LOGAN ENERGY CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

AS AT AND FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2023 AND 2022

INTRODUCTION

Logan Energy Corp. (“Logan” or the “Company”) was incorporated under the *Business Corporations Act* (Alberta) on March 10, 2023 as “2499938 Alberta Ltd.”. Articles of Amendment were filed to change its name to “Logan Energy Corp.” on March 22, 2023. The Company is engaged in exploration, development and production of crude oil and natural gas properties, focused in the Simonette and Pouce Coupe areas of northwest Alberta, and in the Flatrock area of northeastern British Columbia. Logan does not have any subsidiaries. Common shares of Logan are listed on the TSX Venture Exchange (“TSXV”) and trade under the symbol “LGN”. The Company’s head office is located at 1500, 308 – 4th Avenue S.W., Calgary, Alberta T2P 0H7 and its registered office is 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

The following Management’s Discussion and Analysis (“**MD&A**”) has been prepared by management as of August 11, 2023, in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Requirements* ("**NI 51-102**"). This MD&A should be read in conjunction with the Company’s unaudited interim financial statements and related notes as at and for the three and six months ended June 30, 2023 (the “**Interim Financial Statements**”). Additional information relevant to the Company, including Logan's Listing Application dated July 12, 2023 (the "**Listing Application**"), can be found on SEDAR+ at www.sedarplus.ca and the Company’s website at www.loganenergycorp.com.

Unless otherwise noted, the financial information in this MD&A has have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”), also known as Canadian generally accepted accounting principles (“**GAAP**”). This MD&A contains forward-looking statements, non-GAAP financial measures and other financial and non-financial measures. Readers are cautioned that the MD&A should be read in conjunction with the Company’s disclosures under the headings “Non-GAAP and Other Financial Measures”, “Other Measurements”, “Risk and Uncertainties” and “Forward-Looking Statements” included in this MD&A. All dollar amounts are quoted in thousands of Canadian dollars (“**CA$**”), the reporting and functional currency of the Company, unless otherwise indicated.

Common Control Transaction

On June 20, 2023, Logan commenced active operations as a new growth-oriented exploration, development and production company formed through the spin-out of the early stage Montney assets of Spartan Delta Corp. ("**Spartan**"). Pursuant to the terms of an asset conveyance agreement between Logan and Spartan dated June 20, 2023, Spartan transferred certain oil and natural gas assets (the “**Transferred Assets**”) to Logan in exchange for one common share of Logan (a “**Logan Share**”) and one common share purchase warrant of Logan (a “**Transaction Warrant**”) for each common share of Spartan held (the "**Spin-Out**"). The Transferred Assets are focused in the prolific Montney resource trend of northwest Alberta and northeast British Columbia (“**NEBC**”), predominantly in the Simonette, Pouce Coupe and Flatrock areas, as well as legacy production from minor properties in NEBC. In aggregate, 173.2 million Logan Shares and 173.2 million Transaction Warrants were issued to Spartan in consideration for the Transferred Assets, representing the fair market value thereof, in the aggregate amount of approximately $60.6 million.

Since the shareholders of Logan and Spartan were the same both before and after the conveyance of the Transferred Assets (at the time, Logan was a wholly-owned subsidiary of Spartan), the Spin-Out was deemed to be a common control transaction. The financial and operational results herein present the historic financial position, results of operations and cash flows of the Transferred Assets for all prior periods up to and including June 20, 2023 on a carve-out basis as if they had operated as a stand-alone entity subject to Spartan’s control. The financial position, results of operations and cash flows from March 10, 2023 (the date of incorporation of Logan) to June 20, 2023 include both the Transferred Assets and Logan on a combined basis, and from June 20, 2023 forward include the actual historical results of Logan after assuming the Transferred Assets upon close of the Spin-Out.

Significant judgements were required in determining the allocation of the reported amounts of Spartan to the carve-out financial statements of Logan. The carve-out financial statements do not necessarily reflect what the financial position, results of operations and cash flows would have been had these net assets been in a separate entity, or the future results of Logan, as it exists after the completion of the Spin-Out.

Subsequent Events

Listing of Logan Shares

Common shares of Logan were approved for listing on the TSXV and commenced trading on July 18, 2023, under the symbol “LGN”.

Distribution of Logan Shares and Transaction Warrants

The Logan Shares and Transaction Warrants issued to Spartan in connection with the Spin-Out were distributed to eligible holders of common shares of Spartan (“**Spartan Shareholders**”) on July 6, 2023 (the “**Distribution**”). Concurrent with the Distribution, Logan ceased to be a subsidiary of Spartan and is now a stand-alone legal entity.

Each Transaction Warrant entitled the holder to acquire one Logan Share at an exercise price of $0.35 per share at any time on or before July 31, 2023. The expiry date was subsequently extended to August 14, 2023 to give financial intermediaries additional time to process and submit required documentation with respect to the exercise. As of the date hereof, a total of 151.7 million Transaction Warrants were exercised providing the Company with $53.1 million of cash proceeds. There are 21.5 million Transaction Warrants outstanding.

Private Placement

On July 13, 2023, Logan closed a non-brokered private placement for aggregate gross proceeds of approximately $48.5 million (the “**Private Placement**”). Pursuant to the Private Placement, Logan issued 64.3 million units ("**Units**") and 74.3 million Logan Shares at a price of $0.35 per Unit and Logan Share, as applicable. Each Unit is comprised of one Logan Share and one Logan Share purchase warrant (a "**Financing Warrant**").

Each Financing Warrant entitles the holder to purchase one Logan Share at an exercise price of $0.35 for a period of five years, expiring on July 12, 2028. The Warrants will vest and become exercisable as to one-third upon the 10-day weighted average trading price of Logan Shares (the “**Market Price**”) equaling or exceeding $0.70 per share, an additional one-third upon the Market Price equaling or exceeding $0.7875 per share and a final one-third upon the Market Price equaling or exceeding $0.875 per share.

Credit Facility

On July 26, 2023, the Company established a $15.0 million senior secured revolving demand credit facility with National Bank of Canada (the “**Credit Facility**”). The Credit Facility provides Logan with access to additional liquidity and is currently undrawn. Details of the Credit Facility are provided under the heading “Capital Resources and Liquidity”.

Together, the Private Placement, exercise of the Transaction Warrants, and implementation of the Credit Facility are collectively referenced herein as the “**July 2023 Financings**”.

