously monitoring forecast and actual cash flows from operating, financing and investing activities, and available credit facilities. Management believes that future cash flows generated from these sources will be adequate to settle Greenfire's financial liabilities.

CAPITAL RESOURCES AND LIQUIDITY

The Company's capital management objective is to maintain financial flexibility and sufficient liquidity to execute on planned capital programs, while meeting short and long-term commitments, including servicing and repaying long term debt. The Company strives to actively manage its capital structure in response to changes in economic conditions and further deleverage its balance sheet. At December 31, 2024, the

Company's capital structure consists of Adjusted Working Capital Surplus (Deficit)[2], long-term debt and shareholders' equity.

As of December 31, 2024, the Company had a working capital deficit of $191.6 million, primarily driven by the classification of $248.5 million of the 2028 Notes as a current liability due to the Change of Control Repurchase Offer (see "Change of Control Transaction" and "Capital Resources and Liquidity – Long Term Debt" sections in this MD&A). The Change of Control Repurchase Offer represented a 7% discount to the December 31, 2024, trading price of the 2028 Notes. On February 19, 2025, the Change of Control Repurchase Offer expired with only US$5,000 of the principal amount tendered for repurchase. As at December 31, 2024, Greenfire held $67.4 million in cash and cash equivalents and had $50.0 million of available credit under its Senior Credit Facility. Management believes its current capital resources and its ability to manage cash flow and working capital levels will allow the Company to meet its current and future obligations, to make interest and principal payments, and to fund the other needs of the business.

Long Term Debt

On September 20, 2023, Greenfire issued US$300 million of senior secured notes (the "2028 Notes"). The 2028 Notes bear interest at the fixed rate of 12.00% per annum payable semi-annually, have a term of five years maturing on October 1, 2028, and are secured by a second priority lien on the Company's assets, junior to the Senior Credit Facility and financial risk management contracts with the Senior Credit Facility lenders.

The 2028 Notes are not subject to any financial covenants but subject to certain exceptions and qualifications. The 2028 Indenture contains certain non-financial covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, pay dividends, redeem stock, make certain restricted payments, and sell assets. In addition, the Company is required to maintain financial hedges for a minimum of 50% of the forward twelve calendar month forecasted production[3], and to limit capital expenditures to C$100 million annually until the outstanding principal amount of the 2028 Notes is less than US$100 million and US$150 million, respectively. As at December 31, 2024 the Company was compliant with all covenants. On March 10, 2025, the Company completed an amendment to the 2028 Note Indenture to increase the annual capital expenditure limitation from C$100 million to US$150 million, until the outstanding principal amount of the 2028 Notes is less than US$150 million.

(1) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.
(2) Forecasted production is defined by the 2028 Indenture as the Company's PDP forecast in the Company's most recent reserve report, as determined by a qualified and independent reserves evaluator, as prepared to the Canadian standard using National Instrument 51-101.

As the result of a Change of Control Transaction occurring on December 23, 2024, Greenfire fulfilled its requirement to make an offer ("the Offer" or the "Change of Control Repurchase Offer") to repurchase the 2028 Notes, or a portion thereof, at 101% of the outstanding principle plus any accrued and unpaid interest (see "Change of Control Transaction" section in this MD&A). The Offer expired, on February 19, 2025, with US$5,000 principal amount tendered for repurchase. The portion of 2028 Notes eligible to be redeemed under the Offer has been presented as a current liability since participation in the Offer was outside of Greenfire's control.

The 2028 Indenture requires the Company to redeem the 2028 Notes at 105% of the principal amount plus accrued and unpaid interest with 75% of its ECF (as defined in the 2028 Indenture) every six-months (the "ECF Sweep"). When consolidated indebtedness[4] is less than US$150 million, the ECF Sweep is reduced to 25% of Excess Cash Flow until the principal outstanding on the 2028 Notes is US$100 million. On July 12, 2024, the Company redeemed approximately $84.3 million (US$61.0 million) of the 2028 Notes under the ECF Sweep. At December 31, 2024, no principal repayment was owing under its ECF Sweep. The next redemption is due by September 3, 2025.

As at December 31, 2024, the carrying value of the Company's long-term debt was $328.9 million and the fair value was $371.2 million (December 31, 2023 carrying value – $376.4 million, fair value - $394.1 million).

Senior Credit Facility

Greenfire has a reserve-based credit facility (the "Senior Credit Facility") comprised of an operating facility and a syndicated facility. Total credit available under the Senior Credit Facility is $50 million comprised of a $20 million operating facility and a $30 million syndicated facility.

The Senior Credit Facility is a committed facility available on a revolving basis. On May 24, 2024, the Senior Credit Facility was extended until May 31, 2025, and may, subject to the lenders' approval, be extended for a further 364-day period. If the revolving period is not extended, the undrawn portion of the facility will be cancelled and any amounts outstanding would be repayable on May 31, 2026. The Senior Credit Facility is subject to a semi-annual borrowing base review, occurring in May and November of each year. The borrowing base is determined based on the lenders' evaluation of the Company's petroleum and natural gas reserves and their commodity price outlook at the time of each borrowing base review.

The Senior Credit Facility is secured by a first priority security interest on substantially all of the assets of the Company and is senior in priority to the 2028 Notes. The Senior Credit Facility contains certain covenants that limit the Company's ability to, among other things, incur additional indebtedness, create or permit liens to exist, pay dividends, redeem stock, and sell assets. The Senior Credit Facility is not subject to any financial covenants.

Amounts borrowed under the Senior Credit Facility bear interest at a floating rate based on the applicable Canadian prime rate, US base rate, adjusted secured overnight financing rate or adjusted Canadian overnight repo rate average, plus a margin of 1.75% to 6.25% based on Debt to EBITDA ratio. Standby fees on the undrawn portion of the Senior Credit Facility range from 0.6875% to 1.5625% based on a Debt to EBITDA ratio. As at December 31, 2024 and 2023, the Company had no amounts drawn under the Senior Credit Facility.

