Q1 2024
MANAGEMENT DISCUSSION & ANALYSIS

TENTH AVENUE PETROLEUM CORP.
TSXV:TPC

www.tenthavenuepetroleum.com

The following Management's Discussion and Analysis ("MD&A") is a review of the operational and financial results and outlook for Tenth Avenue Petroleum Corp. ("Tenth Avenue" or the "Company") for the three months ended March 31, 2024 ("Q1/24" and "YTD/24") and 2023 ("Q1/23" and "YTD/23"). This MD&A is dated and based on information available as of May 27, 2024 and should be read in conjunction with the unaudited condensed consolidated interim financial statements ("financial statements") and the notes thereto for the three months ended March 31, 2024 and 2022 and the audited consolidated financial statements for the year ended December 31, 2023. Additional information relating to Tenth Avenue, including Tenth Avenue's Annual Information Form for the year ended December 31, 2023, is available on SEDAR+ at www.sedarplus.ca and Tenth Avenue's website at www.tenthavenuepetroleum.com

The financial statements have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting". The Company uses certain Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures in this MD&A. Certain financial measures are also presented on a per bbl, per boe, per mcf or per share basis that results in those measures considered as Supplemental Financial Measures. For a discussion of those measures, including the method of calculation, please refer to the section titled "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" beginning on page 13. Unless otherwise indicated, all references to dollar amounts are in Canadian currency.

About Tenth Avenue Petroleum

Tenth Avenue is an oil & natural gas exploration, development and production company with operations in Alberta. The company's strategy is to build long-term, low decline, high netback producing properties with drilling development potential and enhanced oil recovery potential upside.

Q1 2024 OPERATIONAL AND FINANCIAL HIGHLIGHTS

		Three months ended March 31		
($)		**2024**	2023	% change
Total oil, natural gas and processing revenue		**796,139**	1,041,986	**(24)**
Cash flow from operating activities		**(126,561)**	(25,906)	**(389)**
Per share – basic		**(0.00)**	(0.00)	**-**
Per share – diluted		**(0.00)**	(0.00)	**-**
Adjusted funds flow [(1)]		**46,039**	50,773	**(9)**
Per share – basic [(2)]		**0.00**	0.00	**(100)**
Per share – diluted [(2)]		**0.00**	0.00	**(100)**
Net income (loss)		**(220,322)**	(268,364)	**18**
Per share – basic		**(0.01)**	(0.01)	**-**
Per share – diluted		**(0.00)**	(0.00)	**-**
Working Capital surplus [(1)]		**64,846**	445,589	**85**
Capital expenditures		**11,803**	138,853	**(91)**
Weighted average shares outstanding				
Basic		**39,844,100**	39,890,767	**-**
Diluted		**39,844,100**	39,994,100	**-**
Share Trading				
High		**$0.16**	$0.27	**(41)**
Low		**$0.10**	$0.17	**(41)**
Trading volume		**598,581**	2,567,826	**(77)**
Average daily production				
Oil (bbls/d)		**104**	128	**(19)**
NGL (bbls/d)		**3**	1	**200**
Natural Gas (mcf/d)		**83**	263	**(68)**
Total (boe/d)		**122**	173	**(29)**
Average realized sale prices, before financial instruments				
Oil ($/bbls)		**77.45**	78.89	**(2)**
Natural gas liquids ($/bbls)		**13.70**	95.16	**(86)**
Natural Gas ($/mcf)		**4.59**	4.13	**11**
Operating netback, after derivatives ($/boe)		**17.81**	11.56	**54**
Adjusted funds flow ($/boe)		**4.16**	3.26	**28**

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

CLIMATE CHANGE AND SUSTAINABILITY

Tenth Avenue continues to consider the impact of climate change and the financial and operational challenges this global event has had in 2024 and the continuing impact on the Company during the years ahead.

Climate Change

The Company has considered and continues to consider the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources. Emissions, carbon and other regulations impacting climate and climate related matters, are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board ("ISSB") was created on November 3, 2021, with the aim to develop globally consistent, comparable and reliable sustainability disclosure standards. On March 31, 2022, the ISSB issued exposure drafts IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 "sets out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures." IFRS S2 "sets out the requirements for identifying, measuring and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting." The exposure drafts do not currently disclose an effective date for the application of any future sustainability standards and accordingly, the Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts. In addition, the Canadian Securities Administrators have issued a proposed National Instrument ("NI 51-107") *Disclosure of Climate-related Matters*. The cost to comply with these standards, and others, that may be developed or evolved over time, is not quantifiable at this time. Significant estimates and judgments have been made by management in the preparation of the financial statements in areas of property, plant and equipment, depletion, impairment, reserves estimates, decommissioning obligations and share capital.

Sustainability

Tenth Avenue is committed to the continued advancement of our ESG practices, including our approach to sustainability, commitments to greenhouse gas emissions management and to continued Indigenous and community partnerships in the areas where we operate.

OPERATING RESULTS

Production

		Three months ended March 31		
		2024	2023	% change
Production				
Oil (bbls/d)		**104**	128	**(19)**
NGL (bbls/d)		**3**	1	**200**
Natural Gas (mcf/d)		**83**	263	**(68)**
Total (boe/d)		**122**	173	**(29)**
Percentage of oil and NGL		**89%**	75%	**19**

Average production for Q1/24 increased slightly to 122 boe/d from Q4/24 from 119 boe/d. Average production in Q1/24 decreased by 29% when comparing to Q1/23 of 173 boe/d. The reduction in production volumes when comparing Q1/24 over Q1/23 was due to several operating factors, including a 68% reduction in natural gas volumes associated with the 6-11 natural gas well at Vulcan which was tied-in January 30, 2023. In addition, a pipeline rupture which resulted in curtailment of oil of approximately 15-20 bbls/d at Murray Lake.

