LOGAN

ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2024 AND 2023

LOGAN ENERGY CORP.
STATEMENTS OF FINANCIAL POSITION

(CA$ thousands)	[Note]	**June 30, 2024**	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		**1,897**	53,970
Accounts receivable	[4]	**12,937**	13,680
Prepaid expenses and deposits		**3,313**	1,522
Derivative financial instruments	[4]	**1,637**	-
Total current assets		**19,784**	69,172
Exploration and evaluation assets	[6]	**39,625**	16,335
Property, plant and equipment	[7]	**188,922**	148,992
Right-of-use assets	[8]	**59**	139
Total assets		**248,390**	234,638
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	[4]	**37,751**	25,704
Derivative financial instruments	[4]	**1,876**	-
Lease liabilities	[8]	**60**	135
Decommissioning obligations	[9]	**1,700**	1,700
Total current liabilities		**41,387**	27,539
Lease liabilities	[8]	**5**	15
Decommissioning obligations	[9]	**28,233**	29,627
Deferred income tax liability	[12]	**3,643**	3,341
Total liabilities		**73,268**	60,522
SHAREHOLDERS' EQUITY			
Share capital	[11]	**162,869**	162,869
Warrants	[11]	**9,790**	9,790
Contributed surplus		**3,141**	560
Retained earnings (deficit)		**(678)**	897
Total shareholders' equity		**175,122**	174,116
Total liabilities and shareholders' equity		**248,390**	234,638
Commitments and contingencies	[17]		
Subsequent events	[19]		

The accompanying notes are an integral part of these Financial Statements.

Approved on behalf of the Board of Directors:

[signed] "Richard McHardy"	*[signed] "Ron Hozjan"*
Chief Executive Officer and Director	Ron Hozjan, Director

LOGAN ENERGY CORP.
STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

		Three months ended June 30		Six months ended June 30	
(CA$ thousands, except per share amounts)	[Note]	**2024**	2023	**2024**	2023
Revenue					
Oil and gas sales	[13]	**26,544**	13,701	**50,974**	32,717
Royalties	[13]	**(2,883)**	(1,137)	**(4,901)**	(4,296)
Oil and gas sales, net of royalties		**23,661**	12,564	**46,073**	28,421
Processing and other		**692**	836	**1,549**	1,652
		24,353	13,400	**47,622**	30,073
Gain (loss) on derivative financial instruments	[4]	**1,635**	-	**(695)**	-
Expenses					
Operating		**11,563**	7,198	**20,913**	15,061
Transportation		**2,361**	1,632	**4,872**	3,201
General and administrative		**1,542**	1,405	**3,058**	2,759
Share based compensation	[11]	**1,298**	1,468	**2,581**	3,320
Financing	[14]	**20**	226	**(292)**	452
Exploration and evaluation	[6]	**-**	-	**-**	21,017
Depletion, depreciation and impairment	[7,8]	**8,279**	5,327	**17,080**	18,745
Foreign exchange gain		**(4)**	-	**(12)**	-
		25,059	17,256	**48,200**	64,555
Net income (loss) before income taxes		**929**	(3,856)	**(1,273)**	(34,482)
Deferred income tax expense	[12]	**513**	-	**302**	-
Net income (loss) and comprehensive income (loss)		**416**	(3,856)	**(1,575)**	(34,482)
Net income (loss) per share					
Basic and diluted	[11]	**0.00**	(0.02)	**(0.00)**	(0.20)

The accompanying notes are an integral part of these Financial Statements.

LOGAN ENERGY CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(CA$ thousands)	[Note]	Share capital	Warrants	Contributed surplus	Net investment in Transferred Assets	Reserve from common control transaction	Retained earnings (deficit)	Total
Balance at December 31, 2023		**162,869**	**9,790**	**560**	**-**	**-**	**897**	**174,116**
Net loss and comprehensive loss		**-**	**-**	**-**	**-**	**-**	**(1,575)**	**(1,575)**
Share based compensation expense	[11]	**-**	**-**	**2,581**	**-**	**-**	**-**	**2,581**
Balance at June 30, 2024		**162,869**	**9,790**	**3,141**	**-**	**-**	**(678)**	**175,122**
Balance at December 31, 2022		-	-	-	95,795	-	-	95,795
Net loss and comprehensive loss		-	-	-	(34,696)	-	214	(34,482)
Net distributions to Spartan	[5]	-	-	-	(7,842)	-	-	(7,842)
Issued pursuant to the Spin-Out	[5, 11]	57,156	3,464	-	(56,577)	(4,043)	-	-
Share based compensation expense	[11]	-	-	-	3,320	-	-	3,320
Balance at June 30, 2023		57,156	3,464	-	-	(4,043)	214	56,791

The accompanying notes are an integral part of these Financial Statements.

LOGAN ENERGY CORP.
STATEMENTS OF CASH FLOW

		Three months ended June 30		Six months ended June 30	
(CA$ thousands)	[Note]	**2024**	2023	**2024**	2023
Operating activities					
Net income (loss)		**416**	(3,856)	**(1,575)**	(34,482)
Items not affecting cash:					
Unrealized (gain) loss on derivatives	[4]	**(1,879)**	-	**239**	-
Unrealized foreign exchange gain		**-**	-	**(10)**	-
Share based compensation		**1,298**	1,468	**2,581**	3,320
Financing	[14]	**248**	223	**483**	446
Exploration and evaluation		**-**	-	**-**	21,017
Depletion, depreciation and impairment		**8,279**	5,327	**17,080**	18,745
Deferred income tax expense		**513**	-	**302**	-
Settlement of decommissioning obligations	[9]	**(131)**	(20)	**(511)**	(249)
Change in non-cash working capital	[15]	**(5,350)**	(245)	**1,605**	2,807
Cash provided by operating activities		**3,394**	2,897	**20,194**	11,604
Financing activities					
Net contributions from (distributions to) Spartan		**-**	431	**-**	(7,812)
Lease payments	[8]	**(43)**	(35)	**(85)**	(69)
Cash provided by (used in) financing activities		**(43)**	396	**(85)**	(7,881)
Investing activities					
Exploration and evaluation assets	[6]	**(13,034)**	(1,224)	**(23,657)**	(1,273)
Property, plant and equipment	[7]	**(33,070)**	(4,154)	**(57,629)**	(5,029)
Property acquisitions	[6,7]	**-**	(100)	**(300)**	(100)
Change in non-cash working capital	[15]	**(1,217)**	2,185	**9,398**	2,679
Cash used in investing activities		**(47,321)**	(3,293)	**(72,188)**	(3,723)
Net change in cash and cash equivalents		**(43,970)**	-	**(52,079)**	-
Foreign exchange on cash and cash equivalents		**3**	-	**6**	-
Cash and cash equivalents, beginning of period		**45,864**	-	**53,970**	-
Cash and cash equivalents, end of period		**1,897**	-	**1,897**	-

The accompanying notes are an integral part of these Financial Statements.

