November 20, 2025

REPORT TO OUR SHAREHOLDERS

To Our Shareholders,

We are pleased to provide you with the Consolidated Interim Financial Statements and Management's Discussion of Financial Results of White Owl Energy Services Inc. ("White Owl" or "the Corporation" or "the Company") for the three and nine months ending September 30, 2025.

TABLE OF CONTENTS

CONFERENCE CALL

The Company will host a conference call on Monday, November 24, 2025, at 9:00 a.m. MST (11:00 a.m. EST) to discuss its results for the Third Quarter 2025. Mr. Craig Heitrich, President and Chief Executive Officer and Mr. Barry O'Brien, Chief Financial Officer, will host the call.

Call In: +1 855 234 1851

Participant Code: 3450634#

THIRD QUARTER AND YEAR TO DATE SEPTEMBER 30, 2025, HIGHLIGHTS ($ amounts in CAD)

Highlights for the three and nine months ending September 30, 2025, are summarized as follows:

- On October 22, 2025, the shareholders of the Corporation approved a capital reorganization to reduce its stated capital to allow preferred shareholders to receive a partial return of their capital and allow the holders of common shares to benefit from and participate to a higher degree in the future growth of the Corporation. Pursuant to the capital reorganization, on November 20, 2025, the Corporation repurchased and cancelled 7,787,250 Series A Preferred Shares, in exchange for total cash consideration of $3,114,900 or $0.40 per Series A Preferred Share.
- Effective on July 1, 2025, the Corporation purchased a 28% interest in the White Owl Tioga Joint Venture ("Tioga JV") for proceeds of US$1,500,000, which increases the Company's ownership in the Tioga JV

to 75%. The acquisition of this 28% interest contributed $221,000 to EBITDA in Q3 2025.

- On July 2, 2025, the Corporation entered into a US$6 million term loan facility ("term loan facility") and a US$1 million operating facility ("operating facility") with a new financial institution. At closing, US$3 million was initially drawn on the term loan facility to fund the purchase of the 28% interest in the Tioga JV, fully repay the outstanding existing term loan, and to fund 2025 upgrade capital expenditures. On October 31, 2025, the remaining US$3 million was drawn by the Corporation to fund a portion of the repurchase of Series A Preferred Shares and capital expansion projects. The term loan agreement provides for the repurchase of the Series A Preferred Shares to a maximum of US$2.25 million.
- The Corporation's cash and cash equivalents position is $4,963,000 (US$3,565,000) as at September 30, 2025.
- The Corporation's trailing twelve-month net debt to EBITDA ratio is a conservative 0.00:1.00 as of September 30, 2025, unchanged from December 31, 2024.
- Recent increases in drilling and completion activity around the Corporation's Ross, Tioga and Watford Saltwater Disposal ("SWD") facilities, have resulted in these sites currently operating at close to full capacity levels. These three facilities accounted for 74% of the Corporation's Q3 2025 disposal volumes. In addition, at the Epping SWD facility, a major customer is constructing a pipeline to the site with delivery of fluids expected to commence in Q1 2026. Furthermore, the existing pipeline connected customer at the Epping SWD facility is planning to increase volumes in 2026 from its ongoing development program in the area.
- Q3 2025 EBITDA increased 9% to $1,831,000 compared to $1,675,000 in Q3 2024, as higher disposal revenue more than offset lower oil sales revenue and higher operating costs.
- For the nine months ending September 30, 2025, EBITDA decreased 5% to $5,223,000 from $5,476,000 for the 2024 comparable period, as higher disposal revenue was negatively affected by lower oil sales revenue (due to lower oil prices) and higher operating costs (due to two well workovers, higher solids disposal costs and US tariffs).
- Additions to property, plant and equipment for the nine months ending September 30, 2025, totaled $695,000 compared to $1,968,000 for the comparable period.