Letter of Credit Facility

Greenfire maintains a separate $55.0 million letter of credit facility (the "EDC Facility") with a Canadian bank that is supported by a performance guarantee from EDC. The EDC Facility is available on a demand basis. As at December 31, 2024, the Company had $54.0 million drawn under the EDC Facility and the Company was in compliance with all covenants.

Adjusted Working Capital Surplus[(1)]

($ thousands)	December 31, 2024	December 31, 2023
Current assets	144,238	163,814
Current liabilities	(335,859)	(130,283)
Working capital surplus (deficit)	**(191,621)**	**33,531**
Current portion of risk management contracts	248	417
Current portion of long-term debt	248,489	44,321
Adjusted working capital surplus[(1)]	**57,116**	**78,269**

(1) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.

(4) Consolidated indebtedness under the 2028 Indenture includes amounts outstanding under the 2028 Notes, amounts outstanding under the Senior Credit Facility, and any leases that would be classified as a "*capital lease*" under *IAS® 17 – Leases (superseded).*

Working capital surplus (deficit) is a GAAP measure that is the most directly comparable measure to adjusted working capital surplus (deficit).

As of December 31, 2024, working capital shifted to a deficit of $191.6 million from a surplus of $33.5 million on December 31, 2023, a change of $225.1 million. This change is primarily the consequence of the Offer described in the "Long-Term Debt" section of this MD&A. Adjusted working capital surplus decreased to $57.1 million as at December 31, 2024, from $78.3 million as at December 31, 2023. The decrease was mainly attributable to lower cash and cash equivalent levels following the ECF sweep made in the third quarter of 2024, offset by cash flow from operations.

Refer to the "Capital Resources and Liquidity – Long Term Debt" section in this MD&A for more details of the Company's long-term debt.

Share Capital

	March 17, 2025	December 31, 2024	December 31, 2023
Common Shares	69,922,429	69,718,464	68,642,515
Warrants	7,526,667	7,526,667	7,526,667
Performance warrants ("PWs")	2,178,021	2,519,503	3,617,016
Deferred share units ("DSUs")	21,325	21,325	-
Performance share units ("PSUs")	576,317	874,603	-
Restricted share units ("RSUs")	102,308	136,612	-

The Company is authorized to issue an unlimited number of Common Shares without a nominal or par value. In April 2024, the Company granted 500,000 RSUs under the Company's Incentive Plan to "MBSC Sponsor for the provision of consulting services to the Company, all of which settled in Common Shares issued from treasury prior to December 31, 2024. Refer to the "Related Party Transaction" section in this MD&A for further information.

Subsequent to December 31, 2024, and in connection with the Change of Control Transaction, the Board of Directors exercised its discretion to accelerate the expiry date of all performance warrants to April 30, 2025.

Cash Flow Summary

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	2024	2023	2024	2023
Cash provided (used) by:				
Operating activities	60,195	25,530	144,547	86,548
Financing activities	(6,742)	(51)	(95,426)	2
Investing activities	(24,091)	18,782	(94,405)	(12,103)

Exchange rate impact on cash and cash equivalents held in foreign currency	348	(713)	3,178	(285)
Change in cash and cash equivalents	**29,710**	**43,548**	**(42,106)**	**74,162**

Cash Provided by Operating Activities

Cash provided by operating activities in the fourth quarter of 2024 was $60.2 million, compared to cash provided by operating activities of $25.5 million in the same period in 2023. For the twelve months ended December 31, 2024, cash provided by operating activities was $144.5 million compared to cash provided by operating activities of $86.5 million in 2023. The increase in both periods relates to higher Adjusted EBITDA[(5)] offset by changes to non-cash working capital in the fourth quarter of 2024 compared to the same period in 2023.

Based on current and forecasted production levels, operating expenses, capital expenditures, existing commodity price risk management contracts and current outlook for commodity prices, the Company expects cash provided by operating activities will be sufficient to cover its operational commitments and financial obligations under the 2028 Indenture and the credit agreement governing the Senior Credit Facility over the next twelve months.

(5) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.

Cash Provided by (Used in) Financing Activities

Cash used in financing activities for fourth quarter of 2024 was $6.7 million, compared to $0.1 million in the same period of 2023. The increase is primarily due to payments made toward the Company's lease liability in 2024.

Cash used in financing activities for the year ended December 31, 2024 was $95.4 million, compared to cash flow from financing activities of $0.1 million in the same period of 2023. The change was primarily due to the ECF repayment of the 2028 Notes in July 2024, compared to the relatively cash flow-neutral refinancing activities associated with the De-Spac Transaction in 2023.

Cash Provided by (Used in) Investing Activities

Cash used in investing activities for fourth quarter of 2024 was $24.1 million, compared to cash flow provided by investing activities of $18.8 million in the same period of 2023. This change was due to the release of $42.8 million of restricted cash in the fourth quarter of 2023. Cash used in investing activities for the year ended December 31, 2024, was $94.4 million, compared to $12.1 million in the same period of 2023. This increase is attributable to higher property, plant and equipment expenditures in 2024 offset by the release of $35.3 million of restricted cash in 2023.

Capital Expenditures[(1)]

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
Property, plant and equipment expenditures	12,485	19,413	87,404	33,428
Acquisitions	676	-	4,390	-
Capital expenditures[(1)]	**13,161**	**19,413**	**91,794**	**33,428**

(1) Supplementary financial measure. Refer to the "Supplementary Financial Measures" section of this MD&A.

Total capital expenditures for the three months ended December 31, 2024 were $13.1 million (2023 - $19.4 million). Total capital expenditures for the year ended December 31, 2024, were $91.8 million (2023 - $33.4 million).