1. GENERAL INFORMATION

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's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "LGN". The Company's head office is located at 1800, 736 – 6th Avenue S.W., Calgary, Alberta T2P 3T7 and its registered office address is 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

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 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").

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements as at June 30, 2024 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") up to August 21, 2024, applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2023 (the "2023 Annual Financial Statements").

The Company's Board of Directors approved these Financial Statements on August 21, 2024.

b) Basis of measurement

Unless otherwise indicated, all references to dollar amounts in these Financial Statements and related notes are in thousands of Canadian dollars ("CA$"), which is the functional and presentation currency of the Company.

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 Statements have been prepared on a historical cost basis, including the 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 ("carve-out financial statements"). The financial position, results of operations and cash flows from the date of incorporation on March 10, 2023 to June 20, 2023 include both the Transferred Assets and Logan on a combined basis. From June 20, 2023 forward, the financial position, results of operations and cash flows reflect the actual historical results of Logan after conveyance of the Transferred Assets upon close of the Spin-Out. The Transferred Assets were recognized at their net carrying value according to the historical financial records of Spartan. These carve-out financial statements have been prepared by management in accordance with IFRS Accounting Standards and the basis of preparation for amounts attributable to the Transferred Assets is described as follows:

> Accounts receivable were estimated based on the last month's accrued revenue, net of royalties taken in kind and transportation netted by purchasers, for each period end assuming a 25 day payment cycle.

Prepaid expenses and deposits include amounts directly attributable to the Transferred Assets based on Spartan's historical records and primarily relate to property taxes.

Exploration and evaluation ("E&E") assets and property, plant and equipment ("PP&E") were determined based on Spartan's historical cost records directly attributed to the Transferred Assets.

Accounts payable were estimated based on a historical trend of Spartan's payment cycles, representing approximately two months operating and capital expenditures for each period end, assuming approximately a 60 day payment cycle.

No bank debt was assumed by Logan through the Spin-Out. Consistently, no bank debt or interest expense has been allocated to Logan as there was no direct legal agreement providing for lending specifically related to the Transferred Assets.

Lease liabilities and associated right-of-use ("ROU") assets were determined based on Spartan's historical records directly attributable to the Transferred Assets. Additionally, these lease liabilities and associated ROU assets were assumed by Logan under the Spin-Out.

Deferred income taxes were not allocated based on Spartan's historical records for the carve-out periods as Logan is not the legal obligor to either the deferred taxes or the tax pools. Spartan did not incur current taxes during the carve-out periods.

Oil and gas sales, royalties, processing and other income, operating and transportation expenses were directly attributable to the Transferred Assets.

Depletion, depreciation and impairment expenses were derived from the historical capital amounts of Spartan directly attributable to the Transferred Assets and proved and probable reserves for the Transferred Assets calculated in accordance with the policy outlined in note 3 of the 2023 Annual Financial Statements.

Accretion and financing expenses were derived from the historical records of Spartan directly attributable to the decommissioning obligations and lease liabilities of the Transferred Assets, respectively.

General and administrative ("G&A") and share based compensation ("SBC") expenses were allocated to the Transferred Assets based on the percentage of employees retained in Logan relative to the overall average employee count of Spartan.

Risk management contracts and related realized and unrealized gains and losses on derivative financial instruments were not allocated to the Transferred Assets. There were no risk management contracts assumed by Logan under the Spin-Out.

Equity in the Transferred Assets is presented as a net investment in place of shareholders' equity as there was no direct ownership by shareholders in the Transferred Assets. All excess cash flows are assumed to be distributed to Spartan and all cash flow deficiencies and capital expenditures are assumed to be funded by Spartan through the net investment.

c) 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. Significant judgements, estimates and assumptions made by

management in these Financial Statements are consistent with those outlined in note 2 of the 2023 Annual Financial Statements.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company are described in note 3 of the 2023 Annual Financial Statements. These Financial Statements at June 30, 2024, have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended December 31, 2023.

Upcoming accounting pronouncements

On April 9, 2024, the International Accounting Standards Board issued a new standard IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which will replace IAS 1. While many of the existing principles of IAS 1 are retained with limited changes, IFRS 18 introduces changes to the presentation of, and disclosure requirements related to, the Statement of Net Income (Loss) and Comprehensive Income (Loss). IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Logan does not anticipate a material impact upon adoption of IFRS 18, which will be adopted on its effective date.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at June 30, 2024 and December 31, 2023, the financial instruments of the Company include cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, and derivative financial instruments. The fair values of these financial assets and liabilities approximate their carrying value due to the short term to maturity of those instruments. Lease liabilities are financial liabilities measured at amortized cost.

The Company is exposed to financial risks arising from its financial assets and liabilities that include credit and liquidity risk, in addition to the market risks associated with commodity prices, and interest and foreign exchange rates. Net income, cash flows and the fair value of financial assets and liabilities may fluctuate due to movement in market prices or as a result of the Company's exposure to credit and liquidity risks.

Risk Management Overview

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 to manage market risks. All such transactions will be conducted within risk management tolerances that are reviewed by the Board of Directors and limits established under the Credit Facility (defined in note 10). The Credit Facility permits derivative financial contracts provided that: (i) the contracts are not entered into for solely speculative purposes; (ii) the aggregate quantity hedged, at the time of entering into the contract, does not exceed 65% - 85% of future forecasted average daily production dependent on the production year; and (iii) the contracted term does not exceed 36 months.

a) Credit Risk

As at June 30, 2024, the carrying amount of cash and cash equivalents, accounts receivable, deposits and derivative financial instruments receivable represents the Company's maximum credit exposure. 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 composition of the Company's accounts receivable is set out in the following table:

(CA$ thousands)	**June 30, 2024**	December 31, 2023
Oil and gas marketers	**11,241**	11,985
Joint venture partners	**330**	357
Derivative financial instruments	**111**	-
Accrued interest and other receivables	**583**	264
GST input tax credits	**672**	1,074
Accounts receivable	**12,937**	13,680

The aging of the Company's accounts receivable is summarized as follows:

(CA$ thousands)	Current	30-60 days	60-90 days	Over 90 days	Total
Balance at June 30, 2024	**12,772**	**105**	**29**	**31**	**12,937**
Balance at December 31, 2023	13,480	71	4	125	13,680

During the period ended June 30, 2024, sales to three oil and gas marketers represented more than 10% of revenue. Sales to these marketers account for approximately 64% of total oil and gas sales revenue (before royalties) in the six months ended June 30, 2024. During the previous year ended December 31, 2023, sales to three marketers accounted for approximately 84% of total oil and gas sales revenue (before royalties).