Revenue

		Three months ended March 31		
($)		**2024**	2023	% change
Revenue				
Oil		**736,439**	910,380	**(19)**
Natural gas liquids		**4,280**	10,435	**(59)**
Natural Gas		**34,528**	97,751	**(65)**
Total		**775,247**	1,018,566	**(24)**
Average realized prices, before financial instruments:				
Oil ($/bbls)		**77.45**	78.89	**(2)**
Natural gas liquids ($/bbls)		**13.70**	95.16	**(86)**
Combined average oil NGL ($/boe)		**75.42**	79.04	**(5)**
Natural Gas ($/mcf)		**4.59**	4.13	**11**
Revenue ($/boe)		**70.00**	65.32	**7**
Average realized prices, after financial instruments (1):				
Oil ($/bbls)		**83.52**	78.89	**6**
Natural gas liquids ($/bbls)		**13.70**	95.16	**(86)**
Combined average oil NGL ($/boe)		**81.30**	79.04	**3**
Natural Gas ($/mcf)		**4.59**	4.13	**11**
Revenue ($/boe)		**75.21**	65.32	**15**
Average benchmarks prices:				
WTI (US$/bbl)(2)		**76.96**	76.13	**1**
Edmonton Par (C$/bbl) (2)		**94.93**	99.77	**(5)**
AECO daily index ($/mcf) (2)		**1.95**	3.26	**(40)**

(1) "Average realized prices, after financial instruments" are calculated as oil and gas sales, before royalties, after Settlements on Commodity Derivative Contracts, divided by total production by product type. Additional information is provided under the heading "Commodity Price Risk Management".

(2) Source: GLJ

Revenue in Q1/24 was $775,247, a 4% decrease from Q4/23 revenue of $804,601 due to an 11% decrease in realized WTI prices and a 52% decrease in NGL prices, offset by an 11% increase in realized natural gas pricing prices and a 3% increase in production quarter over quarter.

Q1/24 revenue decreased by 24% to $775,247, compared to Q1/23 revenue of $1,018,566 primarily due to the 29% decrease in production offset by a 7% increase in revenue on a per boe basis.

Commodity Price Risk Management

		Year ended December 31		
($)		**2024**	2023	% change
Realized gain on derivatives		**57,666**	-	**100**
Unrealized loss on derivatives		**(100,237)**	-	**100**
Loss on derivatives		**(42,571)**	-	**100**
$/boe		**(3.84)**	-	**100**
Percent of revenue (%)		**5%**	-	**100**

The Company has entered a number of commodity price risk management contracts to reduce the volatility of WTI prices. The Company had the following outstanding financial derivative commodity contracts as at March 31, 2024. No similar contracts existed prior to September 2023.

Financial WTI Crude Oil Contracts	**Term**	**Volume (bbl/d)**	**CAD$/US bbl [2]**
WTI Fixed Price Swap[1]	October 1, 2023 – March 31, 2024	50	$ 116.50
WTI Fixed Price Swap[1]	April 1, 2024 – December 31, 2024	50	$ 104.00

(1) Swaps are settled no later than the 25th of the month following the calendar month in which delivery is made.
(2) Price is adjusted by Weighted Average Differential Factor, quality and transportation

For Q1/24, the Company realized a gain of $57,666 from these financial commodity contracts, or $5.21/boe (2023 - $nil). The realized gain is a result of market prices for crude oil and natural gas settling at levels below those set in the Company's derivative contract.

The fair value of outstanding risk management contracts resulted in a derivative financial instrument of $31,634, compared to a net asset of $68,603 at December 31, 2024:

Derivative Financial Instruments [1]	
Fair value (liability) as at March 31, 2024	(31,634)
Fair value asset as at December 31, 2023	68,603
Unrealized loss on derivatives	(100,237)

(1) The fair value of the Company's risk management contracts is highly sensitive to forecast oil and gas prices and the US$/CA$ exchange rate.

The unrealized loss of $100,237 were primarily caused by the strengthening of the forward price curves for WTI over C$104 as current period gains have been realized.

Subsequent to March 31, 2024, the company entered into another physical crude oil agreement to hedge 25 bbls/d with a price of C$108.25 per barrel, with a term of May 1, 2024, to December 31, 2024.

Royalties

		Three months ended March 31		
($)		**2024**	2023	% change
Royalty expenses		**70,755**	122,982	**(42)**
$/boe		**6.39**	7.89	**(19)**
Percent of revenue (%)		**9%**	12%	**(25)**

Royalty expenses as a percentage of revenue decreased to 9% in Q1/24 from 15% in Q4/23 as a result of lower realized oil prices. Royalty expenses as a percentage of revenue decreased to 9% in Q1/24 from 12% in Q1/23 as a result of lower realized oil prices. The Company expects that average royalty expenses as a percentage of revenue will continue to fluctuate with changes to benchmark oil and natural gas prices.

Net Production Expenses

		Three months ended March 31		
($)		**2024**	2023	% change
Production expenses		**585,943**	738,714	**(21)**
Less: processing income		**(20,892)**	(23,420)	**(11)**
Total net production expenses (1)		**565,051**	715,294	**(21)**
Total ($/boe) (2)		**51.02**	45.87	**11**

1. Non-IFRS Financial Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Net production expenses decreased to $565,051 in Q1/24 from $633,297 in Q4/23 and decreased by 12% on a per boe basis to $51.02/boe in Q1/24 from $58.06/boe in Q4/23. The decrease can be attributed to fourth quarter increased trucking costs due a saltwater disposal line failure that occurred in Q3/23, and has since been rectified, as well as a well workover in Vulcan in Q4/23.

Net production expenses decreased to $565,051 in Q1/24 from $715,294 in Q1/23, however increased on a per boe basis by 11% to $51.02/boe in Q1/24 from $45.87 in Q1/23. The decrease in overall costs is due to reductions in power costs and repair and maintenance costs from newly acquired assets in the first quarter of 2023. The decrease on a per boe basis was as result of the 29% reduction in average production.

The Company will continue to focus on reducing production expenses throughout the remainder of 2024.

Operating Netback

		Three months ended March 31		
		2024	2023	% change
($/boe)				
Average realized sales		**70.00**	65.32	**7**
Royalty expenses		**(6.39)**	(7.89)	**(19)**
Net production expenses [(1)]		**(51.02)**	(45.87)	**11**
Operating field netback, before derivatives [(1)]		**12.59**	11.56	**9**
Realized gain on derivatives		**5.22**	-	**100**
Operating filed netback, after derivatives ($/boe) [(1)]		**17.80**	11.56	**54**

1. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Operating netbacks before derivatives increased by 175% in Q1/24 to $12.59/boe from $4.58/boe in Q4/23, while operating netbacks, after derivatives increased of 104% to $17.80/boe in Q1/24 from $8.70/boe in Q4/23. This netback increase on a per boe basis is due to a decrease in royalties and production expenses.

Operating netbacks before derivatives increased by 9% in Q1/24 to $12.59/boe compared to $11.56/boe in Q1/23 due to increased realized revenue per boe and lower royalties, offset by lower production. Operating netbacks per boe after derivatives increased by 54% to $17.80/boe when comparing Q1/24 to Q1/23 as there were no hedges in place prior to Q3/23.