During the three months and year ended December 31, 2024, the Company spent $0.7 million and $4.4 million on acquisitions, respectively. These acquisitions consisted of the purchase of heavy oil assets in the Athabasca region of Northern Alberta, and the purchase of natural gas assets in the Hangingstone area on February 22, 2024.

Adjusted Funds Flow[(1)] and Adjusted Free Cash Flow[(1)]

	Three months ended December 31,		Year ended December 31,	
($ thousands)	**2024**	**2023**	**2024**	**2023**
Cash provided by operating activities	**60,195**	**25,530**	**144,547**	**86,548**
Transaction costs	-	3,848	-	12,172
Non-recurring transactions[(2)]	6,661	-	7,661	-
Changes in non-cash working capital	(13,906)	(18,861)	19,642	(25,514)
Adjusted funds flow[(1)]	**52,950**	**10,517**	**171,850**	**73,206**

Property, plant and equipment expenditures	(12,485)	(19,413)	(87,404)	(33.428)
Acquisitions	(676)	-	(4,390)	-
Adjusted free cash flow [1]	**39,789**	**(8,896)**	**80,056**	**39,778**

(1) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.
(2) Non-recurring transactions relate to the adoption of a limited purpose shareholder rights plan and the evaluation of strategic alternatives.

Adjusted funds flow was $53.0 million, during the three months ended December 31, 2024, compared to $10.5 million during the same period in 2023. Adjusted funds flow was $172.0 million, during the twelve months ended December 31, 2024, compared to $73.2 million during the same period in 2023. The increase in adjusted funds flow for both periods was driven by the growth in adjusted EBITDA[6] and lower interest expense compared to 2023.

(6) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.

Adjusted free cash flow was $39.8 million, during the three months ended December 31, 2024, compared to $(8.9) million during the same period in 2023. The increase was primarily due to higher adjusted funds flow in 2024.

Adjusted free cash flow was $80.1 million for the year ended December 31, 2024, compared to $39.8 million for the year ended December 31, 2023. The increase relates to higher adjusted funds flow in 2024 offset by an increase in capital expenditures.

DE-SPAC TRANSACTION

On September 20, 2023, Greenfire, GRI, MBSC, DE Greenfire Merger Sub Inc. ("DE Merger Sub") and 2476276 Alberta ULC ("Canadian Merger Sub"), completed the De-Spac Transaction pursuant to a business combination agreement dated December 14, 2022, as amended with MBSC. DE Merger Sub and Canadian Merger Sub were incorporated in December 2022 for the purposes of completing the De-Spac Transaction.

Pursuant to the De-Spac Transaction, Canadian Merger Sub amalgamated with and into GRI, with GRI continuing as the surviving corporation and becoming a direct, wholly-owned subsidiary of Greenfire and DE Merger Sub merged with and into MBSC with MBSC continuing as the surviving corporation and becoming a direct, wholly-owned subsidiary of Greenfire. As of January 1, 2024, GRI was amalgamated with Greenfire Resources Operating Corporation, a wholly owned direct subsidiary of Greenfire. As of April 4, 2024, MBSC was legally dissolved into Greenfire.

Greenfire was identified as the acquirer for accounting purposes. As MBSC did not meet the definition of a business under IFRS 3 Business Combinations, the transaction was accounted for pursuant to IFRS 2, Share Based Payment. On closing of the De-Spac Transaction, the Company accounted for the excess of the fair value of the Common Shares issued to MBSC shareholders as consideration, over the fair value of MBSC's identifiable net assets at the date of closing, resulting in $106.5 million (US$79.4 million) being recognized for the year ended December 31, 2023 as a listing expense. For the three and twelve months ended December 31, 2024, the Company expensed $nil in transaction costs during both respective periods, compared to $3.8 million and $12.2 million during the same respective periods in 2023, related to the De-Spac Transaction.

RELATED PARTY TRANSACTIONS

On April 19, 2024, the Company entered into a consulting agreement with M3-Brigade Sponsor III, LP (the "MBSC Sponsor") for the provision of consulting services to the Company relating to, among other things, the Company's transition to being a public company, maximizing the value of the Company, and educating the market about the Company and its value. Matthew Perkal was a member of the Company's Board of Directors, who was nominated to the Company's Board of Directors by MBSC Sponsor pursuant to its rights under the Investor Rights Agreement, is Head of SPACs and Special Situations at Brigade Capital Management, LP, an affiliate of MBSC Sponsor and, prior to the Business Combination, served as the Chief Executive Officer of M3-Brigade Acquisition III Corp.

As compensation for the consulting services, the Company issued MBSC Sponsor 500,000 RSUs under the Company's Incentive Plan. The terms of the MBSC Sponsor consulting agreement were reviewed and approved by the disinterested directors of the Company Board. The fair market value of the RSUs upon issuance to MBSC Sponsor was $4.3 million. During the year ended December 31, 2024, the Company recognized an expense of $4.3 million and issued 500,000 common shares upon vesting of the RSUs.

CHANGE OF CONTROL TRANSACTION

On December 23, 2024, MBSC Sponsor and its affiliated entities sold 9,311,424 Greenfire common shares and 2,654,179 warrants to WEF pursuant to a securities purchase agreement dated the same date among Brigade Capital Management LP, MBSC Sponsor, WEF and Greenfire (the "SPA"). The shares represented approximately 13.4% of the issued and outstanding common shares of Greenfire.

Immediately prior to the completion of the transaction, WEF owned 29,988,854 common shares, representing approximately 43.2% of the issued and outstanding common shares of Greenfire, which it acquired from certain former shareholders of Greenfire on November 8, 2024. Immediately after completion of the transaction, WEF owned 39,300,278 common shares and 2,654,179 common share purchase warrants, representing approximately 56.5% of the issued and outstanding common shares of Greenfire on an undiluted basis. On December 23, 2024, Greenfire and WEF entered into an investor agreement pursuant to which, among other things, three directors of Greenfire agreed to resign from the Board of Directors and six nominees proposed by WEF were appointed as directors of Greenfire.