FINANCIAL AND OPERATIONAL HIGHLIGHTS ($ amounts in CAD)

($000's, unless otherwise noted)	Three months ended September 30, 2025	2024	%	Nine months ended September 30, 2025	2024	%
Consolidated operations						
Disposal volumes (Bbls)	**3,931,614**	3,782,181	4%	**11,189,878**	11,036,472	1%
Recovered oil sales volumes (Bbls)	**21,769**	20,083	8%	**69,266**	66,827	4%
Disposal revenue ($ per Bbl)	**$0.97**	$0.80	22%	**$0.94**	$0.81	16%
Oil sales revenue ($ per Bbl)	**$76.03**	$86.64	-12%	**$77.74**	$88.82	-12%
Operating costs and royalties ($ per Bbl)	**$0.78**	$0.69	13%	**$0.82**	$0.73	12%
Consolidated disposal and services revenue						
Disposal revenue	**$3,811**	$3,018	26%	**$10,513**	$8,970	17%
Oil sales revenue	**1,655**	1,740	-5%	**5,384**	5,935	-9%
Other revenue	**167**	204	-18%	**498**	430	16%
Total revenue	**5,633**	4,962	14%	**16,395**	15,335	7%
Operating costs	**(3,055)**	(2,619)	17%	**(9,213)**	(8,063)	14%
Operating income[1]	**2,578**	2,343	10%	**7,182**	7,272	-1%
General and administrative expenses ("G&A")	**(747)**	(668)	12%	**(1,959)**	(1,777)	10%
Bad debt expense	**-**	**-**	-	**-**	(19)	-100%
EBITDA [1]	**$1,831**	$1,675	9%	**$5,223**	$5,476	-5%
Other income and expenses						
Depreciation and amortization	**(682)**	(633)	8%	**(1,956)**	(1,734)	13%
Finance costs	**(233)**	(152)	53%	**(441)**	(511)	-14%
Share-based payments	**(95)**	(2)	4650%	**(237)**	(13)	1723%
Bargain purchase gain	**-**	-	-	**-**	750	-100%
Loss on disposition of joint operation interest	**-**	-	-	**-**	(375)	-100%
Foreign exchange gain (losses)	**(334)**	310	-208%	**933**	(390)	339%
Gain (loss) on disposal of property, plant and equipment - net	**-**	20	-100%	**(113)**	20	-665%
Income tax expense	**(180)**	(2)	8900%	**(184)**	(8)	2200%
Deferred income tax recovery	**141**	-	100%	**141**	-	100%
Net income	**$448**	$1,216	-63%	**$3,366**	$3,215	5%

(1) Refer to "Non-GAAP Measures" for additional information.

Remainder of this page intentionally left blank

OPERATING LOCATIONS (dollar amounts in USD):

New Town SWD Facility

New Town Facility (amounts in USD except volumes)

		Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Production Water - Trucked	b/d	5,885	17,687	-67%	6,286	14,109	-55%
Flowback	b/d	157	419	-63%	175	308	-43%
Total Fluids Disposed	b/d	6,042	18,106	-67%	6,461	14,417	-55%
Oil Sales	b/qtr, yr	3,505	5,576	-37%	12,484	17,035	-27%
Revenue:							
Production Water - Trucked		$ 297,792	$ 762,107	-61%	$ 945,066	$ 1,829,638	-48%
Price for Production Water/bbl		0.55	0.47	17%	0.55	0.47	16%
Flowback		28,139	44,745	-37%	86,506	114,004	-24%
Price for Flowback/bbl		1.95	1.16	68%	1.81	1.35	34%
Recovered Oil		190,658	355,024	-46%	696,509	1,110,783	-37%
Price for Oil/bbl		54.40	63.67	-15%	55.79	65.21	-14%
Total Revenue		516,589	1,161,876	-56%	1,728,081	3,054,425	-43%
Total Revenue/bbl.		$0.93	$0.70	33%	$1.48	$1.16	27%
Operating Costs and Royalties		290,396	505,318	-43%	1,208,110	1,466,496	-18%
Operating Income (loss)		$ 226,194	$ 656,558	-66%	$ 519,971	$ 1,587,929	-67%

Highlights for Third Quarter and Year-to-Date 2025:

- No spills, environmental incidents, or safety incidents.
- Decrease in operating income for the three and nine months ended September 30, 2025, is primarily due to a significant decrease in fluid disposal and oil sales volumes caused mainly by increased competition from a neighboring SWD facility. In addition, a well workover costing $208,000 was completed in April 2025.
- Despite the increased competition, New Town disposal volumes have been moderately improving in Q4 2025, averaging 7,500 bpd for the month of October versus 6,042 for Q3 2025.
- The Corporation continues to explore ways to increase this facility's volumes, despite the competition nearby and limited activity in the area. Notably, the Corporation is in discussions with a major customer who is planning to construct a pipeline to deliver fluids to New Town from its nearby wells, with commissioning expected to occur in the second half of 2026.