General and Administrative ("G&A") Expenses

		Three months ended March 31		
		2024	2023	% change
($)				
General and administrative costs		**151,068**	129,517	**17**
Net G&A expenses		**151,068**	129,517	**17**
Total ($/boe)		**13.64**	8.31	**64**

Net G&A expenses in Q1/24 was $151,068, consistent with G&A expenses of $152,305 in Q4/23.

Net G&A expenses increased by 17% to $151,068 in Q1/24 compared to $129,517 in Q1/23 and also increased on a per boe basis by 64% to $13.64/boe from $8.31/boe, respectively during the same periods. This is primarily due to an increase in consultant fees relating to the external reserves evaluation and the audit and the 29% decrease in production in Q1/24 compared to Q1/23. The Company currently does not capitalize G&A expenses.

The Company expects G&A on a per boe basis to continue to fluctuate commensurate with changes to average production rates.

Stock-Based Compensation Expense

		Three months ended March 31		
		2024	2023	% change
($)				
Total expenses stock-based compensation		**43,250**	74,041	**(42)**
Total ($/boe)		**3.91**	4.75	**(18)**

Pursuant to the Company's stock option plan, the Company may grant up to an aggregate of 10% of the outstanding common shares as Options to officers, employees, directors and consultants of the Company (the "Stock Option Plan"). The Company has adopted an annual option grant program, that typically takes place during the second quarter.

During the three-month period ended March 31, 2024, the Company had 3,132,500 options outstanding (at a weighted average price of $0.20 per share), compared to 2,170,000 options outstanding (at a weighted average price of $0.20 per share) during the same period in 2023. The reduction in stock-based compensation of $30,791 is associated with the timing of the graded vesting terms of the stock option plan, with one third of the expense being expensed on initial grant.

Finance Expense

		Three months ended March 31		
		2024	2023	% change
($)				
Accretion of decommissioning obligations		**30,453**	24,002	**27**
Total finance expense		**30,453**	24,002	**27**
Total ($/boe)		**2.75**	1.54	**79**

Total finance expense for Q1/24 increased by 26% to $30,453 from $24,078 in Q4/23, as well as on a per boe basis by 25% to $2.75boe/d in Q1/24 from $2.21boe/d in Q4/23. This increase can be attributed to an increase in the risk-free rate to 3.48% from 3.02%.

Total finance expense for Q1/24 increased by 27% to $30,453 from $24,002 in Q1/23, as well as on a per boe basis by 79% to $2.75boe/d in Q1/24 from $1.54boe/d in Q1/23. The dollar increase can be attributed to an increase in the risk-free rate to 3.48% from 3.02%, with the additional impact on a per boe basis due to the 29% decrease in production in Q1/24 compared to Q1/23.

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

		Three months ended March 31		
		2024	2023	% change
($)				
DD&A		**146,475**	221,094	**(34)**
Total		**146,475**	221,094	**(34)**
Depletion and depreciation ($/boe)		**13.23**	14.18	**(7)**

DD&A expenses of $13.23/boe in Q1/24 decreased from $16.10/boe in Q4/23 and $14.18/boe in Q1/23. The decrease in aggregate DD&A expense is a result of reduced production a well as the reduced net asset base from impairment provisions taken in the fourth quarter of 2023.

Impairment/Impairment Reversal of Property, Plant and Equipment

The Company has considered the impact of the evolving worldwide demand for energy, global advancement of alternative sources of energy not sourced from fossil fuels, changes in heavy oil differentials and discounts to commodity prices received in Canada in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company's oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years.

At the end of each reporting period, the Company assesses whether there were indicators of impairment or reversals of prior period impairments. The recoverable amount was calculated as the fair value of the assets which was determined using a discounted cash flow approach based on the December 31, 2023, reserve evaluation of proved plus probable reserves provided by an independent reserve evaluation.

As at March 31, 2024, it was determined there was a reversal of impairment for the Swan Hills CGU, due to an ARO change in estimate associated with the CGU. The asset remains fully impaired as at March 31, 2024. There were no further indicators of impairment.

Adjusted Funds Flow and Net Income (Loss)

		Three months ended March 31		
		2024	2023	% change
Cash flow from operating activities		**(126,561)**	(25,906)	**389**
Changes in restricted cash		**758**	628	**21**
Change in non-cash working capital		**171,842**	76,051	**126**
Adjusted funds flow		**46,039**	50,773	**(9)**
Per share – basic (2)		**-**	-	**-**
Per share – diluted (2)		**-**	-	**-**
Net income (loss)		**(220,322)**	(268,364)	**18**
Per share – basic		**(0.01)**	(0.01)	**-**
Per share – diluted		**(0.01)**	(0.01)	**1-**

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Adjusted funds flow (see "Non-IFRS Financial Measures") was $46,039 in Q1/24 compared to funds flow of $50,773 in the same period in 2023. This decrease is primarily as result of the 29% decrease in average production.

The Company also recorded a net loss of $220,322 (($0.01) per share basic and diluted) in Q1/24 compared to a net loss of $268,364 (($0.01) per share basic and diluted) for the same period in 2023. This is primarily due an impairment reversal and reduced operating netbacks, offset by the unrealized loss on derivatives.

Capital Expenditures (Including Exploration and Evaluation Expenditures)

The following table summarizes capital spending, excluding non–cash items:

		Three months ended March 31		
		2024	2023	% change
($)				
Intangible drilling and completion		**(1,043)**	4,211	**(125)**
Equipment and facilities		**12,846**	134,642	**(90)**
Total capital expenditures		**11,803**	138,853	**(91)**

Total capital expenditures decreased by 24% in Q1/24 to $11,803 from $15,627 in Q4/23 and decreased by 91% from $138,853 in Q1/23. Capital expenditures during Q1/24 included plant and battery equipment expenditures at the Company's unoperated Swan Hills Unit.