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. Management has reviewed past due accounts receivable balances as at June 30, 2024 and expects the accounts to be collectible, with exception to a nominal expected credit loss provision on receivables as at June 30, 2024 and at December 31, 2023.

b) Liquidity Risks

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, 2024, Logan's financial liabilities include accounts payable and accrued liabilities, derivative financial instruments, and lease liabilities. As at June 30, 2024, Logan's Credit Facility was undrawn.

Logan's existing capital resources, including undrawn capacity under the Credit Facility, are sufficient to satisfy its financial obligations for the next twelve months. The following table outlines a contractual maturity analysis for the Company's financial liabilities and undiscounted lease liabilities as at June 30, 2024:

(CA$ thousands)	1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Accounts payable and accrued liabilities	37,751	-	-	-	37,751
Derivative financial instrument liabilities	1,876	-	-	-	1,876
Undiscounted lease liabilities (note 8)	61	5	-	-	66
Total	**39,688**	**5**	**-**	**-**	**39,693**

c) 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.

Commodity price risk

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 price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. 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.

Logan may, from time to time, utilize commodity price risk management contracts to protect cash flows and project economics. These instruments are not used for trading or speculative purposes.

The following table summarizes commodity price risk management contracts in place and the fair value of the respective derivative financial instrument assets and liabilities as at June 30, 2024:

Commodity / Contract Type	Notional Volume	Reference Price	Fixed Contract Price	Remaining Term	Derivative Asset (Liability) *(CA$ thousands)*
Crude oil – swap	1,500 barrels per day	WTI – NYMEX	CA$101.33 per barrel	July 1 to December 31, 2024	(1,876)
Natural gas – swap	20,000 GJ per day	AECO 7A	CA$1.63 per GJ	July 1 to Sept 30, 2024	1,637
Net derivative financial instrument liability as at June 30, 2024					**(239)**

Refer to note 19 "Subsequent Events" for information regarding new contracts entered after the reporting period.

The fair values of derivative financial instruments are designated as Level 2 in the fair value hierarchy and are highly sensitive to changes in underlying commodity prices. The table below illustrates the stand-alone impact of changes in specified benchmark prices and differentials on net income before income taxes, holding all other variables constant, of risk management contracts in place as at June 30, 2024:

(CA$ thousands)	Change in price	Positive movement	Negative movement
WTI – NYMEX	+/- CA$ 5.00 per barrel	(1,373)	1,373
AECO 7A	+/- CA$ 0.25 per GJ	(455)	455

Foreign exchange 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. In addition, Logan is exposed to current risk on U.S. working capital, however, the Company's exposure based on U.S. dollar denominated working capital balances outstanding at June 30, 2024 and December 31, 2023 was nominal. The Company does not currently have any foreign exchange risk management contracts in place, however the Company's commodity price risk management contacts for crude oil denominated in Canadian dollars indirectly mitigate currency exposure on the notional amount of crude oil volumes.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on any bank debt drawn which bears floating rates of interest. Under the Credit Facility (note 10), interest rates fluctuate based on the bank prime rate plus an applicable margin, which varies based on the Company's net debt to cash flow ratio each quarter. The Company is also exposed to interest rate risk on its cash and cash equivalents. At June 30, 2024, the Company had no bank debt outstanding and $1.9 million of cash on hand. An increase (decrease) in the market rate of interest by 50 basis points would have a nominal impact on annualized interest income on cash and cash equivalents. The Company does not currently have any interest rate risk management contracts in place.

Gains and losses on derivative financial instruments

The table below summarizes the realized and unrealized component of gains and losses on the Company's derivative financial instruments during the periods:

	Three months ended June 30		Six months ended June 30	
(CA$ thousands)	**2024**	2023	**2024**	2023
Realized loss	**(244)**	-	**(456)**	-
Unrealized gain (loss)	**1,879**	-	**(239)**	-
Gain (loss) on derivative financial instruments	**1,635**	-	**(695)**	-

Offsetting of financial instruments

Financial assets and liabilities are only offset in the Statements of Financial Position if the Company has the current legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. Logan offsets derivative financial instrument assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same. As at June 30, 2024, the carrying values of the derivative financial instruments were equivalent to the gross values, therefore no netting was applied.

5. COMMON CONTROL TRANSACTION

On June 20, 2023, Logan commenced active oil and gas operations as a result of the closing of the Spin-Out (see note 1). The Transferred Assets were conveyed to Logan from Spartan in exchange for one Logan Share and one Transaction Warrant per common share of Spartan outstanding, which were subsequently distributed to eligible Spartan shareholders on July 6, 2023 (the "Distribution").

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), this transaction was deemed to be a common control transaction. Under a common control transaction, the assets and liabilities assumed by Logan, including accounts receivable, PP&E, E&E, ROU assets, accounts payable and accrued liabilities, decommissioning obligations and lease liabilities, are recognized at the carrying amount of the Transferred Assets based on the financial records of Spartan. 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.

Common shares issued as part of the consideration for the common control transaction with Spartan were valued at $0.33 per common share consistent with the issue price of the Private Placement of $0.35 per common share (note 11b), less the value allocated to the Transaction Warrants. The Transaction Warrants were valued at $0.02 per Transaction Warrant using the Black-Scholes model (see note 11c).

Net Investment in Transferred Assets

These Financial Statements reflect Spartan's net investment in the operations of the Transferred Assets for the period during which there was no direct ownership by shareholders in the Transferred Assets. The net investment in the Transferred Assets is comprised of accumulated net income of the operations and the accumulated net contributions from and distributions to Spartan up to June 20, 2024, the date of the common control transaction as described in note 2 of these Financial Statements.

Net financing transactions with Spartan as presented on the Statements of Cash Flows represents the net contributions and distributions related to distributions between the Transferred Assets and Spartan. All share based compensation expense up to the Spin-Out has been included in the net investment in the Transferred Assets account.