- Capital projects for the nine months ending September 30, 2025, totaled $60,000 and related to an upgrade to the tank battery sumps and the programmable logic control and automation system.

Watford SWD Facility

Watford Facility (amounts in USD except volumes)

		Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Production Water - Trucked	b/d	8,058	5,572	*45%*	8,956	7,628	*17%*
Production Water - Piped	b/d	0	0	*0%*	0	1	*0%*
Flowback	b/d	555	624	*-11%*	470	667	*-30%*
Total Fluids Disposed	b/d	8,613	6,197	*39%*	9,426	8,296	*14%*
Oil Sales	b/qtr, yr.	4,643	4,650	*0%*	17,877	19,776	*-10%*
Revenue:							
Production Water - Trucked		$ 407,740	$ 255,051	*60%*	$ 1,342,412	$ 1,038,291	*29%*
Price for Prodn. Water-Trucked/bbl		0.55	0.50	*9%*	0.55	0.50	*11%*
Production Water - Piped		0	0	*0%*	0	87	*-100%*
Price for Prodn. Water Piped/bbl		0.00	0.00	*0%*	0.00	0.00	*#DIV/0!*
Flowback		82,929	73,246	*13%*	195,814	232,569	*-16%*
Price for Flowback/bbl		1.62	1.29	*26%*	1.53	1.27	*20%*
Recovered Oil		257,288	283,973	*-9%*	987,209	1,288,751	*-23%*
Price for Oil/bbl		55.42	61.07	*-9%*	55.22	65.17	*-15%*
Other Income		0	0	*0%*	0	0	*0%*
Total Revenue		747,957	612,270	*22%*	2,525,435	2,559,698	*-1%*
Total Revenue/bbl.		0.94	1.09	*-13%*	0.98	1.13	*-13%*
Operating Costs and Royalties		487,723	327,263	*49%*	1,488,510	1,108,866	*34%*
Operating Income		$ 260,234	$ 285,007	*-9%*	$ 1,036,925	$ 1,450,832	*-29%*

Highlights for Third Quarter and Year-to-Date 2025:

- No spills, environmental incidents, or safety incidents.
- Fluid disposal volumes increased 14% and 39% for the three and nine months ending September 30, 2025, versus the 2024 comparable periods due to increased producer activity.
- Despite the increased producer activity, oil sales volumes remained flat for Q3 2025 versus Q3 2024 and decreased 10% for the nine months ending September 30, 2025, versus the 2024 comparable period. Oil volumes depend on the mix of production and flowback volumes and customer mix and as a result will vary from month to month.
- For the three and nine months ending September 30, 2025, operating income decreased 9% and 29%, respectively, primarily due to increased repairs and maintenance costs. In mid-June 2025, there was a

power surge from a storm that damaged both electrical drives for the injection pumps and shut down the site for several days. The site restarted with two rental electrical drives.

- Capital projects for the nine months ending September 30, 2025, totaled $59,000 and related to an upgrade to the grounding system.

Ross SWD Facility

Ross Facility (amounts in USD except volumes)							
		Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Production Water - Trucked	b/d	12,700	9,025	*41%*	13,036	9,009	*45%*
Flowback	b/d	1,003	1,822	*-45%*	1,380	1,419	*-3%*
Total Fluids Disposed	b/d	13,703	10,847	*26%*	14,416	10,428	*38%*
Oil Sales	b/qtr, yr.	6,426	6,020	*7%*	20,833	18,300	*14%*
Revenue:							
Production Water - Trucked		$ 642,611	$ 426,648	*51%*	$ 1,950,098	$ 1,256,630	*55%*
Price for Production Water/bbl		0.55	0.51	*7%*	0.55	0.51	*8%*
Flowback		124,111	213,886	*-42%*	501,021	504,284	*-1%*
Price for Flowback/bbl		1.34	1.28	*5%*	1.33	1.30	*3%*
Recovered Oil		353,468	388,876	*-9%*	1,155,082	1,199,932	*-4%*
Price for Oil/bbl		55.01	64.60	*-15%*	55.44	65.57	*-15%*
Other Income		0	0	*100%*	0	0	*100%*
Total Revenue		1,120,189	1,029,410	*9%*	3,606,201	2,960,846	*22%*
Total Revenue/bbl.		0.89	1.03	*-14%*	$0.92	$1.04	*-12%*
Operating Costs and Royalties		598,362	377,034	*59%*	1,836,646	1,642,702	*12%*
Operating Income (Loss)		$ 521,827	$ 652,376	*-20%*	$ 1,769,555	$ 1,318,144	*34%*