Gas Gathering & Processing Commitments

In July 2023, the Company entered into an agreement with a midstream partner to secure additional natural gas gathering and processing capacity in its core area at Pouce Coupe, Alberta. The contract replaces the Company’s existing commitments at the NorthRiver Fourth Creek and Gordondale East gas plants (see also “Commitments and Contingencies”). Under the new contract, Logan has a total commitment of approximately $10.6 million over the period from October 2023 through March 2027. The agreement secures additional capacity for Logan’s current production and near-term growth plans, while retaining optionality over the longer term.

NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A contains certain financial measures and ratios, as described below, which do not have standardized meanings prescribed by IFRS or GAAP. As these non-GAAP and other financial measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

The non-GAAP and other financial measures used in this MD&A, represented by the bolded, capitalized and defined terms outlined below, are used by Logan as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS.

Non-GAAP Financial Measures

Operating Income and Operating Netback

Operating Income, a non-GAAP financial measure, is a useful supplemental measure that provides an indication of the Company's ability to generate cash from field operations, prior to administrative overhead, financing and other business expenses. "**Operating Income**" is calculated by Logan as oil and gas sales, net of royalties, plus processing and other revenue, less operating and transportation expenses. The Company refers to Operating Income expressed per unit of production as an "**Operating Netback**" which is a non-GAAP financial ratio. Logan considers Operating Netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

The components of Logan's Operating Income and Operating Netbacks are outlined below:

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Oil and gas sales, net of royalties	**12,564**	31,505	(60)	**28,421**	62,248	(54)
Processing and other revenue	**836**	811	3	**1,652**	1,654	(0)
Operating expenses	**(7,198)**	(8,074)	(11)	**(15,061)**	(16,595)	(9)
Transportation expenses	**(1,632)**	(2,102)	(22)	**(3,201)**	(4,099)	(22)
Operating Income	**4,570**	22,140	(79)	**11,811**	43,208	(73)
Production (BOE)	**456,474**	559,144	(18)	**932,545**	1,221,406	(24)
Operating Netback ($/BOE)	**10.01**	39.60	(75)	**12.66**	35.37	(64)

Funds from Operations and Adjusted Funds Flow

"**Funds from Operations**" is calculated by Logan as cash provided by operating activities before changes in non-cash working capital. Logan believes Funds from Operations provides useful information to understand the cash flows generated by the Company's operations during the current production period excluding the impact of timing of payments and cash receipts.

"**Adjusted Funds Flow**" is calculated by Logan by adding back transaction costs (if any) to Funds from Operations. Logan utilizes Adjusted Funds Flow as a key performance measure in the Company's annual financial forecasts and public guidance. Transaction costs, which primarily include legal and financial advisory fees, regulatory and other expenses directly attributable to execution of acquisitions and dispositions ("**A&D**"), are excluded to provide a measure representing cash flow generated by the Company's routine business operations. For greater clarity, incremental overhead expenses related to ongoing integration and restructuring post-acquisition (if applicable) are not adjusted and are included in Logan's general and administrative expenses. The Company refers to Adjusted Funds Flow expressed per unit of production as an "**Adjusted Funds Flow Netback**".

The following table reconciles cash provided by operating activities, as determined in accordance with IFRS, to Funds from Operations and Adjusted Funds Flow:

	Three months ended June 30			Six months ended June 30		
(CA$ thousands)	**2023**	2022	%	**2023**	2022	%
Cash provided by operating activities	**2,897**	19,730	(85)	**11,604**	39,632	(71)
Change in non-cash operating working capital	**245**	785	(69)	**(2,807)**	392	(816)
Funds from Operations	**3,142**	20,515	(85)	**8,797**	40,024	(78)
Add back: transaction costs	**-**	-	-	**-**	-	-
Adjusted Funds Flow	**3,142**	20,515	(85)	**8,797**	40,024	(78)

Adjusted Funds Flow per share ("**AFF per share**")

AFF per share is a non-GAAP financial ratio used by the Logan as a key performance indicator. The basic and diluted weighted average common shares ("**WA Shares**") outstanding used in the calculation of AFF per share is calculated using the same methodology as net income per share.

The table below outlines the calculation of AFF per share:

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, except for share amounts)	**2023**	2022	%	**2023**	2022	%
Adjusted Funds Flow	**3,142**	20,515	(85)	**8,797**	40,024	(78)
WA Shares outstanding (000s) – basic	**173,201**	173,201	-	**173,201**	173,201	-
WA Shares outstanding (000s) – diluted	**173,201**	173,201	-	**173,201**	173,201	-
AFF per share						
Basic and diluted ($ per common share)	**0.02**	0.12	(83)	**0.05**	0.23	(78)

Capital Expenditures

Logan uses "**Capital Expenditures before A&D**" to measure its capital investment level compared to the Company's annual budgeted capital expenditures for its organic drilling program, excluding acquisitions or dispositions (if any). "**Capital Expenditures**" is calculated by adding cash acquisition costs, net of proceeds from dispositions to Capital Expenditures before A&D. The directly comparable GAAP measure is cash used in investing activities. The following table details the composition of capital expenditures and its reconciliation to cash used in investing activities:

	Three months ended June 30		Six months ended June 30	
(CA$ thousands)	**2023**	2022	**2023**	2022
Exploration and evaluation assets	**1,224**	57	**1,273**	261
Property, plant and equipment	**4,154**	317	**5,029**	1,221
Capital Expenditures before A&D	**5,378**	374	**6,302**	1,482
Acquisitions	**100**	-	**100**	-
Dispositions	**-**	-	**-**	(88)
Capital Expenditures	**5,478**	374	**6,402**	1,394
Change in non-cash investing working capital	**(2,185)**	392	**(2,679)**	14,442
Cash used in investing activities	**3,293**	766	**3,723**	15,836

Capital Management Measures

Working capital

Management uses working capital as a measure to assess the Company's financial position. The working capital surplus (deficit) is calculated as current assets less current liabilities. Refer to the calculation of working capital under the heading "Capital Resources and Liquidity".

Supplementary Financial Measures

The supplementary financial measures used in this MD&A (primarily average sales price per product type, royalty rates, and certain per BOE and per share figures) are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

OTHER MEASUREMENTS

All dollar amounts are referenced in Canadian dollars, except when noted otherwise. This MD&A contains various references to the abbreviation "**BOE**" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices. Such abbreviation may be misleading, particularly if used in isolation.

Throughout this MD&A, "crude oil" or "oil" refers to light and medium crude oil product types as defined by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). Condensate is a natural gas liquid as defined by NI 51-101. References to "natural gas liquids" or "NGLs" throughout this MD&A comprise pentane, butane, propane and ethane, being all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately by Logan due to the significant difference in value per barrel. References to "liquids" includes crude oil, condensate and NGLs. References to "gas" relates to natural gas.