The following table reconciles the net investment in the Transferred Assets:

(CA$ thousands)	December 31, 2023
Balance, beginning of year	95,795
Net income (loss) up to Spin-Out	(34,696)
Net distributions to Spartan	(3,799)
Share based compensation up to Spin-Out	3,320
Common shares issued on Spin-Out	(57,156)
Transaction Warrants issued on Spin-Out	(3,464)
Balance, end of year	-

6. EXPLORATION AND EVALUATION ASSETS

The Company's E&E assets consist primarily of undeveloped land and seismic. The following table reconciles the change in carrying value during the periods:

(CA$ thousands)	**June 30, 2024**	December 31, 2023
Balance, beginning of year	**16,335**	26,674
Additions	**23,657**	8,126
Acquisitions	**200**	2,848
Transfers to PP&E (note 7)	**(567)**	(296)
Impairment [(1)]	**-**	(21,017)
Balance, end of period	**39,625**	16,335

(1) Presented in "exploration and evaluation" expense.

Logan assessed its E&E assets for potential impairment prior to transferring costs to PP&E and as at June 30, 2024 and at December 31, 2023, concluding there are no indicators of impairment. During the current period and previous year there were no expenses related to expired mineral leases.

As at March 31, 2023, an impairment loss of $21.0 million on E&E assets was recognized based on Spartan's historical records for the Transferred Assets. Spartan recognized an impairment loss on the Simonette and Pouce Coupe E&E assets as these assets were not a development focus of Spartan, with no capital allocated to develop these E&E assets beyond the values captured in the 2022 McDaniel Report (note 7). The estimated fair value was based on an independent third party land valuation of $5.7 million for the undeveloped Flatrock property. At June 30, 2024 and December 31, 2023, there were no further indicators of impairment relating to the E&E assets.

7. PROPERTY, PLANT AND EQUIPMENT

The Company's PP&E primarily includes development and production assets.

The following tables reconcile the movements in the cost and accumulated depletion, depreciation and impairment ("DD&I") during the periods:

PP&E, at cost *(CA$ thousands)*	**Total PP&E**
Balance at December 31, 2022	129,948
Additions	72,339
Acquisitions (1)	2,643
Changes in decommissioning cost (note 9)	1,795
Transfers from E&E (note 6)	296
Balance at December 31, 2023	**207,021**
Additions	**57,629**
Acquisitions	**199**
Changes in decommissioning cost (note 9)	**(1,465)**
Transfers from E&E (note 6)	**567**
Balance at June 30, 2024	**263,951**

(1) Subsequent to completion of the Spin-Out, Logan acquired $2.4 million of casing and equipment from Spartan during 2023 to be utilized in Logan's capital program.

Accumulated DD&I *(CA$ thousands)*	**Total PP&E**
Balance at December 31, 2022	33,718
Depletion and depreciation	25,193
Impairment	7,566
Reversal of impairment	(8,448)
Balance at December 31, 2023	**58,029**
Depletion and depreciation	**17,000**
Balance at June 30, 2024	**75,029**

Net carrying value	**Total PP&E**
Balance at December 31, 2023	148,992
Balance at June 30, 2024	**188,922**

Future development capital expenditures required to develop total proved plus probable reserves in the amount of $736.0 million are included in the depletion calculation for development & production assets for the three months ended June 30, 2024 ($771.7 million at December 31, 2023).

Impairment Reversal of PP&E

At December 31, 2023, Logan identified indicators of impairment reversal for its Alberta cash generating unit ("CGU") due to active development of the Transferred Assets post Spin-Out which resulted in a material increase to Logan's oil and gas reserves. The British Columbia CGU had no previously recognized impairment charges to be assessed for reversal.

Logan recognized a reversal of impairment of $8.4 million for the Alberta CGU, representing full reversal of accumulated PP&E impairment losses recognized in Spartan's historical records for the Transferred Assets, net of deemed depletion

that would have been recorded had no impairment losses been recognized. The recoverable amount of the assets was based on fair value less costs of disposal ("FVLCD") methodology, calculated using the present value of the expected future cash flows discounted at 13% after tax. The estimated recoverable amount of the PP&E exceeded the carrying value of $140.3 million before reversal, resulting in an impairment reversal of $8.4 million recognized in the Statements of Net Income (Loss) and Comprehensive Income (Loss) related to the Transferred Assets.

The projected cash flows used in the FVLCD calculation were derived from a report on Logan's oil and gas reserves prepared by McDaniel and Associates ("McDaniel"), an independent qualified reserve evaluator, as of December 31, 2023 (the "2023 McDaniel Report"). The recoverable amount estimated pursuant to the FVLCD calculation is sensitive to the discount rate and forecast commodity prices. However, holding all other assumptions in the calculation constant, an increase (decrease) in the discount rate by 1% or increase (decrease) in the forecast combined average realized price by 5% would still have resulted in a full PP&E impairment reversal in the Alberta CGU.

The forecast future commodity prices, inflation rates and foreign exchange rates (Level 3 fair value inputs) used in the reversal of impairment evaluation as at December 31, 2023, reflect the benchmark prices set forth in the table below, adjusted for basis differentials to determine local reference prices, transportation costs and tariffs, heat content and quality.

Selected Benchmark Price Forecasts

As at December 31, 2023	2024	2025	2026	2027	2028[(1)]
WTI Cushing Oklahoma (US$/bbl)	73.67	74.98	76.14	77.66	79.22
Edmonton Light Crude Oil ($/bbl)	92.91	95.04	96.07	97.99	99.95
NYMEX Henry Hub (US$/MMBtu)	2.75	3.64	4.02	4.10	4.18
AECO-C Spot ($/MMBtu)	2.20	3.37	4.05	4.13	4.21
Exchange rate (US$/CA$)	0.752	0.752	0.755	0.755	0.755

(1) Prices escalate at 2.0% thereafter; exchange rate is held constant at $0.755 US$/CA$ thereafter.

Impairment of PP&E

Logan assessed each of its CGUs for indicators of potential impairment as at June 30, 2024 and December 31, 2023 and concluded there are no further indicators of impairment.

As at March 31, 2023, an impairment loss of $7.6 million on PP&E assets was recognized based on Spartan's historical records for the Transferred Assets. The recoverable amount of the assets was based on FVLCD methodology, calculated using the present value of the expected future cash flows discounted at 13% after tax. The carrying value of the PP&E exceeded the estimated recoverable amount, resulting in an impairment loss of $7.6 million recognized in the Statements of Net Income (Loss) and Comprehensive Income (Loss) related to the Transferred Assets.