Highlights for Third Quarter and Year-to-Date 2025:

- No spills, environmental incidents, or safety incidents.
- Increased producer drilling and completion activity in the second half of last year resulted in fluid disposal volumes increasing 26% and 38% for the three and nine months ending September 30, 2025, respectively, versus the 2024 comparable periods. The increased disposal volumes led to oil sales volumes increasing by 7% and 14% between the periods.
- For the nine months ending September 30, 2025, operating income increased 34% versus the 2024 comparable period due to the higher disposal and oil sales volumes.

- For the three months ending September 30, 2025, operating income decreased 20%, primarily due to higher operating costs and royalties, resulting from increased tank clean out costs and repairs and maintenance.
- For the nine months ending September 30, 2025, capital expenditures totaled $120,000, primarily to upgrade the filter vessel and charge pump system and to complete the installation and commissioning of the injection pump which was purchased in 2024.

Alexander Class 1 Facility

Alexander Facility (Amounts in USD except volumes)

		Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Class 1 Water-Trucked	b/d	515	152	238%	291	272	7%
Total Fluids Disposed	b/d	515	152	238%	291	272	7%
Class 1 Water	b/qtr. yr.	47,369	14,018	238%	79,443	74,550	7%
Revenue:							
Class 1 Water		$ 311,489	$ 94,610	229%	$ 521,193	$ 480,352	9%
Price for Class 1 Water		6.58	6.75	-3%	6.56	6.44	2%
Total Revenue		311,489	94,610	229%	521,193	480,352	9%
Total Revenue/bbl.		6.58	6.75	-3%	6.56	6.44	2%
Operating Costs and Royalties		107,774	211,085	-49%	237,622	398,780	-40%
Operating Income		$ 203,715	$ (116,475)	-275%	$ 283,570	$ 81,572	248%

Highlights for Third Quarter and Year-to-Date 2025:

- No spills, environmental incidents, or safety incidents.
- The significantly improved operating income for the three and nine months ending September 30, 2025, versus the 2024 comparable periods is primarily due to increased disposal volumes and lower operating costs. During August and September 2024, the well was shut in to complete a well workover costing $121,000.
- Capital projects for this facility were minimal, totaling $9,000 for the three and nine months ending September 30, 2025.

White Owl ENERGY SERVICES INC.

Tioga SWD JV Facility

Tioga (Volumes 100%, dollar amounts at 75% in USD)							
		Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Production Water-Trucked	b/d	7,134	1,540	*363%*	4,784	4,347	*10%*
Production Water-Piped	b/d	2,801	3,394	*-17%*	3,081	2,863	*8%*
Flowback	b/d	1,870	1,291	*45%*	1,779	1,189	*50%*
Total Fluids Disposed	b/d	11,806	6,225	*90%*	9,643	8,400	*15%*
Oil Sales	b/qtr. yr.	7,356	4,965	*48%*	21,518	14,458	*49%*
Revenue:							
Production Water - Trucked		$ 271,618	$ 34,109	*696%*	$ 438,240	$ 288,687	*52%*
Price for Prodn. Water-Trucked/bbl		0.55	0.52	*7%*	0.45	0.52	*-13%*
Production Water - Piped		119,836	76,317	*57%*	286,354	191,717	*49%*
Price for Prodn. Water Piped/bbl		0.62	0.53	*18%*	0.45	0.52	*-13%*
Flowback		191,680	72,133	*166%*	392,412	186,178	*111%*
Price for Flowback/bbl		1.49	1.31	*14%*	0.81	0.57	*41%*
Recovered Oil		308,445	150,122	*105%*	679,935	446,180	*52%*
Price for Oil/bbl		55.91	64.33	*-13%*	31.60	30.86	*2%*
Other		0	0	*100%*	62,040	0	*100%*
Total Revenue		$891,578	332,682	*168%*	1,858,981	1,112,762	*67%*
Total Revenue/bbl.		1.75	1.25	*40%*	0.71	0.48	*46%*
Operating Costs and Royalties		460,542	164,842	*179%*	951,888	665,545	*43%*
Operating Income		$ 431,036	$ 167,839	*157%*	$ 907,094	$ 447,217	*103%*

The highlights below are based on total volumes for the facility while the financial information represents White Owl's 75% interest in the Tioga JV.