RESULTS OF OPERATIONS

PRODUCTION

	Three months ended June 30			Six months ended June 30		
Average daily production	**2023**	2022	%	**2023**	2022	%
Crude oil (bbls/d)	**660**	939	(30)	**706**	1,178	(40)
Condensate (bbls/d)	**271**	299	(9)	**277**	323	(14)
NGLs (bbls/d)	**185**	280	(34)	**191**	318	(40)
Natural gas (mcf/d)	**23,396**	27,756	(16)	**23,871**	29,573	(19)
Combined average (BOE/d)	**5,015**	6,144	(18)	**5,153**	6,748	(24)
% Liquids	**22%**	25%	(12)	**23%**	27%	(15)

Production averaged 5,015 BOE per day during the second quarter of 2023, down 18% from the average production of 6,144 BOE per day in the same quarter of 2022. For the six months ended June 30, 2023, production decreased by 24% from 6,748 BOE per day to 5,153 BOE per day. The decrease in production over both the three and six months ended June 30, 2023 reflects natural production declines as compared to the prior periods which benefited from 3.0 net wells that were brought on production at Pouce Coupe in late 2021. There were no new wells drilled on the Transferred Assets during the year ended December 31, 2022 or the first six months of 2023.

OIL AND GAS SALES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Oil and gas sales, before royalties						
Crude oil	**5,550**	11,859	(53)	**12,431**	26,571	(53)
Condensate	**2,288**	3,673	(38)	**4,722**	7,457	(37)
NGLs	**691**	1,902	(64)	**1,645**	3,687	(55)
Natural gas	**5,172**	19,005	(73)	**13,919**	33,332	(58)
Oil and gas sales, before royalties	**13,701**	36,439	(62)	**32,717**	71,047	(54)
Average realized prices						
Crude oil ($/bbl)	**92.41**	138.79	(33)	**97.30**	124.61	(22)
Condensate ($/bbl)	**92.66**	134.92	(31)	**94.34**	127.37	(26)
NGLs ($/bbl)	**40.92**	74.53	(45)	**47.51**	64.12	(26)
Natural gas ($/mcf)	**2.43**	7.52	(68)	**3.22**	6.23	(48)
Combined average ($/BOE)	**30.02**	65.17	(54)	**35.08**	58.17	(40)
Benchmark commodity prices:						
WTI Cushing Oklahoma (US$/bbl) (1)	**73.80**	108.41	(32)	**74.97**	101.35	(26)
Mixed Sweet Blend ("MSW") (CA$/bbl) (2)	**95.09**	137.76	(31)	**97.06**	126.75	(23)
NYMEX Henry Hub (US$/mmbtu) (3)	**2.10**	7.17	(71)	**2.76**	6.06	(54)
NYMEX - AECO 7A Basis (US$/mmbtu)	**(0.36)**	(2.23)	(84)	**(0.29)**	(1.78)	(84)
AECO 7A (CA$/GJ) (4)	**2.22**	5.95	(63)	**3.17**	5.15	(38)
Exchange rate (CA$/US$) (1)	**1.34**	1.28	5	**1.35**	1.27	6

(1) Source: Sproule Associates Limited.
(2) Source: Weighted average trade volume and price per Net Energy and NGX.
(3) Source: Canadian Gas Price Reporter (NYMEX Settle).
(4) Source: Canadian Gas Price Reporter (NGX AB-NIT Month Ahead Index 7A).

Oil and gas sales for the three and six months ended June 30, 2023 were $13.7 million and $32.7 million, respectively, compared to $36.4 million and $71.0 million in the corresponding periods of 2022. The decrease in oil and gas sales for both the three and six month periods was driven by materially lower commodity prices together with the decline in production volumes.

ROYALTIES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Gross royalties, before GCA	**2,961**	5,743	(48)	**7,082**	10,427	(32)
Gas cost allowance (“GCA”)	**(1,824)**	(809)	125	**(2,786)**	(1,628)	71
Royalties	**1,137**	4,934	(77)	**4,296**	8,799	(51)
$ per BOE	**2.49**	8.82	(72)	**4.61**	7.20	(36)
Average royalty rate (% of sales)	**8.3%**	13.5%	(39)	**13.1%**	12.4%	6

Royalty expenses consist primarily of Crown royalties paid to the provincial governments as well as payments to overriding royalty owners. Crown royalties are calculated based on commodity prices and individual well production rates, and as such are impacted by commodity price fluctuations, changes in production volumes and royalty incentive programs. Total royalties before GCA for the three and six months ended June 30, 2023 decreased as compared to prior periods, primarily due to the decrease in gross revenue, partly offset by wells coming off incentive rates under the Alberta Modern Royalty Framework.

GCA credits are typically actualized by the Crown during the second quarter of the year. The true-up of GCA for the 2022 calendar year was recorded in the second quarter of 2023 resulting in higher recoveries and lower royalties in the current period.

PROCESSING AND OTHER REVENUE

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Processing and other	**836**	811	3	**1,652**	1,654	(0)
$ per BOE	**1.83**	1.45	26	**1.77**	1.35	31

Processing and other revenue primarily relates to processing fees earned on third party volumes processed through ownership in the Simonette 13-11 Gas Plant. Processing and other revenue is relatively consistent at approximately $0.8 million per quarter, with the increase in average processing and other revenue per BOE driven by the decrease in total production volumes.

OPERATING EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Operating expenses	**7,198**	8,074	(11)	**15,061**	16,595	(9)
$ per BOE	**15.77**	14.44	9	**16.15**	13.59	19

Total operating expenses decreased during the first half of 2023 compared to the same period of 2022 primarily due to lower production volumes. The decline in production contributed to the increase in operating costs per BOE primarily due to significant fixed costs related to ownership in the Simonette 13-11 Gas Plant.

TRANSPORTATION EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Transportation expenses	**1,632**	2,102	(22)	**3,201**	4,099	(22)
$ per BOE	**3.58**	3.76	(5)	**3.43**	3.36	2

Total transportation expenses decreased by 22% in the current periods in line with lower production volumes. On a BOE basis, transportation costs are relatively consistent period over period.

OPERATING NETBACKS

The components of Logan's Operating Netbacks are summarized below. All amounts expressed on a BOE equivalent basis are non-GAAP financial ratios.