Share Capital

	March 31, 2024		December 31, 2023	
	Number	**Amount ($)**	Number	Amount ($)
Balance, opening	**39,944,100**	**17,682,581**	39,844,100	17,652,581
Issued of common shares – Warrants exercised	**-**	**-**	100,000	30,000
Balance, ending	**39,944,100**	**17,682,581**	39,944,100	17,682,581

	May 27, 2024	March 31, 2024	December 31, 2023
Common shares outstanding	**39,944,100**	**39,944,100**	**39,944,100**
Options outstanding	**3,132,500**	**3,132,500**	**3,537,500**

Liquidity and Capital Resources

Tenth Avenue's strategy remains focused on preserving liquidity. The Company strives to achieve this by entering into physical crude oil hedges and by managing capital spending levels as appropriate to respond to changes in realized commodity prices net of the impact of gains/losses from the hedging program. The Company has generally relied on adjusted funds flow (see "Capital Management Measures") and access to equity through private placements to fund its capital requirements and provide liquidity.

The Company had working capital surplus of $33,212 as at March 31, 2024, compared to $99,971 as at December 31, 2023 (see "Capital Management Measures").

Depending on commodity prices, the capital-intensive nature of the Company's operations may create a working capital deficiency during periods with high levels of capital investment. The Company attempts to maintain sufficient cash on hand to satisfy such potential working capital deficiencies or may require additional equity to fund acquisition activities in excess of existing cash on hand. As at March 31, 2024, the Company had $80,760 (December 31, 2023 - $219,124) in cash on hand.

The Company will be required to raise equity or debt financing to fund the future development costs required to recover the carrying values of its property and equipment. Although the Company has been successful in completing financings in the past, there is no guarantee that the Company will be able to continue to do so in the future. As such, there is a material uncertainty related to these events and conditions that may cast doubt on the Company's ability to continue as a going concern.

Unit Cost Calculation

For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel, unless otherwise stated. A boe conversion ratio of 6:1 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion complies with the Canadian Securities Administrators' National Instrument 51–101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Boe may be misleading, particularly if used in isolation.

Abbreviations

AECO	Natural gas storage facility located at Suffield, AB
bbl	Barrel
bbl/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CGU	cash-generating unit
DTH	dekatherm
GJ	Gigajoule
IFRS	International Financial Reporting Standards
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmbtu	one million British thermal units
NGL	natural gas liquids
WCS	Western Canadian Select
WTI	West Texas Intermediate

Non–IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures

This document contains the terms "net production expenses", "operating netback" and "operating field netback", which are non-IFRS financial measures, or ratios. The Company uses these measures to help evaluate Tenth Avenue's performance. These non-IFRS financial measures and ratios do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This document also contains the capital management measures of "quarterly adjusted funds flow", "net debt", "working capital deficiency (surplus)", "net debt to annualized adjusted funds flow", and "year-end net debt to trailing annual adjusted funds flow".

a. Adjusted Funds Flow (Capital Management Measure) - Adjusted funds flow is calculated by taking cash-flow from operating activities on a periodic basis and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs since Tenth Avenue believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Tenth Avenue uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt, pay dividends and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating income (loss) per share, which results in the measure being considered a non-IFRS financial ratio. Adjusted funds flow can also be calculated on a per boe basis, which results in the measure being considered a non-IFRS financial ratio. The calculation of the Company's adjusted funds flows is summarized starting on page 13 in the section titled "Adjusted Funds Flow and Net Income (Loss)".

b. Net Production Expenses, Operating Netback and Operating Field Netback (Non-IFRS Financial Measures, and Non-IFRS Financial Ratios if calculated on a per boe basis) - Management uses certain industry benchmarks, such as net production expenses, operating netback and operating field netback, to analyze financial and operating performance. Net production expenses are determined by deducting processing income primarily generated by processing third party volumes at processing facilities where the Company has an ownership interest. Under IFRS this source of funds is required to be reported as revenue. Where the Company has excess capacity at one of its facilities, it will process third party volumes as a means to reduce the cost of operating/owning the facility, and as such third party processing revenue is netted against production expenses in the MD&A. Operating netback equals total petroleum and natural gas sales, including realized gains and losses on commodity and foreign exchange derivative contracts, less royalties, net production expenses and transportation expense and can also be calculated on a per boe basis, which results in them being considered a non-IFRS financial ratio. Operating field netback equals total petroleum and natural gas sales, less royalties, net production expenses and transportation expense. These metrics can also be calculated on a per boe basis. Management considers operating netback and operating field netback important measures to evaluate Tenth Avenue's operational performance, as it demonstrates field level profitability relative to current commodity prices. The calculation of the Company's netbacks can be seen starting on page 10 in the section titled "Operating Netback".

c. Net Debt and Working Capital Deficiency (Surplus) (Capital Management Measure) - Tenth Avenue closely monitors our capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of our capital structure. The Company uses net debt (bank debt plus senior unsecured notes plus working capital surplus or deficiency, including the fair value of cross-currency swaps, plus government loan and excluding the fair value of financial instruments, decommissioning obligations, lease liabilities and the cash award incentive plan liability) as an alternative measure of outstanding debt. Management considers net debt an important measure to assist in assessing the liquidity of the Company.

	March 31, 2024	December 31, 2023
($)		
Cash and cash equivalents	**(80,760)**	(219,124)
Accounts payable and accrued liabilities	**654,140**	740,303
Accounts receivable	**(477,215)**	(382,590)
Prepaid expenses and deposits	**(161,011)**	(169,957)
Derivative financial instruments	**31,634**	(68,603)
Working capital (surplus)	**(33,212)**	(99,971)
Long term debt	**-**	-
Net (surplus) debt	**(33,212)**	(99,971)

d. **Net Debt to Annualized Adjusted Funds Flow (Capital Management Measures)** - Management uses certain industry benchmarks, such as net debt to annualized adjusted funds flow, to analyze financial and operating performance. This benchmark is calculated as net debt divided by the annualized adjusted funds flow for the most recently completed quarter. Management considers net debt to annualized adjusted funds flow as a key measure as it provides a snapshot of the overall financial health of the Company and our ability to fund capital requirements, dividend payments, pay off debt and take on new debt, if necessary, using the most recent quarter's results. The calculation of the Company's net debt to annualized adjusted funds flow can be seen starting on page 16 in the section titled "Liquidity and Capital Resources".

e. **Free Funds Flow (Capital Management Measure)** - Management uses certain industry benchmarks, such as free funds flow, to analyze financial and operating performance. This benchmark is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions, Management believes that free funds flow provides a useful measure to determine Tenth Avenue’s ability to improve returns and to manage the long-term value of the business.