Highlights for Third Quarter and Year-to-Date 2025:

- Effective July 1, 2025, the Corporation acquired an additional 28% working interest in the Tioga JV for proceeds of $1,500,000 (CAD$2,043,000), increasing White Owl's interest in the Tioga JV to 75%. The Corporation is pleased with this purchase as producer drilling and completion activity is very strong in the area.
- No spills, environmental incidents, or safety incidents.
- Operating income increased 157% and 103% for the three and nine months ending September 30, 2025, respectively, versus the 2024 comparable periods due to major customers actively drilling and completing wells in the area.

- For the nine months ending September 30, 2025, capital expenditures totaled $68,000 related to various upgrade projects.

Epping SWD JV

Epping (Volumes 100%, Dollar amounts at 35% Working Interest in USD)

		Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Production Water-Trucked	b/d	7,665	2,960	*159%*	7,208	3,831	*88%*
Production Water-Piped	b/d	2,433	3,169	*-23%*	2,501	3,094	*-19%*
Flowback	b/d	553	268	*106%*	505	397	*27%*
Total Fluids Disposed	b/d	10,651	6,397	*67%*	10,214	7,322	*40%*
Oil Sales	b/qtr. yr.	2,318	1,141	*103%*	11,255	6,998	*61%*
Revenue:							
Production Water-Trucked		$ 135,753	$ 48,782	*178%*	$ 376,913	$ 185,132	*104%*
Price for Production Water/bbl		0.55	0.51	*7%*	0.55	0.50	*9%*
Production Water-Piped		45,432	53,067	*-14%*	136,443	154,324	*-12%*
Price for Production Water/bbl		0.58	0.52	*12%*	0.57	0.52	*10%*
Flowback		35,337	10,949	*223%*	81,681	48,731	*68%*
Price for Flowback/bbl		1.99	1.27	*57%*	1.69	1.28	*32%*
Recovered Oil		45,014	24,894	*81%*	221,131	159,682	*38%*
Price for Oil/bbl		55.48	62.34	*-11%*	56.14	65.20	*-14%*
Total Revenue		261,535	137,692	*90%*	816,168	547,870	*49%*
Total Revenue/bbl.		0.76	0.67	*14%*	0.84	0.78	*7%*
Operating Costs and Royalties		198,272	115,362	*72%*	660,638	393,453	*68%*
Operating Income		$ 63,263	$22,330	*183%*	$155,530	$154,417	*1%*

The highlights below are based on total volumes for the facility while the financial information represents White Owl's 35% interest in the Epping Joint Venture.

Highlights for Third Quarter and Year-to-Date 2025:

- No spills, environmental incidents, or safety incidents.
- Several producers were active in the area in the second half of 2024, resulting in significantly improved disposal volumes in 2025. Notably, the pipeline connected customer who has been very active in the area, has requested an increase in Epping disposal capacity commencing in 2026. There is also a second customer currently constructing a pipeline to Epping, with delivery of fluids expected to commence in Q1 2026.

- Oil recovery has also improved in 2025 with oil sales volumes averaging approximately 1,250 per month for the nine months ending September 30, 2025, versus a monthly average of 780 barrels per month for the 2024 year.
- Q3 2025 operating income increased almost three-fold, primarily due to disposal and oil revenue increasing 92% and 81%, respectively.
- For the nine months ending September 30, 2025, operating income remained consistent, as higher revenues were offset by one-time well workover costs totaling $117,000, net to White Owl.
- For the nine months ending September 30, 2025, operating costs increased ($0.68 per barrel) from ($0.56 per barrel) for the comparable 2024 period primarily due to a well workover completed in the first quarter costing $117,000 ($0.11 per barrel). The workover on Well #1 was successfully completed in mid-January 2025 and included replacing the tubing string.
- There were minimal capital projects for this facility for the three and nine months ending September 30, 2025.