The projected cash flows used in the FVLCD calculation were derived from a report on Spartan's oil and gas reserves which was prepared by McDaniel as of December 31, 2022 (the "2022 McDaniel Report"). The projected cash flows derived from the 2022 McDaniel Report were updated by Spartan to reflect the following changes to key assumptions:

- The long-term forecast for commodity prices and foreign exchange rates was updated based on the escalated combined average price forecast as at March 31, 2023.
- The reserves databased was mechanically updated to a reference/discount date of March 31, 2023, such that forecast cash flows for 2023 were the remaining nine-month period ending December 31, 2023.

The impairment loss represents the shortfall of the recoverable amount calculated based on the assumptions described above, relative to the carrying value of the assets of $91.7 million before impairment. The recoverable amount estimated pursuant to the FVLCD calculation is sensitive to the discount rate and forecast commodity prices. Holding all other assumptions in the calculations in the calculation constant:

- if the discount rate increased (decreased) by 1%, the impairment would increase (decrease) by approximately $4.3 million ($3.9 million); and
- if the forecast combined average realized price decreased (increased) by 5%, the impairment would increase (decrease) by approximately $17.1 million.

The forecast future commodity prices, inflation rates and foreign exchange rates (Level 3 fair value inputs) used in the impairment evaluation as at March 31, 2023, reflect the benchmark prices set forth in the table below, adjusted for basis differentials to determine local reference prices, transportation costs and tariffs, heat content and quality.

Selected Benchmark Price Forecasts

As at March 31, 2023	2023[(1)]	2024	2025	2026	2027[(2)]
WTI Cushing Oklahoma (US$/bbl)	76.83	77.15	76.09	77.61	79.16
Edmonton Light Crude Oil ($/bbl)	99.26	97.18	95.30	96.79	98.73
NYMEX Henry Hub (US$/MMBtu)	3.02	3.71	4.23	4.31	4.40
AECO-C Spot ($/MMBtu)	2.97	3.73	4.25	4.32	4.40
Exchange rate (US$/CA$)	0.744	0.757	0.760	0.763	0.763

(1) Prices are for the period of April 1, 2023 to December 31, 2023.

(2) Prices escalate at 2.0% thereafter; exchange rate is held constant at $0.763 US$/CA$ thereafter.

8. LEASES

The Company has various lease contracts in place for compression equipment, vehicles and office space. Logan's lease liabilities and corresponding ROU assets are recognized initially based on the present value of the remaining lease payments, except for certain short-term leases which have been charged to general and administrative expenses or operating expenses, if applicable depending on the nature of the lease, in the Statements of Net Income (Loss) and Comprehensive Income (Loss).

RIGHT-OF-USE ASSETS

The following table reconciles the change in the Company's ROU assets during the periods:

(CA$ thousands)	**June 30, 2024**	December 31, 2023
Right-of-use asset, at cost		
Balance, beginning of year	**460**	414
Additions	**-**	46
Balance, end of period	**460**	460
Accumulated depreciation		
Balance, beginning of year	**321**	173
Depreciation expense	**80**	148
Balance, end of period	**401**	321
Right-of-use asset, net carrying value	**59**	139

LEASE LIABILITIES

As at June 30, 2024, the present value of the Company's total lease liability is $0.1 million, of which approximately $0.1 million is expected to be settled in the next twelve months. A continuity of the lease obligation is provided below:

(CA$ thousands)	**June 30, 2024**	December 31, 2023
Lease liabilities		
Balance, beginning of year	**150**	251
Additions	**-**	46
Lease payments	**(88)**	(160)
Financing cost (note 14)	**3**	13
Balance, end of period	**65**	150
Expected to be settled within one year	**60**	135
Expected to be settled beyond one year	**5**	15

A contractual maturity of the undiscounted payments due under the Company's lease agreements is provided in note 4 of these Financial Statements.

The Company has short term leases in place primarily for equipment with contract terms less than twelve months, expensed within operating expenses. The total amount expensed in respect of short-term leases was approximately $0.7 million during the six months ended June 30, 2024 ($0.4 million during the six months ended June 30, 2023).

9. DECOMMISSIONING OBLIGATIONS

Decommissioning liabilities arise as a result of the Company's net ownership interests in crude oil and natural gas assets including well sites, processing facilities and infrastructure. The following table provides a reconciliation of the carrying amount of the obligation associated with the retirement of oil and gas properties:

(CA$ thousands)	**June 30, 2024**	December 31, 2023
Balance, beginning of year	**31,327**	28,816
Obligations incurred	**441**	976
Obligations acquired	**99**	161
Obligations disposed	**-**	(35)
Obligations settled	**(511)**	(345)
Changes in discount rate	**(1,859)**	1,528
Changes in estimates	**(47)**	(709)
Accretion (note 14)	**483**	935
Balance, end of period	**29,933**	31,327
Expected to be settled within one year	**1,700**	1,700
Expected to be settled beyond one year	**28,233**	29,627

The underlying cost estimates are derived from a combination of published industry benchmarks as well as site specific information. As at June 30, 2024, the total undiscounted amount of the estimated cash flows required to settle the obligation is $37.5 million ($37.2 million as of December 31, 2023), of which, Logan expects to incur approximately $26.5 million over the next 20 years, $10.8 million in 20 to 50 years and the residual thereafter. The estimated inflated undiscounted future cash flows required to settle the obligation is $59.5 million at June 30, 2024 based on an inflation rate of 2.1% on average over the restoration period (December 31, 2023 – $58.0 million based on an inflation rate of

2.1%). As at June 30, 2024, the carrying amount of the decommissioning obligations is based on a risk-free rate of 3.4% (3.0% at December 31, 2023).

10. BANK DEBT

In July 2023, the Company established a senior secured revolving demand credit facility with National Bank of Canada (the "Credit Facility"). As at June 30, 2024, the Company had no bank debt outstanding on the Credit Facility but had issued $2.4 million of undrawn standby letters of credit (see below regarding new letter of credit facility).

In March 2024, the authorized borrowing base available under the Credit Facility was increased from $15.0 million to $50.0 million. In August 2024, the borrowing base was further increased to $75.0 million (note 19). The borrowing base is subject to semi-annual reviews 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 semi-annual review was completed early in August 2024 and the next scheduled review is set to occur in May 2025.