	Three months ended March 31		
($)	**2024**	2023	**% change**
Adjusted funds flow	**46,039**	50,773	**(9)**
Less: capital expenditures	**(11,803)**	(138,853)	**(91)**
Free funds flow	**34,236**	(88,080)	**(139)**

Selected Quarterly Information				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Sales volumes				
Natural Gas (mcf/d)	**83**	114	130	187
Oil and NGL (bbls/d)	**107**	100	121	112
Average boe/d (6:1)	**122**	119	142	143
Product prices				
Natural gas *($/mcf)*	**4.59**	2.49	3.70	2.37
Oil and NGL *($/bbl)*	**75.42**	85.05	88.74	84.26
Oil equivalent *($/boe)*	**70.00**	73.77	78.65	69.02
($)				
Financial results				
Gross Revenues	**775,247**	804,601	1,030,617	898,217
Cash provided by operating activities	**(126,561)**	384,247	2,195	51,449
Adjusted funds flow (1)	**46,039**	(60,696)	60,731	(120,205)
Per share – basic	**-**	-	-	-
Per share – diluted	**-**	-	-	-
Net income (loss)	**(220,322)**	(489,919)	(186,240)	(466,342)
Per share – basic	**(0.01)**	(0.01)	-	(0.01)
Per share – diluted	**(0.01)**	(0.01)	-	(0.01)
Capital expenditures	**11,803**	15,627	70,668	257,406
Total assets	**5,522,116**	5,916,911	6,407,268	6,617,920
Net debt (1)	**(64,846)**	(99,971)	(82,510)	(67,978)
Decommissioning obligations	**3,346,775**	3,509,969	3,163,255	3,378,739

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A

Critical Accounting Estimates

Management is required to make judgments, assumptions, and estimates in applying its accounting policies which have significant impact on the financial results of the Company. The following outlines the accounting policies involving the use of estimates that are critical to understanding the financial condition and results of operations of the Company:

a. **Oil and natural gas reserves** – Proved reserves, as defined by the Canadian Securities Administrators in NI 51-101 with reference to the Canadian Oil and Gas Evaluation Handbook, 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 likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

b. **Carrying value of property, plant and equipment ("PP&E")** – PP&E is measured at cost less accumulated depletion, depreciation, amortization, impairment losses and impairment reversals. The net carrying value of PP&E and estimated future development costs is depleted using the unit-of production method based on estimated proved and probable oil and natural gas reserves. Changes in estimated proved and probable oil and natural gas reserves or future development costs have a direct impact on the calculation of depletion expense.

The Company is required to use judgment when designating the nature of oil and gas activities as exploration and evaluation ("E&E") assets or development and production assets within PP&E. E&E assets and development and production assets are aggregated into CGUs based on their ability to generate largely independent cash inflows. The allocation of the Company's assets into CGUs requires significant judgment with respect to the use of shared infrastructure, geographic proximity, existence of active markets for the Company's products, the way in which management monitors operations and materiality.

Significant management judgments are required to analyze the relevant external and internal indicators of impairment or impairment reversal for a CGU with the estimate of proved and probable oil and natural gas reserves and the related cash flows being significant to the assessment.

The Company assesses PP&E for impairment or impairment reversal whenever events or changes in circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. If any such indication of impairment or impairment reversal exists, the Company performs an impairment test related to the specific CGU. The determination of the estimated recoverable amount of a CGU is based on estimates of proved and probable oil and natural gas reserves and the related cash flows. By their nature, these estimates of proved and probable oil and natural gas reserves and the related cash flows are subject to uncertainty including significant assumptions related to forecasted oil and natural gas commodity prices, forecasted production, forecasted production costs, forecasted royalty costs and forecasted future development costs and the impact on the financial statements of future periods could be material.

The Company has considered the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company's oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years. However, the ultimate period in which global energy markets can transition from carbon-based sources to alternative energy is highly uncertain. The Company will continue to monitor its estimates as the global demand for alternative energy sources continues to evolve.

c. **Decommissioning obligations** – The decommissioning obligations are estimated based on existing laws, contracts or other policies. The fair value of the obligation is based on estimated future costs for abandonments and reclamations discounted at a risk-free rate. The costs are included in PP&E and amortized over the useful life of the asset. The liability is adjusted each reporting period to reflect the passage of time, with the accretion expense charged to net earnings, and for revisions to the estimated future cash flows. By their nature, these estimates are subject to measurement uncertainty and the impact on the consolidated financial statements could be material.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has designed disclosure controls and procedures ("DCP") to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO 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 our 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.

The Company has designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's ICFR that occurred during the recent fiscal period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

No material changes in the Company's DCP and its ICFR were identified during the period ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. As a result, the Company's DCP and its ICFR were effective as at March 31, 2024.

It should be noted that a control system, including the Company's disclosure and internal controls and procedures, 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.

Business Risks

Tenth Avenue faces business risks, both known and unknown, with respect to its oil and gas exploration, development, and production activities that could cause actual results or events to differ materially from those forecasts. Most of these risks (financial, operational or regulatory) are not within the Company's control. While the following sections discuss some of these risks, they should not be construed as exhaustive. For additional information on the risks relating to Tenth Avenue's business, see "Risk Factors" in Tenth Avenue's Annual Information Form for the year ended December 31, 2023.

Volatility in the Petroleum and Natural Gas Industry

Market events and conditions, including global excess crude oil and natural gas supply, actions taken by OPEC+, sanctions, Russia's military actions in Ukraine, the Israeli-Hamas conflict in Gaza, other hostilities in the middle east and Taiwan, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, conflict between the United States and Iran, isolationist and punitive trade policies, increased United States shale production, sovereign debt levels, world health emergencies (including pandemics) and political upheavals in various countries including growing anti-fossil fuel sentiment, have caused significant volatility in commodity prices. Following extreme supply/demand imbalances in 2020, the crude oil and natural gas industry rebounded strongly throughout 2021, with oil prices reaching their highest levels in six years. However, the ongoing war in the Ukraine and price caps and sanctions on oil from Russia have impacted demand and oil prices since the second half of 2022, and the Israeli-Hamas conflict in Gaza in 2023 has caused supply disruptions and market volatility in pricing, in addition to other hostilities in the middle east and Taiwan. It is anticipated that the oil and natural gas industry will experience more pressure from investors to take meaningful strides towards combating climate change in the upcoming years, including diversifying their energy portfolios. These events and conditions have caused a significant decrease in the valuation of crude oil and natural gas companies and a decrease in confidence in the petroleum and natural gas industry. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, difficulties encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the petroleum and natural gas industry in Western Canada and cross-border with the United States has led to additional downward price pressure on crude oil and natural gas produced in Western Canada. The resulting price differential between Western Canadian Select crude oil, Brent and West Texas Intermediate crude oil has created uncertainty and reduced confidence in the petroleum and natural gas industry in Western Canada.