As a result of this transaction, WEF acquired control of Greenfire. As a result of the change of control, under the terms of the 2028 Indenture, Greenfire was required to make an offer to repurchase its 2028 Notes, the consulting agreement was terminated (see the "Related Party Transactions" section in this MD&A) and certain tax losses expired.

RISK FACTORS

The Company's business is subject to numerous risks and uncertainties, any of which may adversely affect the Company's business and its financial results and results of its operations. Certain of these risks and uncertainties are described throughout this MD&A. For additional information refer to the "Risk Factors" section in our 2024 AIF, which is also filed with the SEC under cover of Form 40-F, is available online at www.sedarplus.ca, www.sec.gov and on our website at www.greenfireres.com.

SUMMARY OF QUARTERLY RESULTS

($ thousands, unless otherwise noted)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
BUSINESS ENVIRONMENT(1)								
WTI (US$/bbl)	70.27	75.09	80.57	76.96	78.32	82.26	73.78	76.13
WTI (C$/bbl)	98.32	102.42	110.25	103.80	106.66	110.31	99.09	102.93
WCS (C$/bbl)	80.75	83.94	91.63	77.76	76.85	93.00	78.75	69.29
AECO (C$/GJ)	1.4	0.65	1.12	2.36	2.18	2.46	2.32	3.05
FX (USD:CAD)(2)	1.399	1.364	1.368	1.349	1.362	1.341	1.343	1.352
OPERATING RESULTS								
Bitumen production (bbls/d)	19,384	19,125	18,993	19,667	17,335	14,670	18,036	20,586
FINANCIAL RESULTS								
Oil sales	208,895	193,643	219,444	200,990	161,730	160,967	173,605	179,668
Oil sales ($/bbl)	79.00	83.01	89.93	75.41	71.04	89.96	75.12	64.92
Operating expenses	40,864	40,655	34,997	36,348	35,084	38,442	35,675	39,764
Operating expenses ($/bbl)	21.83	23.90	20.42	20.10	22.05	29.12	21.79	20.87
Gross profit (loss)(3)	26,471	76,772	58,581	(12,068)	29,157	28,919	31,799	1,491
Operating netback(4)	65,183	57,833	62,872	44,649	27,353	50,254	37,747	17,352
Operating netback ($/bbl)(4)	34.81	34.00	36.68	24.69	17.19	38.08	23.05	9.11
Adjusted EBITDA(4)	62,472	53,388	58,423	39,346	23,434	46,434	34,389	13,058
Net income (loss)	78,562	58,916	30,848	(46,915)	(4,659)	(138,689)	24,355	(16,678)
Net income (loss) per share - basic	1.13	0.85	0.45	(0.68)	(0.07)	(2.72)	0.50	(0.34)
Net income (loss) per share - diluted	1.09	0.82	0.43	(0.68)	(0.07)	(2.72)	0.35	(0.34)
Cash provided by (used in) operating activities	60,195	(17,875)	85,163	17,064	25,530	41,873	23,640	(4,495)
Adjusted funds flow(4)	52,950	44,104	47,207	27,589	10,517	36,173	23,460	3,056
Capital expenditures(3)	13,161	21,175	23,009	34,449	19,413	9,587	1,911	2,518
Adjusted free cash flow(4)	39,789	22,929	24,198	(6,860)	(8,896)	26,586	21,549	539
FINANCIAL POSITION								
Cash and cash equivalents	67,419	37,709	159,977	90,234	109,525	65,976	36,882	22,403
Restricted cash	-	-	-	-	-	43,779	47,363	39,363
Total assets	1,257,471	1,163,759	1,247,106	1,193,953	1,173,483	1,198,889	1,153,021	1,147,984
Total non-current financial liabilities	100,181	244,727	301,623	337,999	348,200	331,273	194,891	205,482
Total debt	328,930	308,561	396,584	387,966	376,350	382,842	246,805	259,555
Shareholders' equity	821,431	742,384	681,118	648,156	695,000	699,657	846,098	821,418

(1) These benchmark prices are not the Company's realized sales prices and represent approximate values.
(2) Quarterly average exchange rates as per the Bank of Canada.
(3) Supplementary financial measure. Refer to the "Supplementary Financial Measures" section of this MD&A.
(4) Non-GAAP measures without a standardized meaning under IFRS Accounting Standards. Refer to the "Non-GAAP and Other Financial Measures" section in this MD&A.

SELECTED ANNUAL INFORMATION

The following table presents selected annual financial information for the Company:

($ thousands, except per share information)	2024	2023	2022
Oil sales	$ 822,972	$ 675,970	$ 998,849
Net income (loss)	121,411	(135,671)	131,698
Net income (loss) per share - basic	1.76	(2.49)	2.69
Net income (loss) per share – diluted	1.70	(2.49)	1.88

Total assets	1,257,471	1,173,483	1,174,258
Total non-current liabilities	100,181	348,200	199,566

NON-GAAP AND OTHER FINANCIAL MEASURES

Certain financial measures in this MD&A are non-GAAP financial measures or ratios and capital management measures. These measures are not defined by IFRS Accounting Standards and therefore may not be comparable to similar measures provided by other companies. These non-GAAP and capital management measures should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS Accounting Standards. This MD&A also contains supplementary financial measures and ratios. Supplementary financial measures are derived from IFRS Accounting Standards.

Non-GAAP financial measures and ratios include: adjusted EBITDA, operating netback, operating netback, excluding realized gain (loss) on risk management contracts, adjusted funds flow, adjusted free cash flow, effective royalty rate, and per barrel figures associated with non-GAAP financial measures.

Capital management measures include: adjusted working capital surplus (deficit) and net debt.