	Three months ended June 30			Six months ended June 30		
($ per BOE)	**2023**	2022	%	**2023**	2022	%
Oil and gas sales	**30.02**	65.17	(54)	**35.08**	58.17	(40)
Processing and other revenue	**1.83**	1.45	26	**1.77**	1.35	31
Royalties	**(2.49)**	(8.82)	(72)	**(4.61)**	(7.20)	(36)
Operating expenses	**(15.77)**	(14.44)	9	**(16.15)**	(13.59)	19
Transportation expenses	**(3.58)**	(3.76)	(5)	**(3.43)**	(3.36)	2
Operating Netback	**10.01**	39.60	(75)	**12.66**	35.37	(64)

The Operating Netback attributed to the Transferred Assets averaged $10.01 per BOE during the second quarter and $12.66 per BOE year-to-date in 2023. By comparison, commodity prices reached the highest levels in a decade in the second quarter of 2022 contributing to Operating Netbacks of $39.60 and $35.37 per BOE in the three and six month periods ended June 30, 2022, respectively. The decrease in Operating Netbacks reflects materially lower commodity prices, partly offset by lower royalties, compounded by declining production which contributed to higher per unit operating costs.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSES

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Gross G&A expenses ("**Gross G&A**")	**1,549**	1,687	(8)	**3,056**	3,175	(4)
Overhead recoveries	**(144)**	(70)	106	**(297)**	(190)	56
Net G&A expenses ("**Net G&A**")	**1,405**	1,617	(13)	**2,759**	2,985	(8)
$ per BOE	**3.08**	2.89	7	**2.96**	2.44	21

For purposes of the carve-out financial statements, G&A of Spartan was allocated to the Transferred Assets pro rata on a head count basis. G&A was allocated excluding capital overhead recoveries and capitalized G&A, given that minimal capital expenditures were incurred by Spartan on the Transferred Assets during the periods.

SHARE BASED COMPENSATION ("SBC")

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Share based compensation expense	**1,468**	526	179	**3,320**	942	252
$ per BOE	**3.22**	0.94	243	**3.56**	0.77	362

For purposes of the carve-out financial statements, SBC of Spartan was allocated to the Transferred Assets pro rata on a head count basis. SBC expense increased significantly in the current periods due to acceleration of vesting in connection with the conclusion of Spartan's repositioning process.

Shareholders of the Company approved Logan's stock option plan and share award incentive plan on May 16, 2023 (the "**LTI Plans**"). As of the date hereof, there have been no stock options or share awards granted under Logan's LTI Plans.

FINANCING

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Financing cost of lease liabilities	**3**	5	(40)	**6**	10	(40)
Accretion of decommissioning obligations	**223**	190	17	**446**	340	31
Financing	**226**	195	16	**452**	350	29
Financing ($/BOE)	**0.50**	0.35	43	**0.48**	0.29	69

Financing expenses increased compared to the same periods in 2022 primarily due to rising interest rates which resulted in higher accretion expense year-to-date in 2023.

Refer to additional information under the heading "Subsequent Events" regarding the July 2023 Financings.

DEPLETION, DEPRECIATION AND IMPAIRMENT ("DD&I")

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Depletion and depreciation of PP&E	**5,292**	5,011	6	**11,110**	11,161	(0)
Depreciation of ROU Assets	**35**	35	-	**69**	69	-
Depletion and depreciation	**5,327**	5,046	6	**11,179**	11,230	(0)
Impairment	**-**	-	-	**28,583**	33	nm
Total DD&I expense	**5,327**	5,046	6	**39,762**	11,263	253
Depletion and depreciation ($ per BOE)	**11.67**	9.02	29	**11.99**	9.19	30
Total DD&I expense ($ per BOE)	**11.67**	9.02	29	**42.64**	9.22	362

The Company reported depletion and depreciation ("**D&D**") expense of $5.3 million ($11.67 per BOE) for the second quarter of 2023, up 6% from $5.0 million ($9.02 per BOE) in the second quarter of 2022. The increase in D&D expenses per BOE relative to the comparative periods of 2022 is primarily due to a decrease in proved and probable reserves attributed to the Transferred Assets, reflecting Spartan's allocation of capital to other assets within its portfolio.

Total DD&I expense for the six months ended June 30, 2023 reflects impairments losses of $21.0 million on E&E assets and $7.6 million on PP&E, discussed further below.

Impairment

As at March 31, 2023, Spartan recorded impairment losses of $21.0 million on E&E assets and $7.6 million on PP&E related to the Transferred Assets. The recoverable amount of the PP&E assets was based on the fair value less cost of disposal ("FVLCD") of the assets, calculated using the present value of the expected future cash flows discounted at 13% after tax. The recoverable amount of the E&E assets was determined based on an independent third party land valuation for the Flatrock property of $5.7 million.

INCOME TAXES

The Company has not recorded current or deferred income taxes for the carve-out financial statements as Logan was not the legal obligor to either the deferred taxes or the tax pools utilized for periods prior to the Spin-Out. Logan is subject to taxes at a combined federal and provincial statutory tax rate of 23.0%. As at June 30, 2023, the Company's estimated tax pools are approximately $62.9 million (80% COGPE, 20% UCC).

NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Three months ended June 30			Six months ended June 30		
(CA$ thousands, unless otherwise indicated)	**2023**	2022	%	**2023**	2022	%
Revenue	**13,400**	32,316	(59)	**30,073**	63,902	(53)
Expenses	**(17,256)**	(17,560)	(2)	**(64,555)**	(35,894)	80
Net income (loss) and comprehensive income (loss)	**(3,856)**	14,756	(126)	**(34,482)**	28,008	(223)
WA Shares outstanding – basic (000s)	**173,201**	173,201	-	**173,201**	173,201	-
WA Shares outstanding – diluted (000s)	**173,201**	173,201	-	**173,201**	173,201	-
Net income (loss) $ per share basic and diluted	**(0.02)**	0.09	(122)	**(0.20)**	0.16	(225)

For purposes of the carve-out financial statements, the Transferred Assets incurred a net loss of $3.9 million ($0.02 per share) for the second quarter and $34.5 million ($0.20 per share) for the first six months of 2023. By comparison, the Transferred Assets generated net income of $14.8 million ($0.09 per share) and $28.0 million ($0.16 per share) in the corresponding periods of 2022 in which commodity prices averaged the highest levels of the past decade. In addition to the effect of materially lower commodity prices, the decrease in profitability in the current periods reflects the declining production base as Spartan allocated minimal capital to the Transferred Assets, contributing to higher per unit expenses as well as an aggregate impairment loss of $28.6 million recognized as at March 31, 2023.

CASH PROVIDED BY OPERATING ACTIVITIES AND ANALYSIS OF OTHER NON-GAAP MEASURES

The tables in this section outline the components of the Company's cash provided by operating activities as well as the average Netback ($ per BOE) for each component. The subtotals provided in the table for Operating Income and Adjusted Funds Flow are used by Logan as key performance measures but are not intended to replace cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS. Refer to advisories under "Non-GAAP and Other Financial Measures".