The Credit Facility is secured by a first fixed and floating charge debenture over all the Company's assets in the amount of $150.0 million and a general assignment of book debts. As the Credit Facility is repayable on demand, amounts drawn on the facility in the future will be presented within current liabilities. Repayments of principal are not required until requested by National Bank of Canada, provided that the borrowings do not exceed the authorized borrowing base and the Company is in compliance with all covenants, representations and warranties.

As at December 31, 2023, the Company was subject to a financial covenant whereby the Company's "Adjusted Working Capital" ratio (as defined in the credit agreement), calculated quarterly, shall not be less than 1.0 to 1.0. In March 2024, the "Adjusted Working Capital" covenant was replaced with a "Net Debt to Cash Flow" covenant, whereby the Company's net debt relative to trailing cash flow (as defined in the credit agreement), calculated quarterly, shall not be greater than 2.0 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.

Covenant Description (1)		**June 30, 2024**	December 31, 2023
Net Debt to Cash Flow ratio (2)	maximum ratio 2.0 to 1.0	**0.57**	n/a
Adjusted Working Capital ratio (3)	minimum ratio 1.0 to 1.0	**n/a**	3.01

(1) The covenants do not have standardized meanings under IFRS Accounting Standards and are calculated in accordance with the definitions in the credit agreements, as described further below.

(2) The net debt used in the covenant calculation primarily includes bank debt (if any) and working capital, excluding derivative financial instrument assets and liabilities which are not due and owing at the calculation date. The definition of cash flow is generally equivalent to the Company's cash provided by operating activities excluding the change in non-cash working capital. The definition of cash flow will be on a 12-month trailing basis (however for the first three quarters of 2024 it is an annualized calculation), and is subject to adjustment for certain acquisitions or dispositions in excess of a threshold amount to give effect to the transaction as if it occurred at the beginning of the calculation period, among other potential adjustments.

(3) The Adjusted Working Capital ratio is no longer applicable following amendment to the Credit Facility in March 2024.

Interest is payable monthly for borrowings through direct advances under the Credit Facility. Interest rates fluctuate based on bank prime plus an applicable margin. Under the Credit Facility, borrowings through the use of CORRA loans are also available at the Canadian Overnight Repo Rate Average ("CORRA") plus an applicable margin. The Company incurs standby fees on the undrawn facility which also fluctuate based on the pricing grid.

Letter of Credit Facility

In June 2024, the Company entered into a new demand letter of credit facility which provides Logan with $5.0 million of incremental credit capacity to issue letters of credit. The letters of credit may be issued for general corporate purposes and are limited to a term of one year from the date of issuance. Letter of credit obligations are repayable on demand.

11. SHARE CAPITAL

a) Authorized

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. Common shares carry one vote per share and the right to any dividends declared. The preferred shares may be issued in series, with the directors determining the terms of the preferred shares on a series-by-series basis.

b) Issued and outstanding

The following table summarizes the change in common shares issued and outstanding. There are no preferred shares or special shares outstanding as of June 30, 2024 (December 31, 2023 – nil).

	Number of common shares (000s)	Amount ($ thousands)
Balance at December 31, 2022	-	-
Issued pursuant to the Spin-Out (note 5)	173,201	57,156
Issued for cash pursuant to the Private Placement [(1)]	138,545	48,491
Issued for cash on exercise of Transaction Warrants	153,791	53,827
Value attributed to Transaction Warrants exercised	-	3,076
Value attributed to Transaction Warrants expired	-	388
Share issue costs, net of deferred income taxes	-	(69)
Balance at December 31, 2023	465,537	162,869
Balance at June 30, 2024	**465,537**	**162,869**

(1) On July 12, 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 an aggregate of 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"). Logan Shares issued through the Private Placement, inclusive of Logan Shares issued through the Units, were valued at $0.35 per common share equivalent to the consideration received.

c) Warrants

The following table summarizes the change in common share purchase warrants issued and outstanding:

	Number of warrants (000s)	Amount ($ thousands)	Average exercise price ($/share)
Balance at December 31, 2022	-	-	-
Transaction Warrants issued pursuant to the Spin-Out (note 5)	173,201	3,464	0.35
Transaction Warrants exercised	(153,791)	(3,076)	(0.35)
Transaction Warrants expired	(19,410)	(388)	(0.35)
Financing Warrants issued pursuant to the Private Placement	64,286	9,790	0.35
Balance at December 31, 2023	64,286	9,790	0.35
Balance at June 30, 2024	**64,286**	**9,790**	**0.35**

Each Transaction Warrant entitled the holder to purchase one Logan Share at an exercise price of $0.35 per common share expiring on July 31, 2023, later extended to August 14, 2023. During the year ended December 31, 2023, 153.8 million of the total 173.2 million Transaction Warrants were exercised for proceeds of $53.8 million and 19.4 million Transaction Warrants expired.

In July 2023, 64.3 million Financing Warrants were issued pursuant to the Private Placement. 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 Financing Warrants vested and became 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. The Company recorded a one-time SBC expense of $9.8 million during the third quarter of 2023 based on 64.3 million of Financing Warrants issued multiplied by the estimated fair value of $0.15 per Financing Warrant.

The fair value of the Transaction Warrants and Financing Warrants was estimated on the date of issue using the Black Scholes option pricing model with the following assumptions:

	Transaction Warrants	Financing Warrants
Risk free interest rate	4.8%	4.2%
Expected life (years)	0.1	3.0
Expected volatility (1)	45.0%	60.0%
Expected dividend yield	0.0%	0.0%
Expected forfeiture rate	10.0%	0.0%
Average fair value of warrants granted ($/share)	0.02	0.15

(1) Logan estimated the expected volatility over the life of the warrant based on a peer group average for junior oil and gas companies.

d) Stock options

The Company has a stock option plan under which options to purchase common shares may be granted to officers, directors, employees and consultants. The Board of Directors has approved a policy of reserving up to 10% of the outstanding common shares for issuance to eligible participants of the stock option and share award plans. All stock options have a maximum term of five years and the vesting period for each grant is determined at the discretion of the Board of Directors.