Supplementary financial measures and ratios include: gross profit, capital expenditures and depletion.

While these measures are commonly used in the oil and natural gas industry, the Company's determination of these measures may not be comparable with calculations of similar measures presented by other reporting issuers. We believe that the inclusion of these specified financial measures provides useful information to financial statement users when evaluating the financial results of Greenfire.

Non-GAAP Financial Measures & Ratios

Adjusted EBITDA (including per barrel ($/bbl))

Net income (loss) and comprehensive income (loss) is the most directly comparable GAAP measure for adjusted EBITDA, which is a non-GAAP measure. Adjusted EBITDA is calculated as net income (loss) before interest and financing, income taxes, depletion, depreciation and amortization, transaction costs, refinancing costs and is adjusted for certain non-cash items, or other items that are considered non-recurring in nature or outside of normal business operations. When adjusted EBITDA is expressed on a per barrel basis it is a non-GAAP ratio. Adjusted EBITDA ($/bbl) is calculated by dividing adjusted EBITDA by the Company's total bitumen sales volume in a specified period. Adjusted EBITDA is used to measure Greenfire's profitability from its underlying asset base on a continuing basis. This measure is not intended to represent net income (loss) and comprehensive income (loss) in accordance with IFRS Accounting Standards. For a reconciliation of net income (loss) and comprehensive income (loss) to adjusted EBITDA, see the "Results of Operations – Net Income (loss) and comprehensive income (loss) and Adjusted EBITDA" section in this MD&A.

Operating Netback (including per barrel ($/bbl)) and Operating Netback, excluding realized gain (loss) risk management contracts (including per barrel ($/bbl))

Gross profit is the most directly comparable GAAP measure to operating netback and operating netback, excluding realized (gain) loss risk management contracts which are non-GAAP measures. These measures are not intended to represent gross profit, net earnings or other measures of financial performance calculated in accordance with IFRS Accounting Standards. Operating netback, excluding realized gain (loss) risk management contracts is comprised of gross profit, plus loss on risk management contracts, less gain on risk management contracts and less depletion expense on the Company's operating assets. Operating netback, excluding realized gain (loss) in risk management contracts per barrel ($/bbl) is calculated by dividing operating netback , excluding realized gain (loss) on risk management contracts by the Company's bitumen sales volume in a specified period. Operating netback is further adjusted for realized gain (loss) risk management contracts, as appropriate. Operating netback per barrel ($/bbl) is calculated by dividing operating netback by the Company's bitumen sales volume in a specified period. When Operating netback is expressed on a per barrel basis it is a non-GAAP ratio. Operating netback and operating netback, excluding realized gain (loss) risk management contracts are financial measures widely used in the oil and gas industry as supplementary measures of a Company's efficiency and ability to generate cash flow for debt repayments, capital expenditures or other uses. See the "Financial Results – Operating Netback" section in this MD&A for a reconciliation of gross profit to operating netback and operating netback, excluding realized gain (loss) risk management contracts.

Adjusted Funds Flow

Cash provided by operating activities is the most directly comparable GAAP measure for adjusted funds flow, which is a non-GAAP measure. This measure is not intended to represent cash provided by operating activities calculated in accordance with IFRS Accounting Standards.

The adjusted funds flow measure allows management and others to evaluate the Company's ability to fund its capital programs and meet its

ongoing financial obligations using cash flow internally generated from ongoing operating related activities. We compute adjusted funds flow as cash provided by operating activities, excluding the impact of changes in non-cash working capital, less transaction costs and transactions considered non-recurring in nature or outside of normal business operations. For a reconciliation of cash provided by operating activities to adjusted funds flow, see the "Capital Resources and Liquidity – Adjusted Funds Flow and Adjusted Free Cash Flow" section in this MD&A.

Adjusted Free Cash Flow

Cash provided by operating activities is the most directly comparable GAAP measure for adjusted free cash flow, which is a non-GAAP measure. Management uses adjusted free cash flow as an indicator of the efficiency and liquidity of its business, measuring its funds after capital investment that are available to manage debt levels and return capital to shareholders. By removing the impact of current period property, plant and equipment expenditures from adjusted free cash flow, management monitors its adjusted free cash flow to inform its capital allocation decisions. We compute adjusted free cash flow as cash provided by operating activities, excluding the impact of changes in non-cash working capital, less transaction costs, transactions considered non-recurring in nature or outside of normal business operations, property, plant and equipment expenditures and acquisitions. For a reconciliation of cash provided by operating activities to adjusted free cash flow, see the "Capital Resources and Liquidity – Adjusted Funds Flow and Adjusted Free Cash Flow" section in this MD&A.

Effective Royalty Rate

Effective royalty rate is a non-GAAP ratio. Management uses effective royalty rate to compare between pre and post-payout crown royalties by calculating a royalty rate on a consistent basis. Royalties consist of crown royalties on bitumen production paid to the Province of Alberta, based on government prescribed royalty rates. The royalty rates are calculated using the Canadian dollar equivalent one-month trailing WTI benchmark price. These rates are applied to gross revenue (pre-payout) or the greater of gross or net revenue (post-payout). "Payout" is reached when net revenue is greater than costs for the cumulative project. Pre-payout, the gross revenue royalty—bitumen realization net of transportation and storage costs—starts at 1%, rising with the Canadian dollar WTI price to a maximum of 9%. Post-payout, the royalty is applied to the higher of the gross revenue royalty or the net revenue royalty (net of operating and capital costs).

The actual royalty rate applied will differ from the effective royalty rate. The effective royalty rate is calculated as royalty expense divided by oil sales after diluent and oil transportation expenses.