Second Quarter of 2023 compared to Second Quarter of 2022

Amounts are CA$ thousands, except as noted	**Q2/23**	Q2/22	%	**Q2/23 $/BOE**	Q2/22 $/BOE	%
Oil and gas sales, net of royalties	**12,564**	31,505	(60)	**27.53**	56.35	(51)
Processing and other revenue	**836**	811	3	**1.83**	1.45	26
Operating expenses	**(7,198)**	(8,074)	(11)	**(15.77)**	(14.44)	9
Transportation expenses	**(1,632)**	(2,102)	(22)	**(3.58)**	(3.76)	(5)
Operating Income / Netback (1)	**4,570**	22,140	(79)	**10.01**	39.60	(75)
G&A expenses	**(1,405)**	(1,617)	(13)	**(3.08)**	(2.89)	7
Financing (2)	**(3)**	(5)	(40)	**(0.01)**	(0.01)	-
Settlement of decommissioning obligations	**(20)**	(3)	567	**(0.04)**	(0.01)	300
Adjusted Funds Flow (1)	**3,142**	20,515	(85)	**6.88**	36.69	(81)
Change in non-cash working capital	**(245)**	(785)	(69)	**(0.54)**	(1.40)	(61)
Cash provided by operating activities	**2,897**	19,730	(85)	**6.34**	35.29	(82)
Adjusted Funds Flow per share (1)						
Basic and diluted ($ per common share)	**0.02**	0.12	(83)			

(1) Refer to "Non-GAAP Measures" section of this MD&A.

(2) Excludes non-cash accretion of decommissioning obligations.

Logan generated $3.1 million of Adjusted Funds Flow for the three months ended June 30, 2023, down from $20.5 million in the second quarter of 2022. The decrease in Adjusted Funds Flow was driven by lower Operating Income which decreased primarily due to lower revenues net of royalties, partly offset by lower operating and transportation costs.

Logan's cash provided by operating activities was $2.9 million for the three months ended June 30, 2023, which includes the impact of changes in non-cash working capital. The change in non-cash working capital varies each period based on seasonal changes in corporate activity levels, the impact of production levels and commodity prices on accrued revenue receivable, and timing of processing payments, among other factors. In the second quarter of 2023, the net decrease in non-cash operating working capital of $0.2 million is primarily due to the increase in prepaids at June 30, 2023 compared to March 31, 2023 offset by higher operating payables primarily due to capital activity in the period.

Six Months Ended June 30, 2023 compared to Six Months Ended June 30, 2022

Amounts are CA$ thousands, except as noted	**H1/23**	H1/22	%	**H1/23 $/BOE**	H1/22 $/BOE	%
Oil and gas sales, net of royalties	**28,421**	62,248	(54)	**30.47**	50.97	(40)
Processing and other revenue	**1,652**	1,654	(0)	**1.77**	1.35	31
Operating expenses	**(15,061)**	(16,595)	(9)	**(16.15)**	(13.59)	19
Transportation expenses	**(3,201)**	(4,099)	(22)	**(3.43)**	(3.36)	2
Operating Income / Netback (1)	**11,811**	43,208	(73)	**12.66**	35.37	(64)
G&A expenses	**(2,759)**	(2,985)	(8)	**(2.96)**	(2.44)	21
Financing (2)	**(6)**	(10)	(40)	**(0.01)**	(0.01)	-
Settlement of decommissioning obligations	**(249)**	(189)	32	**(0.27)**	(0.15)	80
Adjusted Funds Flow (1)	**8,797**	40,024	(78)	**9.42**	32.77	(71)
Change in non-cash working capital	**2,807**	(392)	(816)	**3.01**	(0.32)	nm
Cash provided by operating activities	**11,604**	39,632	(71)	**12.43**	32.45	(62)
Adjusted Funds Flow per share (1)						
Basic and diluted ($ per common share)	**0.05**	0.23	(78)			

(1) Refer to "Non-GAAP Measures" section of this MD&A.

(2) Excludes non-cash accretion of decommissioning obligations.

Logan's Adjusted Funds Flow of $8.8 million for the first half of 2023 decreased by 78% from $40.0 million in the same period of 2022 driven by lower revenues between the periods. The decrease in cash provided by operating activities is driven by lower Operating Income, partly offset by the change in non-cash working capital. The change in non-cash working capital for the first half of 2023 primarily relates to the decrease in revenue and the resulting accounts receivable between December 31, 2022 and June 30, 2023.

CASH USED IN INVESTING ACTIVITIES AND CAPITAL EXPENDITURES

The following table summarizes Capital Expenditures during the three and six months ended June 30, 2023 and 2022. The term Capital Expenditures does not have a standardized meaning under IFRS and may not be directly comparable to measures used by other companies. The most directly comparable GAAP measure is cash used in investing activities which was $3.3 million and $3.7 million for the second quarter and first half of 2023, respectively (refer to reconciliation provided under the heading "Non-GAAP and Other Financial Measures").

CAPITAL EXPENDITURES	Three months ended June 30			Six months ended June 30		
(CA$ thousands)	**2023**	2022	%	**2023**	2022	%
Land and seismic	**1,224**	57	nm	**1,273**	261	388
Drilling and completion	**26**	339	nm	**34**	1,087	nm
Facilities, pipeline and well equipment	**4,128**	(81)	nm	**4,995**	10	nm
Production optimization	**-**	59	nm	**-**	124	nm
Capital Expenditures before A&D (1)	**5,378**	374	1,338	**6,302**	1,482	325
Acquisitions	**100**	-	nm	**100**	-	nm
Dispositions	**-**	-	-	**-**	(88)	nm
Capital Expenditures (1)	**5,478**	374	1,365	**6,402**	1,394	359

(1) Refer to "Non-GAAP Measures and Ratios" for the reconciliation to cash used in investing activities.

Minimal capital expenditures were incurred during the current and prior periods when the Transferred Assets were owned by Spartan.

Following the Spin-Out and with new funding from the July 2023 Financings, Logan spud its first well at Simonette subsequent to the quarter in July 2023.

CAPITAL RESOURCES AND LIQUIDITY

Logan's capital management objectives are to maintain a flexible capital structure in order to execute on strategic opportunities throughout the business cycle, respond to changes in economic conditions, meet its financial obligations and fund future settlements of decommissioning obligations.

As at June 30, 2023, the Company's capital structure is comprised of working capital and shareholders' equity.