The following table summarizes the change in Logan's stock options outstanding:

	Number of options (000s)	Average exercise price ($/share)
Balance at December 31, 2022	-	-
Granted (1)	22,700	0.89
Forfeited	(5)	(0.89)
Balance at December 31, 2023	22,695	0.89
Forfeited	(50)	(0.89)
Balance at June 30, 2024 (2)(3)	**22,645**	**0.89**

(1) Stock options granted on November 22, 2023 with an exercise price of $0.89 per share vest 1/3 per year on the anniversary date of the grant.
(2) Stock options outstanding have a remaining term of 4.4 years as at June 30, 2024.
(3) The volume weighted average trading price ("VWAP") of the Company's common shares on the TSXV for the three and six months ended June 30, 2024 was $0.89 and $0.86 per share, respectively. Accordingly, the outstanding stock options were not in-the-money during the three and six months ended June 30, 2024.

e) Share awards

The Company has a share award incentive plan, pursuant to which the Company may grant restricted share awards ("RSAs") and performance share awards ("PSAs") to directors, officers, employees and consultants of the Company. The share awards, being RSAs or PSAs as applicable, granted under the share award incentive plan are intended to be settled through the issuance of new common shares upon vesting for no additional consideration. The Board of Directors shall not grant new share awards under the plan if the number of shares issuable pursuant to outstanding share awards, when combined with the number of shares issuable pursuant to outstanding stock options granted under the Company's stock option plan, would exceed 10% of the issued and outstanding common shares at the time of the grant. The vesting period is determined at the discretion of the Board of Directors. As at June 30, 2024 and as of the date hereof, no share awards have been granted under Logan's share award incentive plan.

f) Share based compensation expense

The following table summarizes the components of the Company's SBC expense as presented in the Statements of Net Income (Loss) and Comprehensive Income (Loss):

	Three months ended June 30		Six months ended June 30	
(*CA$ thousands*)	**2024**	2023[1]	**2024**	2023[1]
Stock options	**1,298**	94	**2,581**	329
Share awards	**-**	1,374	**-**	2,991
Share based compensation expense	**1,298**	1,468	**2,581**	3,320

(1) As described in note 2b), a portion of the SBC expense associated with the granted and outstanding stock options and share awards of Spartan were allocated for the purposes of the comparative period carve-out financial statements.

g) Per share amounts

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.

The table below summarizes the weighted average ("WA") number of common shares outstanding (000's) used in the calculation of net income (loss) per share for the three and six months ended June 30, 2024 and 2023:

	Three months ended June 30		Six months ended June 30	
(000s)	**2024**	2023	**2024**	2023
WA common shares outstanding, basic	**465,537**	173,201	**465,537**	173,201
Dilutive effect of warrants [1]	**38,989**	-	**38,213**	-
WA common shares outstanding, diluted [2]	**504,526**	173,201	**503,750**	173,201
Net income (loss)	**416**	(3,856)	**(1,575)**	(34,482)
$ per common share, basic and diluted [2]	**0.00**	(0.02)	**(0.00)**	(0.20)

(1) Dilutive effect of outstanding securities includes the incremental dilutive impact of the Financing Warrants from the date of issuance on July 12, 2023. Stock options outstanding from the date of grant were excluded from the dilutive effect of outstanding securities as the stock options were not in the money based on the VWAP during the three and six months ended June 30, 2024.

(2) In computing the diluted loss per common share for the six months ended June 30, 2024, the Company excluded the effect of outstanding securities as they were anti-dilutive to the net loss per share.

12. INCOME TAXES

As at June 30, 2024, total tax pools available to the Company are estimated to be $182.5 million (December 31, 2023 – $119.4 million).

The following table reconciles income taxes calculated at the weighted average Canadian statutory rate with the actual provision for income taxes per the Statements of Net Income (Loss) and Comprehensive Income (Loss):

	Three months ended June 30		Six months ended June 30	
(*CA$ thousands)*	**2024**	2023	**2024**	2023
Net income (loss) before income taxes	**929**	(3,856)	**(1,273)**	(34,482)
Canadian statutory tax rate [1]	**23.0%**	23.0%	**23.0%**	23.0%
Expected income tax expense (recovery)	**214**	(887)	**(293)**	(7,931)
Increase resulting from:				
Attributed to Spartan [2]	**-**	887	**-**	7,931
Non-deductible expenses [3]	**299**	-	**595**	-
Deferred income tax expense	**513**	-	**302**	-
Current income tax expense	**-**	-	**-**	-
Income tax expense	**513**	-	**302**	-

(1) The Canadian statutory tax rate per the rate reconciliation represents the average combined federal and provincial corporate tax rate.

(2) The Company did not record current or deferred 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 (note 2b).

(3) Non-deductible expenses primarily relates to share-based compensation expense subsequent to the Spin-Out (note 11c).

The movement in deferred tax assets and liabilities, without taking into consideration the offsetting balances within the same tax jurisdiction, are as follows:

(*CA$ thousands)*	Balance at Dec 31, 2023	Recognized in net income	Recognized in balance sheet	**Balance at Jun 30, 2024**
Derivative financial instruments	-	55	-	**55**
Accelerated tax basis depreciation	(14,058)	(833)	-	**(14,891)**
Decommissioning obligations	7,205	(321)	-	**6,884**
Leases	2	(1)	-	**1**
Share and debt issue costs	17	(2)	-	**15**
Non-capital losses ("NCLs") [1]	3,493	800	-	**4,293**
Deferred income tax liability	**(3,341)**	**(302)**	**-**	**(3,643)**

(1) NCLs expire in years 2043 to 2044.

Under IFRS Accounting Standards, deferred income tax assets may only be recognized to the extent that it is probable that future taxable profits will be available against which unused tax losses and deductible temporary differences can be utilized. The Company expects to have sufficient taxable profits in the future in order to utilize its NCLs which expire in years 2043 to 2044 and has recognized the deferred tax asset related to NCLs.

13. OIL AND GAS SALES, NET OF ROYALTIES

The following table summarizes the composition of Logan's oil and gas sales revenue by product type:

	Three months ended June 30		Six months ended June 30	
(*CA$ thousands*)	**2024**	2023	**2024**	2023
Oil and gas sales				
Crude oil	**19,648**	5,550	**34,234**	12,431
Natural gas liquids	**3,241**	2,979	**6,754**	6,367
Natural gas	**3,655**	5,172	**9,986**	13,919
Oil and gas sales	**26,544**	13,701	**50,974**	32,717
Royalties	**(2,883)**	(1,137)	**(4,901)**	(4,296)
Oil and gas sales, net of royalties	**23,661**	12,564	**46,073**	28,421

14. FINANCING

The following table summarizes the significant components of the Company's financing expenses (income), as presented in the Statements of Net Income (Loss) and Comprehensive Income (Loss):

	Three months ended June 30		Six months ended June 30	
(*CA$ thousands*)	**2024**	2023	**2024**	2023
Interest and fees on bank debt	**77**	-	**164**	-
Financing cost of lease liabilities	**1**	3	**3**	6
Accretion of decommissioning obligations	**248**	223	**483**	446
Financing expenses	**326**	226	**650**	452
Interest income	**(306)**	-	**(942)**	-
Financing expenses (income)	**20**	226	**(292)**	452

15. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended June 30		Six months ended June 30	
(*CA$ thousands*)	**2024**	2023	**2024**	2023
Accounts receivable	**(7,079)**	1,166	**743**	4,867
Prepaid expenses and deposits	**(1,126)**	(707)	**(1,791)**	(707)
Accounts payable and accrued liabilities	**1,641**	1,481	**12,047**	1,326
Foreign exchange	**(3)**	-	**4**	-
Change in non-cash working capital	**(6,567)**	1,940	**11,003**	5,486
Relating to:				
Operating activities	**(5,350)**	(245)	**1,605**	2,807
Financing activities	**-**	-	**-**	-
Investing activities	**(1,217)**	2,185	**9,398**	2,679
Change in non-cash working capital	**(6,567)**	1,940	**11,003**	5,486
Cash payments in respect of:				
Interest and fees on bank debt	**36**	-	**178**	-
Income taxes	**-**	-	**-**	-

16. CAPITAL MANAGEMENT

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 to fund future settlements of decommissioning obligations. The Company seeks to create long-term shareholder value by investing in projects that are expected to strengthen its overall asset portfolio and suite of internally generated prospects.

As at June 30, 2024, the Company considers its capital structure to include shareholders' equity, bank debt (if any) and working capital. Logan uses "Net Debt (Surplus)" as a capital management measure and is calculated by the Company as bank debt, net of "Adjusted Working Capital". Net Debt (Surplus) and Adjusted Working Capital are both non-GAAP financial measures. Adjusted Working Capital is calculated by Logan as current liabilities less current assets, excluding derivative financial instrument assets and liabilities and the current portion of bank debt (if any).

The significant components of the Company's capital structure are summarized below:

(CA$ thousands)	**June 30, 2024**	December 31, 2023
Current liabilities	**41,387**	27,539
Current assets	**(19,784)**	(69,172)
Working capital deficit (surplus)	**21,603**	(41,633)
Adjusted for current portion of:		
Derivative financial instrument assets	**1,637**	-
Derivative financial instrument liability	**(1,876)**	-
Adjusted Working Capital	**21,364**	(41,633)
Bank debt	**-**	-
Net Debt (Surplus)	**21,364**	(41,633)
Total shareholders' equity	**175,122**	174,116

Logan had Net Debt of $21.4 million as at June 30, 2024. Net Debt increased compared to a $41.6 million Net Surplus at December 31, 2023, primarily due to capital expenditures which exceeded cash flow provided by operating activities during the period. During the six months ended June 30, 2024, the Company utilized the cash on hand and $20.2 million in cash provided by operating activities to fund the Company's exploration and development capital expenditures and acquisitions of $46.1 million. As at June 30, 2024, Logan had $1.9 million of cash on hand and no bank debt outstanding.

The capital intensive nature of Logan's operations may create a working capital deficiency position during periods with high levels of capital investment. The Company maintains sufficient unused bank credit lines to satisfy such working capital deficiencies. As at June 30, 2024, the Company's Net Debt of $21.4 million represented 43% of the authorized borrowing amount available under the Credit Facility of $50.0 million. The borrowing base was subsequently increased to $75.0 million effective August 2024 (note 19).

Logan is well positioned to execute on its short and longer term growth strategy. Future exploration and development capital expenditures are expected to be funded by cash provided by operating activities and borrowings under the Company's Credit Facility (notes 10). In order to maintain or adjust its capital structure in the future, the Company may issue new common shares or other equity securities, issue debt, adjust capital expenditures and acquire or dispose of assets.

As at June 30, 2024, the Company is not subject to any externally imposed capital requirements other than the financial covenants under the Credit Facility, to which Logan is in full compliance (note 10).

17. COMMITMENTS AND CONTINGENCIES

The following table summarizes the Company's contractual commitments as of June 30, 2024:

(CA$ thousands)	2024	2025	2026	2027	2028	Thereafter
Gas transportation (1)	3,797	5,963	1,825	1,906	7,348	46,332
Liquids transportation (2)	115	237	60	-	-	-
Processing fees (3)	3,482	7,569	7,638	5,018	6,095	22,027
Capital commitments (4)	184	-	-	-	-	-
Total commitments (5)	**7,578**	**13,769**	**9,523**	**6,924**	**13,443**	**68,359**

(1) Logan has firm transportation commitments on natural gas pipelines in Alberta until October 2035.

(2) Relates to upstream natural gas liquids 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 NorthRiver Fourth Creek and Gordondale East gas plants until March 2027; (ii) firm capacity for natural gas gathering and processing at the CSV Simonette Gas Plant until September 2040; and (iii) and a commitment to make-whole, in the event of a shortfall (if any) on partner capital recovery on certain projects at the CSV Simonette Gas Plant, of up to $1.9 million that may become payable in February 2028.

(4) Capital commitments relates to agreements committing Logan to purchase a total $4.0 million of casing and tubing for capital projects over 2023 to 2024, of which $0.2 million is remaining.

(5) The commitments table does not include lease liabilities. A contractual maturity of the Company's financial liabilities and undiscounted lease payments is provided in note 4.

18. RELATED PARTY DISCLOSURES

Inter-corporate relationships

As at June 30, 2024, Logan is a stand alone legal entity. Logan was initially incorporated on March 10, 2023 as a wholly owned subsidiary of Spartan. On July 6, 2023, the Distribution of Logan Shares and Transaction Warrants to eligible holders of common shares of Spartan was completed and Logan ceased to be a subsidiary, and consequently is no longer a related party of Spartan.

19. SUBSEQUENT EVENTS

Upsized Credit Facility

Effective August 21, 2024, the Company's lender increased the authorized borrowing amount available under the Credit Facility from $50.0 million to $75.0 million. The next scheduled borrowing base review is set to occur in May 2025. The terms of the Credit Facility are otherwise unchanged.

Commodity Hedging Update

In August 2024, the Company entered into the following commodity price risk management contracts:

Commodity / Contract Type	Notional Volume	Reference Price	Fixed Contract Price	Remaining Term
Crude oil – swap	500 barrels per day	WTI – NYMEX	CA$102.05 per barrel	January 1 to December 31, 2025
Crude oil – short call	500 barrels per day	WTI – NYMEX	CA$102.05 per barrel	January 1 to December 31, 2025