	Three months ended December 31,		Year ended December 31,	
($ thousands, unless otherwise noted)	**2024**	**2023**	**2024**	**2023**
Oil sales	208,895	161,730	822,972	675,970
Diluent expense	(83,030)	(76,768)	(327,146)	(304,740)
Oil transportation expense	(10,708)	(10,858)	(42,103)	(44,739)
Oil sales after diluent and transportation expense	**115,157**	**74,104**	**453,723**	**326,491**
Royalties	**7,091**	**6,024**	**32,023**	**23,706**
Effective royalty rate	**6.16%**	**8.13%**	**7.06%**	**7.26%**

Capital Management Measures

Adjusted Working Capital Surplus (Deficit)

Working capital surplus (deficit) is a GAAP measure that is the most directly comparable measure to adjusted working capital surplus (deficit). These measures are not intended to represent current assets, net earnings or other measures of financial performance calculated in accordance with IFRS Accounting Standards. Adjusted working capital surplus (deficit) is comprised of current assets less current liabilities on the Company's balance sheet, and excludes the current portion of risk management contracts and current portion of long-term debt, the latter of which is subject to estimates in future commodity prices, production levels and expenses, among other factors. Adjusted working capital surplus (deficit) is presented because it is a less volatile measure of current assets and current liabilities, after isolating for current portion of long-term debt and current portion of risk management contracts, a surplus of adjusted working capital surplus (deficit) will result in a future net cash inflow to the business that can be used by management to evaluate the Company's short-term liquidity and its capital resources available at a point in time. A deficiency of adjusted working capital surplus (deficit) will result in a future net cash outflow, which may result in the Company not being able to settle short-term liabilities more than current assets.

Net Debt

The table below reconciles long-term debt to net debt.

($ thousands)	December 31, 2024	December 31, 2023
Long-term debt	**(80,441)**	**(332,029)**
Current assets	144,238	163,814
Current liabilities	(335,859)	(130,283)
Current portion of risk management contracts	248	417
Current portion of warrant liability	18,304	18,630

Net debt	**(253,510)**	**(279,451)**

Long-term debt is a GAAP measure that is the most directly comparable financial statement measure to net debt. These measures are not intended to represent long-term debt calculated in accordance with IFRS Accounting Standards. Net debt is comprised of long-term debt, adjusted for current assets and current liabilities on the Company's balance sheet, and excludes the current portions of risk management contracts and warranty liability. Management uses net debt to monitor the Company's current financial position and to evaluate existing sources of liquidity. Net debt is used to estimate future liquidity and whether additional sources of capital are required to fund planned operations.

Supplementary Financial Measures

Gross Profit

Gross profit is a supplementary financial measure prepared on a consistent basis with IFRS Accounting Standards. Greenfire uses gross profit to assess its core operating performance before considering other expenses such as general and administrative costs, financing costs, and income taxes. Gross profit is calculated as oil sales, net of royalties, plus gains on risk management contracts, less losses on risk management contracts, diluent expense, operating expense, depletion expense on the Company's operating assets, transportation expenses and marketing expenses.

Management believes that gross profit provides investors, analysts, and other stakeholders with useful insight into the Company's ability to generate profitability from its core operations before non-operating expenses. When gross profit is expressed on a per barrel basis it is a supplementary financial ratio. See the "Financial Results – Gross Profit" section in this MD&A for a reconciliation of gross profit.

Capital Expenditures

Capital expenditures is a supplementary financial measure prepared on a consistent basis with IFRS Accounting Standards. Greenfire uses capital expenditures to monitor the cash flows it invests into property, plant and equipment. Capital expenditures is derived from the statement of cash flows and includes property, plant and equipment expenditures and acquisitions.

Management believes that capital expenditures provides investors, analysts and other stakeholders with a useful insight into the Company's investments into property, plant and equipment. See the "Capital Resources and Liquidity – Capital Expenditures" section in this MD&A for a reconciliation of capital expenditures.

Depletion

The term "depletion" or "depletion expense" is the portion of depletion and depreciation expense reflecting the cost of development and extraction of its bitumen reserves. The term "Depreciation expense" is the portion of depletion and deprecation expense for assets not directly associated with the development and extraction of the Company's bitumen reserves.

Management uses these metrics to analyze those costs directly associated with capital cost of different property, plant and equipment types. A quantitative reconciliation of depletion expense and depreciation expense to the most directly comparable GAAP financial measure, Depletion and depreciation expense, is contained under the heading "Financial Results – Depletion and Depreciation Expenses" of this MD&A.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company enters into commitments and contractual obligations in the normal course of operations. The following table is a summary of management's estimate of the contractual maturities of obligations as at December 31, 2024:

($ thousands)	1 Year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	61,804	-	-	-	61,804
Risk management contracts	248	-	-	-	248
Lease liabilities[1]	7,669	1,465	436	825	10,395
Long-term debt[2]	260,252	-	83,600	-	343,852
Financial liabilities	**329,973**	**1,465**	**84,036**	**825**	**416,299**
Transportation commitments	34,345	64,970	65,679	248,808	413,802
Other commitments	299	598	598	1,197	2,692
Total future payments	**364,617**	**67,033**	**150,313**	**250,830**	**832,793**

(1) Amounts represent the expected undiscounted cash payments.
(2) Represents the undiscounted principal repayments of the 2028 Notes and reflects the Change of Control Repurchase Offer. See the "Change of Control Transaction" and "Capital Resources and Liquidity – Long Term Debt" sections of this MD&A.

Management believes its current capital resources, combined with its ability to manage cash flow and working capital levels, will enable the Company to meet its current and future obligations, make scheduled interest and principal payments, and fund other business needs. In the short term, the Company anticipates meeting its cash requirements through a combination of cash on hand, operating cash flows, and potentially accessing available credit facilities. However, the Company acknowledges the potential impact of any adverse changes in economic conditions or unforeseen expenses on its ability to generate adequate cash in the short term.

Greenfire does not maintain off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonably likely to have a material current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources and which are not disclosed in the financial statements.

APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimates that differ materially from current estimates. The Company's use of estimates and judgements in preparing the annual financial statements are discussed in Note 2 of the annual financial statements.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures ("DC&P")

The Company's President and Chief Financial Officer ("CFO") have established and maintained DC&P and evaluated the effectiveness of the design and operation of these controls to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's President and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. Based on that evaluation the President and the CFO have concluded and certified the Company's DC&P are effective as of December 31, 2024.

Internal Control over Financial Reporting ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. Internal control over the Company's financial reporting is a process designed by, or designed under the supervision of, the Company's President and CFO, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of annual financial statements and interim financial statements for external purposes in accordance with IFRS Accounting Standards.

The Company's President and CFO have assessed the effectiveness of the Company's ICFR as defined in Rule 13a-15(f) and 15(d)-15(f) of the US Securities Exchange Act of 1934 and as defined in Canada by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings. This assessment was based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The President and CFO have concluded and certified that the Company's ICFR was effective as of December 31, 2024.

There have been no change in the Company's internal control over financial reporting that occurred during the period ended December 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

It should be noted that a control system, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements or forward-looking information within the meaning of the applicable United States federal securities laws and applicable Canadian securities laws (forward-looking information being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", "is expected", "anticipates", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, strategy, plans and future actions of the Company; that Greenfire is pursuing capital-efficient and lower-risk growth through the optimization of existing production, facilities and reserves to maximize free cash flow generation; Greenfire's plans to evaluate and consider additional potential prospects for further production growth, including external acquisitions; that the Company's mitigation strategies will limit the impact of lower steam generation to near-term production; the expected benefits of developing a solution to restore steam generation capability to prior levels; potential sulphur reduction initiatives at the Expansion Asset and the effectiveness thereof; the belief that future taxable income will be available against which temporary differences can be utilized; the expected benefit and production from the three new Refill wells; the expected benefits of active evaluation of marketing dynamics and the evolving tariff landscape to ensure the Company's strategies remain aligned with changing market conditions; Greenfire's Updated 2025 Outlook, including expectations on annual average production, anticipated production capacity and the amount of capital expenditures at the Hangingstone Facilities; the Company's ability to implement and maintain a twelve month forward commodity price risk management program encompassing not less than 50% of the hydrocarbon output under the PDP reserves forecast in the Company's most recent reserves report; the Board of Directors' intention to settle all awards under the Incentive Plan with Common Shares issued from treasury; management's intent to actively manage the Company's capital structure in response to changes in economic conditions and its intention to further deleverage the Company's balance sheet; management's belief that the Company's current capital resources and internally generated cash flow, as

supplemented by new and existing financing sources and investment activities, and its ability to manage working capital levels will allow the Company to meet its current and future obligations, to make scheduled interest and principal payments, and to fund the other needs of the business; expectations related to the Company's risk management program; and statements relating to the business and future activities of the Company after the date of this MD&A.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which management believes to be reasonable based on information available at the time such statements were made. In addition to other assumptions set out herein, the forward-looking statements contained herein are based on the following assumptions: Greenfire's ability to compete with other companies; the anticipated future financial or operating performance of the Company; the expected results of operations; expectations that current trends and impacts may continue; assumptions as to future drilling results; assumptions as to costs and commodity prices; the timing and amount of funding required to execute the Company's business plans; assumptions about future capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labor; estimated budgets; assumptions about future interest and currency exchange rates; assumptions underlying Greenfire's available corporate tax pools and applicable royalty rates; requirements for additional capital; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth and the adequacy of financial resources. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.



Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation: a decline in oil prices or widening of differentials between various crude oil prices; lower than expected reservoir performance, including, but not limited to: lower oil production rates; the inability to recognize continued or increased efficiencies from the Company's production enhancement program and processing plant enhancements, debottlenecking and brownfield expansions; reduced access to or an increase in the cost of diluent; an increase in the cost of natural gas or electricity; the reliability and maintenance of Greenfire's facilities; equipment failures that result in a failure to achieve expected benefits of capital expenditure programs or result in reduced production or increased costs; supply chain disruption and risks of increases costs relating to inflation; the uncertainty of reserve estimates and estimates and projects relating to production, costs and expenses; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the safety and reliability of pipelines and trucking services that transport Greenfire's products; the need to replace significant portions of existing wells, referred to as "workovers", or the need to drill additional wells; the cost to transport bitumen, diluent and bitumen blend, and the cost to dispose of certain by-products; the availability and cost of insurance and the inability to insure against certain types of losses; severe weather or catastrophic events such as fires, droughts, lightning, earthquakes, extreme cold weather, storms or explosions; seasonal weather patterns and the corresponding effects of the spring thaw on Greenfire's properties; operational and financial risks associated with wildfires in Alberta; the availability of pipeline capacity and other transportation and storage facilities for the Company's bitumen blend; the cost of chemicals used in Greenfire's operations, including, but not limited to, in connection with water and/or oil treatment facilities; the availability of and access to drilling equipment and key personnel; risks of cybersecurity threats including the possibility of potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology systems; Canadian heavy and light oil export capacity constraints and the resulting impact on realized pricing; the impact of global wars and conflicts on global stability including the impacts of the Russia-Ukraine war and the Israel-Hamas-Hezbollah-Iran conflict, commodity prices and the world economy, changes in the political landscape and/or legal, tax, royalty and regulatory regimes in Canada, and elsewhere; the cost of compliance with applicable regulatory regimes, including, but not limited to, environmental regulation and Government of Alberta production curtailments, if any; the ability to attract or access capital as a result of changing investor priorities and trends, including as a result of climate change, environmental, social and governance initiatives, the adoption of decarbonization policies and the general negative sentiment towards the oil and gas industry; hedging risks; variations in foreign exchange and interest rates; risks related to the Company's indebtedness, including the risk that Greenfire's repayment of such indebtedness will not materialize as contemplated herein; failure to accurately estimate abandonment and reclamation costs; the potential for management estimates and assumptions to be inaccurate; risks associated with acquisitions; and general economic, market and business conditions in Canada, the United States and globally.