(CA$ thousands, except as noted)	**June 30, 2023**	December 31, 2022
Current assets	**4,598**	8,758
Current liabilities	**(9,825)**	(8,481)
Working capital (deficit) surplus	**(5,227)**	277
Total shareholders' equity	**56,791**	95,795

Logan's Working Capital fluctuated from a $0.3 million surplus at December 31, 2022 to a $5.2 million deficit at June 30, 2023 primarily due to a decrease in revenue between the periods compounded by an increase in capital accruals as the Company prepares for its capital program in the second half of 2023.

Following completion of the Spin-Out and the July 2023 Financings, Logan is well positioned to execute on its short and longer term growth strategy. The Company's exploration and development capital expenditure budget for 2023 will be funded by a combination of cash provided by operating activities and proceeds from the Private Placement and exercise of the Transaction Warrants, which together provided Logan with net cash proceeds of approximately $101.0 million after estimated issue costs in July 2023. Refer to additional information under the heading "Subsequent Events".

The following table outlines a contractual maturity analysis for the Company's financial liabilities and undiscounted lease liabilities as at June 30, 2023:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	8,367	-	-	-	8,367
Undiscounted lease liabilities	166	49	-	-	215
Total	**8,533**	**49**	**-**	**-**	**8,582**

CREDIT FACILITY

As at June 30, 2023, the Company had no bank debt outstanding.

Subsequent to the reporting period, on July 26, 2023, the Company entered into a senior secured revolving demand credit facility with National Bank of Canada. The authorized borrowing base available under the Credit Facility is $15.0 million and is undrawn as of the date of this MD&A. As the Credit Facility is repayable on demand, amounts drawn on the facility in the future (if any) will be presented within current liabilities.

The borrowing base is subject to semi-annual reviews occurring approximately in May and November of each year and may also be subject to redetermination upon, among other things, the liability management rating of the Company falling below 2.0 or disposing of material properties. The Credit Facility is secured by a first fixed and floating charge debenture over all the Company's assets in the amount of $50 million and a general assignment of book debts. The next borrowing base review is scheduled to be completed in November 2023.

The Company is subject to a financial covenant under the Credit Facility, pursuant to which the Company's "Adjusted Working Capital" ratio (as defined in the credit agreement, with undrawn capacity under the Credit Facility included in the definition of current assets), calculated quarterly, shall not be less than 1.0 to 1.0. The Credit Facility also includes other standard business operating covenants, including but not limited to limitations on acquisitions and dispositions, distributions and hedging arrangements.

The Credit Facility provides for borrowings through direct advances, bankers' acceptances and letters of credit. Interest is payable monthly for borrowings through direct advances at the bank's prime rate plus the applicable margin. Borrowings through bankers' acceptances are typically advanced for maturity periods of one to three months and are funded net of interest at the Canadian Dollar Offered Rate ("**CDOR**") plus bank stamping fees at the applicable margin. The Company will incur standby fees on the undrawn facility which also fluctuate based on the applicable margin.

SHARE CAPITAL

Common shares of Logan were approved for listing on the TSXV and commenced trading on July 18, 2023, under the symbol "LGN".

The Company is authorized to issue an unlimited number of common shares, an unlimited number of preferred shares and an unlimited number of special shares, each without par value. During the period from incorporation on March 10, 2023 to June 30, 2023, the Company issued 173.2 million common shares and 173.2 million Transaction Warrants in connection with the Spin-Out. As of June 30, 2023, there were 173.2 million common shares outstanding (463.4 million common shares are outstanding as of the date of this MD&A). There are no preferred shares or special shares outstanding.

The total number of outstanding securities of the Company is provided below:

Number of securities outstanding (000s)	March 10, 2023	**June 30, 2023**	**August 11, 2023**
Common shares [1]	-	**173,201**	**463,404**
Transaction Warrants [2]	-	**173,201**	**21,544**
Financing Warrants [3]	-	**-**	**64,286**
Total securities outstanding [4]	-	**346,402**	**549,234**

(1) Logan issued 138.5 million common shares on July 13, 2023 upon closing of the Private Placement.

(2) The Transaction Warrants entitled the holder to purchase Logan Shares at an exercise price of $0.35 on or before July 31, 2023, subsequently extended to August 14, 2023. 151.7 million Transaction Warrants were exercised subsequent to June 30, 2023 and 21.5 million are currently outstanding.

(3) The Financing Warrants entitle the holder to purchase Logan Shares at an exercise price of $0.35 on or before July 12, 2028.

(4) The total number of securities outstanding is provided for information purposes only. This calculation does not factor in whether the securities are in-the-money or the number of shares deemed to be repurchased under the treasury stock method in accordance with IFRS. As such it should not be viewed as an alternative to the diluted weighted average number of common shares outstanding determined in accordance with IFRS, as presented in the table below.

For the purposes of computing net income (loss) per share, the number of shares outstanding for the periods prior to the Spin-Out is deemed to be the number of shares issued by the Company to Spartan upon closing of the Spin-Out. No shares were issued between the Spin-Out and June 30, 2023. The table below summarizes the weighted average number of common shares outstanding (000s) used in the calculation of diluted EPS and diluted AFF per share:

	Three months ended June 30			Six months ended June 30		
(000s)	**2023**	2022	%	**2023**	2022	%
WA Shares outstanding, basic	**173,201**	173,201	-	**173,201**	173,201	-
Dilutive effect of outstanding securities	**-**	-	-	**-**	-	-
WA Shares, diluted	**173,201**	173,201	-	**173,201**	173,201	-

For the three and six months ended June 30, 2023, the Transaction Warrants were antidilutive to Logan's net loss per share.

COMMITMENTS AND CONTINGENCIES

The following table summarizes the Company's contractual commitments as of June 30, 2023:

(CA$ thousands)	2023	2024	2025	2026	2027	Thereafter
Gas transportation (1)	2,146	4,284	4,280	1,236	221	245
Liquids transportation (2)	372	773	4,264	1,356	-	-
Processing fees (3)	2,182	4,295	4,219	4,138	4,138	26,176
Capital commitments (4)	2,179	545	-	-	-	-
Total commitments (5)	**6,879**	**9,897**	**12,763**	**6,730**	**4,359**	**26,421**

(1) Logan has firm transportation commitments on natural gas pipelines in Alberta until April 2029.

(2) Relates to upstream NGLs transportation contract in place until March 2026.

(3) Processing fee commitments relate to the following agreements: (i) firm capacity for natural gas gathering and processing at the Fourth Creek gas plant until October 2025; and (ii) firm capacity for natural gas gathering and processing at the Kanata Simonette gas plant until September 2040. Subsequent to June 30, 2023, the Company entered into a contract for natural gas gathering and processing at the NorthRiver Fourth Creek and Gordondale East gas plants, superseding the existing agreements and commitments. Under the new contract, Logan has a total commitment for natural gas gathering and processing from October 2023 until March 2027 of approximately $10.6 million.