Remainder of this page intentionally left blank

Killdeer SWD JV Facility

Killdeer Facility (vols.100%, Dollar amounts at 25%WI in USD))							
		Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Production Water-Trucked	b/d	4,236	675	528%	3,434	550	524%
Production Water-Piped	b/d	643	330	95%	708	317	123%
Flowback	b/d	242	606	-60%	518	588	-12%
Total Fluids Disposed	b/d	5,121	1,610	218%	4,659	1,455	220%
Oil Sales	b/qtr	3,476	2,757	26%	7,846	6,178	27%
Revenue							
Production Water-Trucked		$ 53,454	$ 12,347	333%	$ 126,917	$ 15,668	710%
Price for Production Water/bbl		0.55	0.50	10%	0.54	0.50	9%
Production Water-Piped		8,142	6,067	34%	26,559	11,282	135%
Price for Production Water/bbl		0.55	0.50	10%	0.55	0.50	10%
Flowback		10,956	27,903	-61%	55,536	54,508	2%
Price for Flowback/bbl		1.97	1.25	57%	1.57	1.28	22%
Recovered Oil		47,380	72,010	-34%	108,014	159,932	-32%
Price for Oil/bbl		54.53	65.30	-16%	55.07	64.72	-15%
Other Income		0	0	100%	0	0	
Total Revenue		119,932	118,327	1%	317,026	241,390	31%
Total Revenue/bbl.		1.02	2.00	-49%	1.50	3.67	-59%
Operating Costs and Royalties		74,522	219,701	-66%	207,276	251,997	-18%
Operating Income		$ 45,410	$ (101,374)	-145%	$ 109,750	$ (10,608)	-1135%

The discussion below is based on total volumes for the facility while the financial information represents White Owl's 25% interest in the White Owl Killdeer Joint Venture ("Killdeer JV").

Highlights for Third Quarter and Year-to-Date 2025:

- Effective June 1, 2024, the Company entered into the Killdeer Joint Venture Agreement ("JV Agreement"). Pursuant to the Killdeer JV, White Owl and its partner were committed to spend US$800,000 to complete plant turnaround activities and maintenance work. As of June 30, 2025, the Company has satisfied this commitment and completed the required turnaround and maintenance projects.
- Also, effective June 1, 2024, the Company disposed of a 50% interest in its 50% participating interest in the Killdeer JV to a partner ("White Owl Partner"). With the White Owl Partner's participation, White Owl's net investment will earn 25% interest in the Killdeer JV's assets and liabilities.
- No spills, environmental incidents, or safety incidents.

- For the three and nine months ending September 30, 2025, operating income significantly improved, as a major well workover was completed in the Summer and Fall of 2024.
- Disposal volumes averaged in the 3,000 to 4,000 bpd range over the first four months of 2025, as White Owl completed the delayed maintenance and plant improvements required under the terms of the JV Agreement. Q3 2025 disposal volumes improved to 5,121 bpd despite being impacted by slow producer drilling and completion activity in the area.
- In addition to completing the $800,000 (gross) commitment under the JV Agreement in Q2 2025, the Company has also completed capital improvements for the nine months ending September 30, 2025, totaling $89,000 (net to White Owl). These improvements included connecting the site to rural water, the installation of an oil water separator tank, and complete the installation of a desand tank. Additional improvements, such as upgrades to the truck offloads and completion of the filter and charge pump skid are expected to be completed in 2026.

OUTLOOK

North Dakota Bakken Activity

Oil and natural gas activity continues to remain steady across North Dakota, notwithstanding the weak oil prices in recent months:

- Wells permitted remain consistent at approximately 90-100 per month, which is the estimated level required to support current Bakken production at 1.2 million barrels per day of oil and 3.5 Bcf/d per day of liquids rich gas.
- The North Dakota drilling rig count over the past year has been consistently in the 30-35 rigs range.
- Low oil prices have resulted in the inventory of drilled and uncompleted wells ("DUCS") increasing from 280 at the beginning of the year to 351 at the end of July 2025. This increase in inactive wells and wells awaiting completion indicates that there is a direct correlation with the current volatility in oil prices. The Corporation will continue to monitor this against the State's oil production in the coming months along with the active rig count.
- The North Dakota Industrial Commission ("NDIC") recently reported a consistent increase in 3-mile and 4-mile lateral permits, which should in turn mean increased flowback volumes at time of well completion.