Lower commodity prices may also affect the volume and value of the Company's reserves, especially as certain reserves become uneconomic. In addition, lower commodity prices have reduced, and are anticipated to continue to reduce, the Company's cash flow which could result in a reduced capital expenditure budget. As a result, the Company may not be able to replace its production with additional reserves and both the Company's production and reserves could be reduced on a year-over-year basis. Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, the Company may have difficulty raising additional funds in the future or if it is able to do so, it may be on unfavourable and highly dilutive terms. If these conditions persist, Tenth Avenue's cash flow may not be sufficient to continue to fund operations and to satisfy obligations when due and will require additional equity or debt financing and/or proceeds from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory or at all. Similarly, there can be no assurance that the Company will be able to realize any or sufficient proceeds from asset sales to discharge its obligations.

Inflation and Cost Management
The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. Tenth Avenue's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on the Company's financial performance and funds from operations.

The cost or availability of oil and gas field equipment may adversely affect the Company's ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to the Company's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on its financial performance and funds from operations.

In addition, many central banks including the Bank of Canada and U.S. Federal Reserve have taken steps to raise interest rates in an attempt to combat recent inflation. The increase in borrowing costs may impact project returns and future development decisions, which could have a material adverse effect on Tenth Avenue's financial performance and cash flows. Rising interest rates could also result in a recession in Canada, the United States or other countries. A recession may have a negative impact on demand for crude oil and natural gas, causing a decrease in commodity prices.

Reliance on Operators, Management and Key Personnel
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. Tenth Avenue's success will be, in part, dependent on the performance of its key managers and consultants. Failure to retain the managers and consultants, or to attract or retain additional key personnel, with the necessary skills and experience could have a materially adverse impact upon growth and profitability. Tenth Avenue does not carry key person insurance. The contributions of the existing management team to the immediate and near-term operations of the Company are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company. In addition, Tenth may not be the operator of certain oil and natural gas properties in which it acquires an interest. To the extent Tenth is not the operator of its oil and natural gas properties, it will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators.

Competition
There is strong competition relating to all aspects of the oil and natural gas industry. Tenth will actively compete for capital, skilled personnel, access to rigs and other equipment, access to processing facilities and pipeline and refining capacity and in all other aspects of its operations with a substantial number of other organizations. The

A&D market has also become increasingly competitive in recent years as more energy companies, including Tenth, seek to consolidate operations to increase in scale and relevance to investors. The Company competes with other exploration and production companies, any of whom may have more financial resources, staff or political influence than the Company. Tenth Avenue's ability to increase its production in the future will depend not only on its ability to develop the Company's properties, but also on its ability to select other suitable assets for further exploration and development.

Political Uncertainty
The Company's results can be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically and duration of regulatory reviews could impact Tenth Avenue's existing operations and planned projects. This includes actions by regulators or other political factors 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, while increasing and expanding stakeholder consultation (including Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact Tenth Avenue'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 Logan's products.

The federal government was re-elected in 2019, but in a minority position. Another federal election was held on September 20, 2021 and the federal government was re-elected again in a minority position. The ability of the minority federal government to pass legislation will be subject to whether it is able to come to agreement with, and garner the support of, the other elected parties, most of whom are opposed to the development of the petroleum and natural gas industry. The minority federal government will also be required to rely on the support of the other elected parties to remain in power, which provides less stability and may lead to an earlier subsequent federal election. 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 petroleum and natural gas industry including the balance between economic development and environmental policy. Lack of political consensus, at both the federal and provincial government level, continues to create regulatory uncertainty, the effects of which become apparent on an ongoing basis, particularly with respect to carbon pricing regimes, curtailment of crude oil production and transportation and export capacity, and may affect the business of participants in the petroleum and natural gas industry, which effect could prove to be material over time.

Following former Alberta Premier Jason Kenney's resignation on May 18, 2022, Danielle Smith was elected as Premier on October 11, 2022. Shortly after her appointment, Premier Smith introduced Bill 1: The Alberta Sovereignty Within a United Canada Act (the "Sovereignty Act"). The Sovereignty Act was passed on December 8, 2022, and received Royal Assent on December 15, 2022. The Sovereignty Act, amongst other things, enables the Alberta Government to choose which federal legislation, policies or programs it will enforce in Alberta, providing an overriding right to not enforce those which the Alberta Government deems to be " harmful" to Alberta's interests or infringe on the Federal Constitution and its division of powers. The Sovereignty Act has been opposed by many, including the New Democratic Party and various Indigenous groups who have expressed concern as to how the Sovereignty Act will affect Indigenous rights and consultation obligations in Alberta. It is unclear what the effect the Sovereignty Act will have on Alberta, including the petroleum and natural gas industry, Alberta businesses and its federal and interprovincial relationships, including the application of certain federal legislation in Alberta, such as the Greenhouse Gas Pollution Pricing Act and the Impact Assessment Act and the way in which the Alberta Government may address any legislative and policy gaps created. Although the Sovereignty Act has not yet been challenged in court, it is possible the Sovereignty Act's constitutionality will be challenged.

Geopolitical Risks
The marketability and price of oil and natural gas that may be acquired or discovered by Tenth is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising outside of Canada, including changes in political regimes or parties in power, may have a significant impact on the price of crude oil and natural gas. Any particular event could result in a material change in prices and therefore result in a change of Tenth Avenue's revenue.

The level of geo-political risk escalates at certain points in time. While the specific impact on the global economy would depend on the nature of the event, in general, any major event could result in instability and volatility. Current areas of concern include: global uncertainty and market repercussions due to the spread of global pandemics; Russia's military invasion of Ukraine; the Israel-Hamas conflict, and rising civil unrest and activism globally.

Royalty Regimes
There can be no assurance that the provincial governments of the western provinces will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Company's projects. An increase in royalties would reduce the Company's earnings and could make future capital investments, or Tenth Avenue's operations, less economic. On January 29, 2016, the Government of Alberta adopted a new royalty regime which took effect on January 1, 2017. British Columbia introduced a new royalty framework in May 2022 that comes into effect on September 1, 2024, with a number of incentives ending for any wells spudded after September 1, 2022.