(4) Capital commitments relates to an agreement committing Logan to purchase $2.7 million of casing and tubing for future capital projects over 2023 to 2024.

(5) The commitments table does not include lease liabilities. A contractual maturity of the Company's financial liabilities and undiscounted lease payments is provided under "Capital Resources and Liquidity".

OFF-BALANCE SHEET ARRANGEMENTS

Except for the commitments and contingencies disclosed herein, the Company does not believe it has any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future impact of the Company's financial condition, results of operations, liquidity or capital expenditures.

RELATED PARTY DISCLOSURES

a) Inter-corporate relationships

As at June 30, 2023, Logan was a wholly owned subsidiary of Spartan. On July 6, 2023, the Distribution of Logan Shares and Transaction Warrants to eligible Spartan Shareholders was completed and Logan ceased to be a subsidiary of Spartan.

The Company's accounts payable and accrued liabilities includes $2.3 million payable to Spartan primarily related capital expenditures in June 2023 (December 31, 2022 – nil). Accounts receivable includes $0.2 million receivable from Spartan related to the net operating income of the Transferred Assets for the period of June 20, 2023 to June 30, 2023 (December 31, 2022 – nil).

Additionally, subsequent to June 30, 2023, Logan and Spartan entered in an agreement to support the transition of resources through the Spin-Out (the "**Transition Services Agreement**"). Pursuant to the Transition Services Agreement, Spartan will provide certain administrative services to Logan and Logan will provide certain administrative services to Spartan. These services will be billed based on time incurred and will be included as part of G&A expenses.

b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of a company. The Company defines its key management personnel as its officers, board of directors and corporate secretary.

The following table summarizes the allocation of Spartan's key management compensation paid or payable during the three and six months ended June 30, 2023 and 2022. For purposes of the carve-out financial statements, key management compensation was allocated pro rata based on relative headcount of the officers and directors of Spartan and Logan.

	Three months ended June 30,		Six months ended June 30,	
(CA$ thousands)	**2023**	2022	**2023**	2022
Salaries and benefits	**917**	914	**1,834**	1,828
Share based compensation	**2,859**	545	**5,540**	1,090
Total key management compensation	**3,776**	1,459	**7,374**	2,918

Allocated SBC expense increased in the first half of 2023 relative to the comparative periods primarily due to accelerated vesting of outstanding stock options and share awards in connection with conclusion of Spartan's repositioning process. As of the date hereof, there has been no SBC granted under Logan's LTI Plans.

SUMMARY OF QUARTERLY INFORMATION

The table below summarizes selected financial and operational information over the past eight quarters:

(CA$ millions, except as noted)	**Q2 2023**	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue	**13,400**	19,016	32,317	24,563	32,317	31,586	26,595	13,492
Net income (loss) and comprehensive income (loss)	**(3,856)**	(30,626)	4,436	6,959	14,756	13,251	7,290	3,649
$ per share, basic	**(0.02)**	(0.18)	0.03	0.04	0.09	0.08	0.04	0.02
$ per share, diluted	**(0.02)**	(0.18)	0.03	0.04	0.09	0.08	0.04	0.02
Adjusted Funds Flow (1)	**3,142**	5,655	11,166	12,914	20,515	19,508	14,456	6,476
Capital Expenditures (1)	**5,478**	924	5,448	710	374	1,020	22,060	70,743
Total assets	**94,913**	95,549	131,903	132,483	141,544	148,701	156,595	134,571
Working capital deficit (surplus)	**5,227**	3,274	(277)	(536)	(4,788)	(3,635)	10,019	(248)
Long-term liabilities	**28,297**	28,442	27,627	29,564	28,989	32,329	36,508	28,260
Shareholders' equity	**56,791**	58,778	95,795	95,465	104,396	108,045	99,178	100,753
Average daily production (BOE/d)	**5,015**	5,290	5,627	6,041	6,144	7,358	6,100	4,540
% Oil and NGLs	**22%**	23%	24%	25%	25%	29%	31%	19%
Average realized price ($ per BOE)	**30.02**	39.94	49.88	49.78	65.17	52.26	47.39	32.30
Operating Netback (1)	**10.01**	15.21	25.14	26.20	39.60	31.80	28.85	18.03

(1) "Adjusted Funds Flow", "Capital Expenditures" and "Operating Netbacks" do not have standardized meanings under IFRS, refer to "Non-GAAP Measures and Ratios".

The Transferred Assets were acquired by Spartan principally through an acquisition completed on March 18, 2021 and a second acquisition completed on August 31, 2021, reflected in Capital Expenditures in the third quarter of 2021. The increase in revenue, net income and Adjusted Funds Flow in the fourth quarter of 2021 reflect a full quarter of owning the assets. Additionally, in the fourth quarter of 2021, 3.0 net Pouce Coupe wells were drilled and brought on production, reflected both in the capital spending of the quarter as well as the increase in revenue, net income and Adjusted Funds Flow that carried into 2022. Subsequent to the wells drills in the fourth quarter of 2021, Spartan focused its capital program on other assets in its portfolio with the revenue, net income (loss) and Adjusted Funds Flow of the Transferred Assets reflecting production volumes declines and fluctuations in the underlying commodity benchmark prices. During the second quarter of 2022, commodity prices reached decade highs, more than offsetting the impact of production declines on revenue and net income during the quarter. During the first quarter of 2023, Spartan recognized total impairments of $28.6 million on the Transferred Assets (see “Depletion, Depreciation and Impairment”).

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are described in note 3 of the Interim Financial Statements as at June 30, 2023.

The International Accounting Standards Board has issued a number of new accounting standards, amendments to accounting standards and interpretations that are effective for periods beginning on or after January 1, 2024. None of the accounting pronouncements are expected to have a material impact upon initial adoption. Logan will continue to evaluate the impact of the pronouncements which will be adopted on their respective effective dates.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. The significant judgements, estimates and assumptions made by management are consistent with those outlined in note 2 of the Interim Financial Statements.

Notably, the carve-out financial statements present the historic financial position, results of operations and cash flows of the Transferred Assets for all prior periods up to and including June 20, 2023 on a carve-out basis as if they had operated as a stand-alone entity subject to Spartan’s control. Significant judgements were required in determining the allocation of the reported amounts of Spartan to the carve-out financial statements of Logan. Refer to note 2b) of the Interim Financial Statements for discussion of the basis of measurement and allocations from Spartan. The carve-out financial statements do not necessarily reflect what the financial position, results of operations and cash flows would have been had these net assets been in a separate entity, or the future results of Logan, as it exists after the completion of the Spin-Out.