The State of North Dakota is very aware of the impact which a volatile price environment can have on activity levels. At a recent North Dakota Industrial Commission (NDIC) meeting held on May 22, 2025, the Department of Mineral Resources (DMR) requested that an updated Non-Completion Well Waiver policy be adopted. As the current rules state, producers must either put the wells into production or plug them at the one-year mark to avoid being put on abandoned status. The new policy, which is effective immediately, allows producers an additional year to complete the well after it has been drilled. The DMR, states, "Due to a soft pricing environment and the potential for rig and/or activity level reductions, the DMR is implementing this waiver as it has done in the past. The goal is that the waiver will assist operators in maintaining healthy activity levels."

White Owl Operations

Where White Owl's operations are concerned, the following is a summary of customer activity around the Corporation's sites as a new year approaches:

- Around our Ross, Tioga and Watford SWD facilities, there has been a recent increase in drilling and completion activity by major customers, resulting in these sites currently operating at close to full capacity levels. As a result, White Owl is pleased with its purchase of an additional 28% in the Tioga JV, on July 1, 2025, with this additional interest contributing $221,000 to the Corporation's EBITDA in Q3 2025.
- Notably, at the Epping SWD facility ("Epping"), the pipeline connected customer is planning to increase volumes in 2026 from its ongoing development program in the area. In addition, another major customer is currently constructing a pipeline to Epping, with delivery of fluids expected to commence in Q1 2026.
- At the New Town SWD facility, a major customer is planning to construct a pipeline to deliver fluids from its nearby wells, with commissioning expected to occur in the second half of 2026.
- At the Killdeer SWD facility, even though producer activity in the area has slowed, disposal volumes have been improving moderately since June 2025 as customers in the area become more familiar with the site. Importantly, oil recovery at this facility has increased by about 20% over the same period.

Where the costs of operation are concerned, a main concern for White Owl continues to be the negative effect of US tariffs which are impacting the Corporation's operating expenses. We have seen success in increasing our disposal rates in the first half of 2025, now we need to manage the increase in expenses the tariffs are causing so as not to erode the positive impact of the recent rate increases and possibly more.

Mergers and acquisitions continue and the integration of the companies that did deals in 2024 are occurring in 2025. Client relations with the acquiring companies continue to be a focus of management to ensure transitions do not disrupt White Owl business and possibly provide larger opportunities for us.

Dakota Access Pipeline

The Dakota Access Pipeline ("DAPL") remains in limbo as reported in Q4 2024. The federal officials released a draft environmental review of the pipeline in September 2023, in which they said they would not decide on the controversial river crossing in North Dakota until more data was provided. With the current US Administration favouring oil and gas activity, we are hopeful the status of DAPL may change sometime soon. This pipeline has been operational since June 1, 2017, transporting approximately 600,000 barrels of oil per day.

Corporate Review

Capital Reorganization

On October 22, 2025, the Corporation held an Annual General and Special Meeting ("AGSM") at which shareholders approved a capital reorganization to reduce its stated capital in order to allow preferred shareholders to receive a partial return of their capital and allow the holders of common shares to benefit from and participate to a higher degree in the future growth of the Corporation. Pursuant to the capital reorganization, on November 20, 2025, the Corporation purchased and cancelled 7,787,250 Series A Preferred Shares in exchange for cash consideration of $0.40 per Series A Preferred Share, being an aggregate amount of $3,114,900 ("Cash Consideration"). The amount of the Cash Consideration was determined by the Board of Directors of the Corporation based on the terms of an agreement entered into by the Corporation with a new lender on July 2, 2025 (please see "*Long-Term Debt*" Page 22 for additional information).

Board of Directors

At the AGSM, two former directors, Messrs. James Coleman and Owen Pinnell, retired from the Board of Directors after serving the Corporation from its founding in 2013. The Corporation expresses its profound gratitude for their service and contribution to the Corporation's success and wishes them the very best in their future endeavours.

At the AGSM, the shareholders of the Corporation decided that the Board of Directors will consist of five members. Consequently, Messsrs. Robert Ayling, Robb D. Thompson, Greg Bay, Riley Waite and Craig Heitrich were elected as directors of the Corporation to hold office for the ensuing year.

Capital Expansion

With our strong balance sheet, management and the Board of Directors are currently assessing and budgeting its alternatives for capital expansion to determine what is in the best interests for all stakeholders.