The lists of risk factors set out in this MD&A or in the Company's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out in this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, the global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

You should carefully consider all of the risks and uncertainties described in the "Risk Factors" section of the Company's 2024 AIF, which is also filed with the SEC under cover of Form 40-F, is available online at www.sedarplus.ca, www.sec.gov and on our website at www.greenfireres.com.

INITIAL PRODUCTION RATES

References in this MD&A to initial production rates, other short-term production rates or initial performance measures relating to new wells are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Accordingly, the Company cautions that short-term initial results should be considered to be preliminary.

ABREVIATIONS

The following provides a summary of common abbreviations used in this document:

AECO	Alberta natural gas price reference location
bbl	barrel
bbls/d	barrels per day
$ or C$	Canadian dollars
DSUs	Deferred Share Units
ECF	Excess Cash Flow – as defined in the 2028 Indenture
EDC	Export Development Canada
G&A	General and administrative
IFRS	IFRS® Accounting Standards as issued by the International Accounting Standards Board
MD&A	Management's Discussion and Analysis
NCG	Non-condensable gas
PSUs	Performance Share Units
PWs	Performance Warrants
RSUs	Restricted Share Units
SAGD	Steam-Assisted Gravity Drainage
SOR	Steam-oil ratio
U.S.	United States
US$	United States dollars
WCS	Western Canadian Select
WTI	West Texas Intermediate

ADDITIONAL INFORMATION

Additional information relating to the Company is available on https://www.greenfireres.com and can also be found on a website maintained by the SEC at www.sec.gov and on Greenfire's SEDAR+ profile at www.sedarplus.ca

CORPORATE INFORMATION

Directors

Adam Waterous[(1)(4)]
W. Derek Aylesworth[(2)]
Tom Ebbern[(3)]
Andrew Kim
David Roosth
Henry Hager
Brian Heald
David Knight-Legg

(1) Executive Chair of the Board of Directors
(2) Chair of the Audit Committee
(3) Chair of the Reserves Committee and Lead Director
(4) Chair of the Compensation and Governance Committee

Officers

Colin Germaniuk, P.Eng
President

Tony Kraljic, CA
Chief Financial Officer

Jonathan Kanderka, P.Eng
Chief Operating Officer

Solicitors

Blake, Cassels & Graydon LLP
855 – 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary Alberta, Canada

Scale LLP
750 N Saint Paul St Ste 250
Suite 86147
Dallas, Texas 75201

Bankers

Bank of Montreal
595-8 Avenue SW
Calgary, Alberta, Canada
T2P 1G1

Auditor

Deloitte LLP
850 2nd Street SW
Calgary, Alberta, Canada
T2P 0R8

Charles R. Kraus
Corporate Secretary

Head Office

Suite 1900, 205 – 5th Avenue SW,
Calgary, Alberta, Canada
T2P 2V7
www.greenfireres.com
NYSE: GFR
TSX: GFR

Reserve Engineers

McDaniel & Associates Consultants Ltd.
2200, 255 – 5th Avenue SW
Calgary, Alberta, Canada
T2P 3G

Exhibit 99.4

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Colin Germaniuk, certify that:

1. I have reviewed this annual report on Form 40-F of Greenfire Resources Ltd.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d- 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 19, 2025

/s/ Colin Germaniuk

Name: Colin Germaniuk
Title: President

Exhibit 99.5

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tony Kraljic, certify that:

1. I have reviewed this annual report on Form 40-F of Greenfire Resources Ltd.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d- 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 19, 2025

/s/ Tony Kraljic

Name: Tony Kraljic
Title: Chief Financial Officer

Exhibit 99.6

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Greenfire Resources Ltd. (the "Company") on Form 40-F for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Colin Germaniuk, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 19, 2025

/s/ *Colin Germaniuk*
Name: Colin Germaniuk
Title: President

Exhibit 99.7

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Greenfire Resources Ltd. (the "Company") on Form 40-F for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tony Kraljic, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 19, 2025

/s/ *Tony Kraljic*
Name: Tony Kraljic
Title: Chief Financial Officer

Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-282275 on Form F-3 and Registration Statement No. 333-277054 on Form S-8 and to the use of our report dated March 17, 2025 relating to the financial statements of Greenfire Resource Ltd. appearing in this Annual Report on Form 40-F for the year ended December 31, 2024.

/s/ Deloitte LLP

Chartered Professional Accountants
Calgary, Canada
March 17, 2025

Exhibit 99.9

McDANIEL

CONSENT OF INDEPENDENT ENGINEERS

We refer to our report dated March 17, 2025 and effective December 31, 2024, evaluating the proved and probable petroleum and natural gas reserves attributable to Greenfire Resources Ltd. and its affiliates (collectively, the "Company"), which is entitled "Greenfire Resources Ltd., Hangingstone Properties, Evaluation of Bitumen Reserves, based on Forecast Prices and Costs, As of December 31, 2024" (the "Report").

We hereby consent to the references to our name in the Company's Annual Report on Form 40-F to be filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, and to the incorporation by reference in Registration Statement No. 333-282275 on Form F-3 and Registration Statement No. 333-277054 on Form S-8 of the Company and to the use of the Report.

We also confirm that we have read the Company's Annual Information Form for the year ended December 31, 2024 dated March 17, 2025, and that we have no reason to believe that there are any misrepresentations in the information contained therein that was derived from the Report or that is within our knowledge as a result of the services we performed in connection with such Report.

Yours truly,

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

/s/ Jared Wynveen
Jared Wynveen, P. Eng.
Executive Vice President
Calgary, Alberta, Canada

March 17, 2025