RISKS AND UNCERTAINTIES

The business of exploring for, developing and producing crude oil and natural gas reserves is inherently risky. The Company is subject to both risks that directly affect Logan's business and operations, as well as indirect risks that impact third parties or industry generally. The following information is a summary only of certain risk factors relating to the Company and should be read in conjunction with the Company’s Listing Application dated July 12, 2023 which can be found at www.sedarplus.ca. Prospective investors should carefully consider the risk factors set out below and consider all other information contained in this MD&A and in the Company’s other public filings before making an investment decision. The risks set out below are not an exhaustive list, nor should be taken as a complete summary or description of all the risks associated with the Company’s business and the oil and natural gas business generally.

Market Risks

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates and foreign exchange rates, will affect the Company’s cash flows, net income or fair value of financial instruments. Logan’s risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns. The Company may utilize derivative financial instruments and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the Company’s risk management policies.

a) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar. A strengthening in the Canadian dollar against the U.S. dollar could negatively impact the commodity prices realized by Logan, even with no change in the underlying commodity U.S. benchmark.

From time to time, Logan may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. Similarly, the Company may enter into agreements to fix the differential or discount pricing gap which exists, and may fluctuate between different grades of crude oil, NGLs and natural gas and the various market prices received for such products. However, if commodity prices increase or differentials narrow beyond the levels set in such agreements, Logan may be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk and the Company may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. In addition, if the Company enters into hedging arrangements it may be exposed to the risk of financial loss in certain circumstances, including instances in which: production falls short of the hedged volumes or prices fall significantly lower than projected; there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement; the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; and/or a sudden unexpected material event impacts crude oil and natural gas prices.

The Company does not currently have any commodity price risk management contracts in place.

b) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Although the Company currently has no bank debt outstanding, under its new Credit Facility interest rates will fluctuate based on the bank prime rate plus an applicable margin. The Company will be exposed to interest rate risk on its cash and cash equivalents. The Company does not currently have any interest rate risk management contracts in place.

c) Currency Risk

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. Logan is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing. The Company does not currently have any foreign exchange risk management contracts in place.

Liquidity Risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at June 30, 2023, Logan's financial liabilities include accounts payable and lease liabilities. A contractual maturity analysis is provided in the "Capital Resources and Liquidity" section of this MD&A. Following completion of the Spin-Out and the July 2023 Financings Logan's existing capital resources are sufficient to satisfy its financial obligations for the next twelve months.

The Company is early in its life cycle and its development program is capital intensive. From time to time, Logan's cash flow from operating activities may not be sufficient to fund its growth objectives. As such, Logan may be dependent on obtaining regular financings in order to continue its exploration, development and acquisition plans. Although the Company has been successful in establishing its Credit Facility and accessing equity capital markets to date, there is no guarantee of obtaining future financings.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. As at June 30, 2023, the Company's financial assets include accounts receivable. Subsequent to the reporting period, Logan closed the July 2023 Financings and is now exposed to credit risk on its cash and cash equivalents. Cash and cash equivalents are held on deposit with a Canadian chartered bank. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners. The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. At June 30, 2023, the full balance of the Company's receivables of $3.9 million was current. The expected credit loss provision on current receivables as at June 30, 2023 and at December 31, 2022 is nominal.

ABBREVIATIONS

A&D	acquisitions and dispositions
AECO	Alberta Energy Company “C” Meter Station of the NOVA Pipeline System, the Canadian benchmark price for natural gas
API	American Petroleum Institute gravity
bbl	barrel
bbls/d	barrels per day
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
DCET	capital expenditures incurred to drill, complete, equip and tie-in a well
G&A	general and administrative expenses
GAAP	refers to Canadian Generally Accepted Accounting Principles, which incorporate International Financial Reporting Standards (“**IFRS**”) for public companies
GJ	gigajoule
H1 2023	six months ended June 30, 2023
H1 2022	six months ended June 30, 2022
mbbls	one thousand barrels
mBOE	one thousand barrels of oil equivalent
mcf or MCF	one thousand cubic feet
mcf/d	one thousand cubic feet per day
MM	millions of dollars
mmbtu	one million British thermal units
mmcf	one million cubic feet
mmcf/d	one million cubic feet per day
nm	“not meaningful”, generally with reference to a percentage change
NGLs	natural gas liquids
NYMEX	New York Mercantile Exchange
Q1 2023	first quarter of 2023
Q2 2023	second quarter of 2023
Q1 2022	first quarter of 2022
Q2 2022	second quarter of 2022
Q3 2022	third quarter of 2022
Q4 2022	fourth quarter of 2022
TSXV	TSX Venture Exchange
US$	United States dollar
WTI	West Texas Intermediate, price paid in US$ at Cushing, Oklahoma, for crude oil of standard grade

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" and similar expressions. 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 with respect to its growth strategy and business plan;
- Logan's intention to maintain a flexible capital structure;
- Logan's intentions to maintain a strong balance sheet to allow the Company to take advantage of opportunities;
- capital resources and liquidity, including Logan's expectations regarding sources of funding for future development capital expenditures and acquisitions;
- estimates used to calculate decommissioning obligations and depletion and impairment of PP&E;
- commitments and contingencies; and
- expectations for forecast commodity prices in 2023 and beyond.

The forward-looking statements and information are based on certain key expectations and assumptions made in respect of Logan including expectations and assumptions concerning the business plan of Logan, the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Logan's properties, the successful integration of the recently acquired assets into Logan's operations, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, prevailing commodity prices, price volatility, price differentials and the actual prices received for Logan's products, impact of inflation on costs, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners and the ability to source and complete acquisitions.

Although Logan believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Logan can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, fluctuations in commodity prices, changes in industry regulations and political landscape both domestically and abroad, wars (including Russia's military actions in Ukraine), hostilities, civil insurrections, foreign exchange or interest rates, increased operating and capital costs due to inflationary pressures (actual and anticipated), volatility in the stock market and financial system, impacts of the current COVID-19 pandemic and the retention of key management and employees. Ongoing military actions between Russia and Ukraine have the potential to threaten the supply of oil and gas from the region. The long-term impacts of the actions between these nations remains uncertain. The foregoing list is not exhaustive. Please refer to Logan's Listing Application dated July 12, 2023 for discussion of additional risk factors relating to Logan, which can be accessed on its SEDAR+ profile at www.sedarplus.ca or on the Company's website at www.LoganEnergyCorp.com.

The forward-looking statements and future orientated financial information ("**FOFI**") contained in this MD&A are made as of the date hereof and Logan 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.