As discussed above, capital expansion commenced with the July 1, 2025, purchase of an additional 28% interest in the Tioga JV. The Tioga SWD facility has a very positive outlook, given the amount of producer activity in the area, with White Owl now holding a 75% ownership position in the Tioga JV. The Company has several other internal "low hanging fruit" projects that are being assessed based on financial returns, priority, risk and forecasted common share value accretion. Capital allocation will be recommended based on these factors but also considering sources of capital, tolerance for debt capital in uncertain market conditions and return of capital to preferred shareholders.

The new US$6 million term loan facility which closed on July 2, 2025, provides the Corporation with financial flexibility to achieve some of its near-term objectives. For example, on July 2, 2025, $3 million was drawn by the

Corporation on the term loan facility to fully repay the previous lender's term loan, the US$1.5 million purchase of a 28% interest in the White Owl Tioga JV and to fund upgrade capital expenditures. The remaining US$3 million available under the term loan facility was drawn on October 31, 2025, to fund the previously mentioned repurchase of preferred shares as well as capital expansion projects.

The Corporation is committed to maintaining a strong cash position and a conservative net debt to EBITDA level going forward. At September 30, 2025, the Corporation's cash balance totaled $5.0 million (US$3.6 million) and its net debt to EBITDA was zero.

Again, we would also like to thank all our staff in Alberta and North Dakota for their significant efforts in keeping the business operating at a healthy 58% of available capacity. Thank you for your commitment and loyalty and for your assistance in achieving strong operating and financial results for the three and nine months ending September 30, 2025.

We also appreciate the ongoing support of our shareholders and should you have any questions, please do not hesitate to contact the Corporation directly at 403-457-5456 extension #101 or cheitrich@whiteowl-services.com. We sincerely thank you for this support and confidence in the management and board of White Owl.

Sincerely,

On behalf of the Board of Directors,

Craig Heitrich
President and CEO

NON-GAAP MEASURES

The MDFR refers to terms commonly used in the industry including operating income (loss), net debt and EBITDA. Such terms do not have a standard meaning as prescribed by IFRS and, therefore, may not be comparable with the determination of similar measures of other entities. These measures are identified as non-GAAP measures and are used by Management to analyze operating performance and leverage. Operating income (loss) and EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with IFRS.

Net debt is used by Management as a key measure to assess the Corporation's liquidity position at a point in time. Net debt is reflected in the measures used by Management to monitor the liquidity in light of operating and budgeting decisions.

Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Cautionary Statements:

This letter contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward looking statements") within the meaning of applicable securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this letter contains forward looking statements relating to future opportunities, business strategies and competitive advantages. The forward-looking statements regarding White Owl Energy Services Inc. ("White Owl" or the "Corporation") are based on certain key expectations and assumptions of White Owl concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, all of which are subject to change based on market conditions and potential timing delays. Although management of White Owl considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward looking statements, including among other things: inability to meet current and future obligations; inability to implement White Owl's business strategy effectively for a number of reasons, including general economic and market factors, including business competition, changes in government regulations; access to capital markets; interest and currency exchange rates; commodity prices; technological developments; general political and social uncertainties; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation; timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals. Readers are cautioned that the foregoing list is not exhaustive.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this letter are made as of the date of this letter and White Owl does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

The information contained in this letter does not purport to be all-inclusive or to contain all information that a prospective investor may require. Prospective investors are encouraged to conduct their own analysis and reviews of White Owl and of the information contained in this letter. Without limitation, prospective investors should consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing White Owl.

Any financial outlook or future-oriented financial information, as defined by applicable securities legislation, has been approved by management of White Owl as of the date hereof. Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and goals relating to the future of White Owl. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

White Owl uses terms within this letter, including, among others, "EBITDA", which terms do not have a standardized prescribed meaning under generally accepted accounting principles ("GAAP") and these measurements are unlikely to be comparable with the calculation of similar measurements of other entities. Prospective investors are cautioned, however, that these measures should not be construed as alternatives to measures determined in accordance with GAAP.

This letter does not constitute an offer to sell securities of the Corporation or a solicitation of offers to purchase securities of the Corporation. Such an offer or solicitation will only be conducted in accordance with applicable securities laws and pursuant to an enforceable agreement of purchase and sale.