Indigenous Claims
Indigenous peoples have claimed Indigenous rights and title in portions of Western Canada. Claims and protests of indigenous peoples may disrupt or delay third-party operations, new development or new project approvals on the Company's properties. Tenth is not aware that any material claims have been made in respect of Tenth Avenue's assets; however, if a claim arose and was successful this could have an adverse effect on Tenth Avenue and its operations. In addition, the process of addressing such claims, regardless of the outcome, is expensive and time consuming and could result in delays which could have a negative effect on the Company's business, financial condition, results of operations and prospects, which negative effect could prove to be material over time.

Moreover, in recent years there has been increasing litigation regarding historical treaties with Indigenous peoples in Canada. Judicial interpretation of such historical treaties, and in particular the rights granted thereunder to Indigenous nations to manage and use the lands in a manner consistent with their ancestral practices, may impact future resource and industrial development in and around these lands. While the potential impact of current and future judicial decisions is uncertain at this time, it is possible that such decisions may have a negative effect on the Company's business, financial condition, results of operations and prospects, which negative effect could prove to be material over time.

Climate Change
As a result of growing international concern in respect of climate change, Tenth Avenue has seen a significant increase in focus on the transition to alternative, lower-carbon energy sources. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and environmental activists, and individuals, are increasingly seeking to develop and implement, among other things, regulatory and policy changes, changes in investment strategies and habits, and a restructuring of energy

consumption profiles, which, individually and collectively are intended to or have the effect of accelerating the transition to less carbon-intensive energy sources and the reduction in global consumption of fossil fuels. Overall, Tenth Avenue is not able to estimate at this time the degree to which climate change related consumer behaviour, regulatory, climatic conditions, and climate-related transition risks could impact the Company's business, financial condition and results of operations.

Climate change may have actual or perceived adverse impacts on the Company's operations, business, and financial results, including an increase in the frequency of extreme climatic conditions. Weather and climate affect demand for crude oil and gas, and therefore, the predictability of weather and climate affects the Company's ability to accurately forecast supply and demand. In addition, the Company's operations, including exploration, production and construction operations, and the operations of major customers, suppliers and service providers, can be affected by acute and chronic physical climate risks, such as floods, forest fires, earthquakes, hurricanes, landslides, mudslides, and other extreme weather events, natural disasters or long-term shifts in weather patterns. This may result in cessation or diminishment of production, delay of exploration and development activities or delay in executing the Company's capital expenditure plans, which may require the Company to adopt increased or additional mitigation requirements.

Growing concerns over climate change have also led to an increase in climate and environment-centric disputes and litigation in various jurisdictions, including at the Federal and Provincial level, alleging various claims and registering complaints, including that energy producers contribute to climate change, that such entities are not reasonably managing business risks associated with climate change, and that such entities have not adequately disclosed business risks of climate change. While many such climate change related actions are in preliminary stages of litigation, and in some cases raise novel or untested issues and causes of action, the risk that legal, societal, scientific and political developments will increase the likelihood of successful climate change related litigation against energy producers remains uncertain. The outcome and ramifications of any such litigation is uncertain and may materially impact the Company's business, financial condition or results of operations. The Company may also be subject to negative or damaging publicity associated with such matters, which may adversely affect the public sentiment and the Company's reputation, regardless of whether the Company is ultimately found responsible for claims alleged. We may be required to incur significant expenses or devote significant resources in defense against any such litigation.

Carbon Pricing Risk
The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal and certain provincial governments have implemented legislation aimed at incentivizing the use of alternative fuels and in turn reducing carbon emissions. The federal system, which was upheld by the Supreme Court of Canada, currently applies in provinces and territories without their own system that meets federal stringency standards. Provinces with their own system are subject to continued compliance with the federal system. There is no guarantee that a province with a system that currently applies will meet, or continue to meet, federal stringency standards. The taxes placed on carbon emissions may have the effect of decreasing the demand for crude oil and natural gas products and at the same time, increasing the operating expenses of crude oil and natural gas companies, each of which may have a material adverse effect on the Company's revenue. Further, the imposition of carbon taxes puts the Company at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations.

Environmental Risks
Oil and gas exploration and production can involve environmental risks such as litigation, physical and regulatory risks. Physical risks include the pollution of the environment, climate change and destruction of natural habitat, as well as safety risks such as personal injury. Logan works hard to identify the potential environmental impacts of its new projects in the planning stage and during operations. The Company conducts its operations with high standards in order to protect the environment, its employees and consultants and the general public. Tenth Avenue maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount

and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds the Company has available and result in financial distress.

The 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. The regulations in Canada are some of the most stringent and progressive in the world. Such regulations provide for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain crude oil and natural gas industry operations, including the abandonment and reclamation of well, facility and pipeline sites. Compliance with such regulations can require significant expenditures by the businesses operating 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. Further to these specific, known requirements, future changes to environmental legislation, including legislation for air pollution and greenhouse gas emissions, may impose further requirements on operators and other companies in the crude oil and natural gas industry. The Company works with applicable federal, provincial and municipal regulators to ensure compliance.

Evolving Corporate Governance, Sustainability and Reporting Framework
The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both compliance costs and the risk of noncompliance, which could have an adverse effect on the price of the Company's securities. Tenth is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSXV and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. Further, the Company's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Information Technology Systems and Cyber-Security
Tenth has become increasingly dependent upon the availability, capacity, reliability and security of its information technology infrastructure, and its ability to expand and continually update this infrastructure, to conduct daily operations. Various information technology systems are relied upon to estimate reserve quantities, process and record financial data, manage the land base, manage financial resources, analyze seismic information, administer contracts and communicate with employees and third-party partners.

The Company is subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of Tenth Avenue's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to its business activities or competitive position. In addition, cyber-phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, 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 personnel are often the targets of such cyber-phishing attacks, as they are and will continue to be targeted by parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to the Company's computers. These emails appear to be legitimate emails, but direct recipients to fake websites operated by the sender of the email or request recipients to send a password or other confidential information through email or to download malware.

The Company maintains policies and procedures that address and implement personal protocols with respect to electronic communications and electronic devices and conducts annual cyber security risk assessments. Despite the Company's efforts to mitigate such phishing attacks through education and training, phishing activities remain a serious problem that may damage Tenth Avenue's 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.

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 reputation. Tenth applies technical and process controls in line with industry-accepted standards to protect information assets and systems; however, these controls may not adequately prevent cyber-security breaches. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of operations.

Forward-Looking Statements

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe", "strive" and similar expressions or the negative of such terms or other comparable terminology. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company;
- the Company's commitment to maintaining financial flexibility and liquidity;
- the Company's business strategy, objectives, strength and focus, including with respect to acquisitions;
- the effects of the Company's acquisitions on the Company's strategy, land holdings and profitability, including, but not limited to, the Swan Hills acquisition, the Avalon acquisition, and the Danzig acquisition;
- the COVID-19 pandemic, the Company's and governmental authorities' current and planned responses thereto and the impact thereof on, without limitation, the Company in particular, including the Company's capital expenditure plans, and the oil and gas industry in general;
- uncertainty regarding the full impact of COVID-19 on global economies and oil demand and commodity prices, including the effects of recent outbreaks of COVID-19 in China;
- the timing of full economic recovery related to the COVID-19 pandemic;
- the impacts on the Company of the military conflict between Russia and Ukraine;
- applications and grants under the Alberta Site Rehabilitation Program ("SRP"), the Federal Emissions Reduction Fund ("ERF"), the Alberta Methane Technology Information Program ("MTIP"), including estimates of expected funding, and repayment timing thereof, as applicable;
- the Company's commitment to advancing ESG practices, managing greenhouse gas emissions and to continued Indigenous and community partnerships in the areas where it operates;
- the potential impact of ESG disclosure and reporting policies and standards imposed by the ISSB and proposed NI 51-107;
- expectations regarding the estimated recoverable amount of the Company's oil and gas properties, royalty rates as a percentage of revenue, and committed capital spending to develop the GORR lands and timing thereof;

- expectations relating to future realized commodity prices, volatile commodity prices, royalty rates and oil price differentials and the effects thereof, including with respect to revenue, earnings and stability to oil pricing;
- the Company's diversification strategy, including the Company's third-party gas sales contracts, and the effects thereof on risk mitigation, price exposure and realized price improvements;
- the Company's plans in respect of returns of capital, including base dividend and enhanced return programs;
- expectations relating to cash tax, tax pools, and deferred tax assets, including in respect of deferred income tax;
- contractual obligations and commitments;
- estimates used to calculate decommissioning obligations and depletion of PP&E; and
- the Company's expectations regarding inflation and interest rates. With respect to the forward-looking statements contained in this MD&A, Tenth Avenue has made assumptions regarding, among other things:
- future commodity prices, price differentials and the actual prices received for the Company's products;
- expected net production expenses and transportation expenses;
- estimated proved and probable oil and natural gas reserves;
- the effects of heavy volume apportionment and fluctuating diluent costs on the heavy oil market in Alberta;
- the ability to obtain equipment and services in the field in a timely and efficient manner;
- the ability to add production and reserves through acquisition and/or drilling at competitive prices;
- the timing of anticipated future production additions from the Company's properties and acquisitions;
- the realization of anticipated benefits of acquisitions, including the acquisitions and the related drilling programs;
- the ability to explore and realize benefits from exposure to diversified gas markets;
- drilling results, including field production rates and decline rates;
- the performance of the waterflood projects;
- the continued application of horizontal drilling and fracturing techniques and pad drilling;
- the continued availability of capital and skilled personnel;
- the ability to obtain financing on acceptable terms;
- the accuracy of Tenth Avenue's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation;
- the impact of increasing competition;
- the ability of the Company to secure adequate product transportation;
- the ability to enter into future commodity derivative contracts on acceptable terms;
- the continuation of the current tax, royalty and regulatory regime;
- the volatility in commodity prices and oil price differentials and the resulting effect on Tenth Avenue's revenue, cash provided by operating activities, adjusted funds flows and earnings;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- the ability to adjust capital spending relative to commodity prices and use financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates and interest rates;
- the ability to maintain financial flexibility;
- Tenth Avenue's ability to execute its plans in response to the COVID-19 pandemic; and
- the impact of inflation on costs and interest rates.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include:

- the material uncertainties and risks described under the headings "Unit Cost Calculation", "Non-IFRS Financial Measures", "Critical Accounting Estimates", "Disclosure Controls and Internal Controls over Financial Reporting", "Business Risks", "Financial Risks", "Operational Risks" and "Regulatory Risks";
- the material assumptions and observations described under the headings "Operational and Financial Highlights", "COVID-19 Response", "Sustainability", "Production", "Petroleum and Natural Gas Sales", "Royalties", "Net Production Expenses", "Transportation Expense", "Operating Netback", "General and Administrative ("G&A") Expenses", "Stock-Based Compensation Expense", "Finance Expense", "Depletion, Depreciation and Amortization ("DD&A")", "Impairment (Impairment Reversal) of Property, Plant and Equipment", "Income Taxes", "Adjusted Funds Flow and Net Income (Loss)", "Capital Expenditures (Including Exploration and Evaluation Expenditures)", "Acquisitions and Dispositions", "Share Capital", "Liquidity and Capital Resources", "Bank Debt", "Commitments", "Contingency" and "Selected Quarterly Information";
- the COVID-19 pandemic and the impact on the Company's business, financial condition and results of operations;
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production and including continued weakness and volatility in commodity prices and petroleum product prices;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved and probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation costs and future development costs;
- the ability to access sufficient capital from internal and external sources;
- changes in tax, royalty and environmental legislation and any government policy;
- any legal proceedings, the results thereof and the impact on the Company's business, financial condition and results of operations;
- changes in the political landscape, both domestically and abroad; and
- increased operating and capital costs due to inflationary pressures (actual and anticipated).

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, increased supply resulting from evolving exploitation methods, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also, to be considered are increased levels of political uncertainty and possible changes to existing international trading agreements and relationships. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Additional information on these and other factors that could affect the business, operations or financial results of Tenth Avenue are included in reports on file with applicable securities regulatory authorities, including but not limited to Tenth Avenue's Annual Information Form for the year ended December 31, 20223, which may be accessed on Tenth Avenue's SEDAR+ profile www.sedarplus.ca or on the Company's website at www.tenthavenuepetroleum.com

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tenth Avenue's prospective results of operations, production, free funds flow, net debt, net debt to annualized adjusted funds flow, corporate decline rates, royalty rates and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumptions outlined under "Non–IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures", and should not be used for purposes other than those for which it is disclosed herein. Tenth Avenue and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Tenth Avenue's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

The forward-looking statements and FOFI contained in this MD&A, as defined by Canadian securities legislation, are approved by management as of the date hereof and Tenth Avenue undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.